

107TH CONGRESS }  
2d Session }

COMMITTEE PRINT {

COMPILATION OF SELECTED FEDERAL ACTS  
RELATING TO MUNICIPAL AFFAIRS OF  
THE DISTRICT OF COLUMBIA

---

As Amended Through November 7, 2002

INCLUDING

DISTRICT OF COLUMBIA HOME RULE ACT  
DISTRICT OF COLUMBIA FINANCIAL RESPONSIBILITY AND  
MANAGEMENT ASSISTANCE ACT OF 1995  
DISTRICT OF COLUMBIA SCHOOL REFORM ACT OF 1995  
NATIONAL CAPITAL REVITALIZATION AND SELF-GOVERN-  
MENT IMPROVEMENT ACT OF 1997

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PREPARED FOR THE USE OF THE  
COMMITTEE ON GOVERNMENT REFORM  
HOUSE OF REPRESENTATIVES



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**█ District of Columbia Financial Responsibility and Management Assistance Act of 1995**

**█ District of Columbia School Reform Act of 1995**

**█ National Capital Revitalization and Self-Government Improvement Act of 1997**

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**THE DISTRICT OF COLUMBIA HOME RULE ACT**





# THE DISTRICT OF COLUMBIA HOME RULE ACT

Public Law 93-198; 93rd Congress, S. 1435; December 24, 1973

AN ACT To reorganize the governmental structure of the District of Columbia, to provide a charter for local government in the District of Columbia subject to acceptance by a majority of the registered qualified electors in the District of Columbia, to delegate certain legislative powers to the local government, to implement certain recommendations of the Commission on the Organization of the Government of the District of Columbia, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

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## TITLE I—SHORT TITLE, PURPOSES, AND DEFINITIONS

## SHORT TITLE

SEC. 101. This Act may be cited as the “District of Columbia Home Rule Act”.

## STATEMENT OF PURPOSES

SEC. 102. (a) Subject to the retention by Congress of the ultimate legislative authority over the Nation’s Capital granted by article I, section 8, of the Constitution, the intent of Congress is to delegate certain legislative powers to the government of the District of Columbia; authorize the election of certain local officials by the registered qualified electors in the District of Columbia; grant to the inhabitants of the District of Columbia powers of local self-government; to modernize, reorganize, and otherwise improve the governmental structure of the District of Columbia; and, to the greatest extent possible, consistent with the constitutional mandate, relieve Congress of the burden of legislating upon essentially local District matters.

(b) Congress further intends to implement certain recommendations of the Commission on the Organization of the Government of the District of Columbia and take certain other actions irrespective of whether the charter for greater self-government provided for in title IV of this Act is accepted or rejected by the registered qualified electors of the District of Columbia.

## DEFINITIONS

SEC. 103. For the purposes of this Act—

- (1) The term “District” means the District of Columbia.
- (2) The term “Council” means the Council of the District of Columbia provided for by part A of title IV.
- (3) The term “Commissioner” means the Commissioner of the District of Columbia established under Reorganization Plan Numbered 3 of 1967.
- (4) The term “District of Columbia Council” means the Council of the District of Columbia established under Reorganization Plan Numbered 3 of 1967.
- (5) The term “Chairman” means, unless otherwise provided in this Act, the Chairman of the Council provided for by part A of title IV.
- (6) The term “Mayor” means the Mayor provided for by part B of title IV.
- (7) The term “act” includes any legislation passed by the Council, except where the term “Act” is used to refer to this Act or other Acts of Congress herein specified.
- (8) The term “capital project” means any physical public betterment or improvement, the acquisition of property of a permanent nature, or the purchase of equipment or furnishings, and includes (A) costs of any preliminary plans, studies, and surveys in connection with such betterment, improvement, acquisition, or purchase, (B) costs incidental to such bet-

terment, improvement, acquisition, or purchase, and the financing thereof, including the cost of any election, professional fees, printing or engraving, production and reproduction of documents, publication of notices, taking of title, bond insurance, and interest during construction, and (C) the reimbursement of any fund or account for amounts expended for the payment of any such costs.

(9) The term “pending”, when applied to any capital project, means authorized but not yet completed.

(10) The term “District revenues” means all funds derived from taxes, fees, charges, miscellaneous receipts, grants and other forms of financial assistance, or the sale of bonds, notes, or other obligations, and any funds administered by the District government under cost sharing arrangements.

(11) The term “election”, unless the context otherwise provides, means an election held pursuant to the provisions of this Act.

(12) The terms “publish” and “publication”, unless otherwise specifically provided herein, mean publication in a newspaper of general circulation in the District.

(13) The term “District of Columbia courts” means the Superior Court of the District of Columbia and the District of Columbia Court of Appeals.

(14) The term “resources” means revenues, balances, enterprise or other revolving funds, and funds realized from borrowing.

(15) The term “budget” means the entire request for appropriations or loan or spending authority for all activities of all departments or agencies of the District of Columbia financed from all existing, proposed or anticipated resources, and shall include both operating and capital expenditures.

## TITLE II—GOVERNMENTAL REORGANIZATION

### REDEVELOPMENT LAND AGENCY

SEC. 201. The District of Columbia Redevelopment Act of 1945 (D.C. Code, secs. 5-701—5-719) is amended as follows:

(a) Subsection (a) of section 4 of such Act (D.C. Code, sec. 5-703(a)) is amended to read as follows:

“(a) The District of Columbia Redevelopment Land Agency is hereby established as an instrumentality of the District of Columbia government, and shall be composed of five members appointed by the Commissioner of the District of Columbia (hereinafter referred to as the ‘Commissioner’), with the advice and consent of the Council of the District of Columbia (hereinafter referred to as the ‘Council’). The Commissioner shall name one member as chairman. No more than two members may be officers of the District of Columbia government. Each member shall serve for a term of five years except that of the members first appointed under this section, one shall serve for a term of one year, one shall serve for a term of two years, one shall serve for a term of three years, one shall serve for a term of four years, and one shall serve for a term of five years, designated by the Commissioner. The terms of the members first appointed under this section shall begin on or after January 2, 1975. Should any member who is an officer of the Dis-

trict of Columbia government cease to be such an officer, then his term as a member shall end on the day he ceases to be such an officer. Any person appointed to fill a vacancy in the Agency shall be appointed to serve for the remainder of the term during which such vacancy arose. Any member who holds no other salaried public position shall receive compensation at the rate of \$100 for each day such member is engaged in the actual performance of duties vested in the agency.”

(b) Subsection (b) of section 4 of such Act (D.C. Code, sec. 5-703(b)) is amended—

(1) by inserting after “forth” at the end of the first sentence of such section “, except that nothing in this section shall prohibit the District of Columbia government from dissolving the corporation, eliminating the board of directors, or taking such other action with respect to the powers and duties of such Agency, including those actions specified in subsection (c), as is deemed necessary and appropriate”, and

(2) by striking out in the second sentence “including the selection of its chairman and other officers,” and inserting in lieu thereof “including the selection of officers other than its chairman,”.

(c) Section 4 of such Act is amended by adding at the end thereof the following new subsection:

“(c) The Council is authorized, by act, to adopt legislation—

“(1) establishing, for the purpose of assuring uniform procedures relating to the disposition of complaints and other claims involving the Redevelopment Land Agency (or its successor) and other administrative units of the District of Columbia government, a fact finding board to receive, hear, and act on such complaints and claims arising out of or in connection with administrative and other actions of such Agency or units in carrying out their powers and functions;

“(2) providing that all planning, designing, construction, and supervision of public facilities which are to be contributed to any redevelopment area as the local non-cash grant-in-aid to the project under title I of the Housing Act of 1949, shall, to the extent practicable, be carried out by an appropriate District of Columbia department or agency on the basis of a contractual or other arrangement with the Redevelopment Land Agency or its successor;

“(3) providing that any occupied rental property owned by the Agency shall be maintained by such Agency (or its successor) in a safe and sanitary condition; or

“(4) providing that the Commissioner shall have authority to waive all or any part of any special assessments levied against abutting property owners for the cost of sewers, streets, curbs, gutters, sidewalks, utilities, and other supporting facilities or project improvements where the costs therefore to the District of Columbia can be applied as a non-cash local grant-in-aid, as defined by the Secretary of the Department of Housing and Urban Development.”.

(d) The first sentence of subsection (b) of section 5 of such Act (D.C. Code, sec. 5-704(b)) is amended to read as follows “Condemnation proceedings for the acquisition of real property for said

purposes shall be conducted in accordance with subchapter II of chapter 13 of title 16 of the District of Columbia Code.”.

(e) None of the amendments contained in this section shall be construed to affect the eligibility of the District of Columbia Redevelopment Land Agency to continue participation in the small business procurement programs under section 8(a) of the Small Business Act (67 Stat. 547).

(f) For the purposes of subsection 713(d), employees in the District of Columbia Redevelopment Land Agency shall be deemed to be transferred to the District of Columbia as of the effective date of this title without a break in service.

#### NATIONAL CAPITAL HOUSING AUTHORITY

SEC. 202. (a) The National Capital Housing Authority (hereinafter referred to as the “Authority”) established under the District of Columbia Alley Dwelling Act (D.C. Code, secs. 5–103–5–116) shall be an agency of the District of Columbia government subject to the organizational and reorganizational powers specified in sections 404(b) and 422(12) of this Act.

(b) All functions, powers, and duties of the President under the District of Columbia Alley Dwelling Act shall be vested in and exercised by the Commissioner. All employees, property (real and personal), and unexpended balances (available or to be made available) of appropriations, allocations, and all other funds, and assets and liabilities of the Authority are authorized to be transferred to the District of Columbia government.

#### NATIONAL CAPITAL PLANNING COMMISSION AND MUNICIPAL PLANNING

SEC. 203. (a) Subsections (a) and (b) of section 2 of the Act entitled “An Act providing for a comprehensive development of the park and playground system of the National Capital”, approved June 6, 1924 (D.C. Code, sec. 1–1002), are amended to read as follows:

“(a)(1) The National Capital Planning Commission (hereinafter referred to as the ‘Commission’) is created as the central Federal planning agency for the Federal Government in the National Capital, and to preserve the important historical and natural features thereof, except with respect to the United States Capitol buildings and grounds as defined in sections 1 and 16 of the Act of July 31, 1946 (40 U.S.C. 193a, 193m), and to any extension thereof or additions thereto, or to buildings and grounds under the care of the Architect of the Capitol.

“(2) The Commissioner of the District of Columbia (hereinafter referred to as the ‘Commissioner’) shall be the central planning agency for the government of the District of Columbia (hereinafter referred to as the ‘District’) in the National Capital. The Commissioner shall be responsible for coordinating the planning activities of the District government and for preparing and implementing the District elements of the comprehensive plan for the National Capital, which may include land use elements, urban renewal and redevelopment elements, a multi-year program of public works for the District, and physical, social, economic, transportation, and population elements. The Commissioner’s planning responsibility shall not extend to Federal or international projects and develop-

ments in the District, as determined by the Commission, or to the United States Capitol buildings and grounds as defined in sections 1 and 16 of the Act of July 31, 1946 (40 U.S.C. 193a, 193m), or to any extension thereof or additions thereto, or to buildings and grounds under the care of the Architect of the Capitol. In carrying out his responsibility under this section, the Commissioner shall establish procedures for citizen participation in the planning process, and for appropriate meaningful consultation with any State or local government or planning agency in the National Capital region affected by any aspect of a comprehensive plan (including amendments thereto) affecting or relating to the District.

“(3) The Commissioner shall submit each District element of the comprehensive plan and any amendment thereto, to the Council for revision or modification, and adoption, by act, following public hearings. Following adoption and prior to implementation, the Council shall submit each such element or amendment to the Commission for review and comment with regard to the impact of such element or amendment on the interests or functions of the Federal Establishment in the National Capital.

“(4)(A) The Commission shall, within sixty days after receipt of such a District element of the comprehensive plan, or amendment thereto, from the Council, certify to the Council whether such element or amendment has a negative impact on the interests or functions of the Federal Establishment in the National Capital. If within such sixty days the Commission takes no action with respect to such element or amendment, such element or amendment shall be deemed to have no such negative impact, and such element or amendment shall be incorporated into the comprehensive plan for the National Capital and shall be implemented.

“(B) If the Commission finds, within such sixty days, such negative impact, it shall certify its findings and recommendations with respect to such negative impact to the Council. Upon receipt of the Commission’s findings and recommendations, the Council may—

“(i) reject such findings and recommendations and resubmit such element or amendment, in a modified form, to the Commission for reconsideration; or

“(ii) accept such findings and recommendations and modify such element or amendment accordingly.

If the Council accepts such findings and recommendations and modifies such element or amendment under clause (ii), the Council shall submit such element or amendment to the Commission for it to determine whether such modification has been made in accordance with the Commission’s findings and recommendations. If, within thirty days after receipt of the modified element or amendment, the Commission takes no action with respect to such element or amendment, it shall be deemed to have been modified in accordance with such findings or recommendations, and shall be incorporated into the comprehensive plan for the National Capital and shall be implemented. If within such thirty days, the Commission again determines such element or amendment to have a negative impact on the functions or interests of the Federal Establishment in the National Capital such element or amendment shall not be implemented.

“(C) If the Council rejects the findings and recommendations of the Commission and resubmits a modified element or amendment

to it under clause (i), the Commission shall, within sixty days after receipt of such modified element or amendment from the Council, determine whether such modified element or amendment has a negative impact on the interests or functions of the Federal Establishment within the National Capital. If the Commission finds such negative impact it shall certify its findings (in sufficient detail that the Council can understand the basis of the objection of the Commission) and recommendations to the Council, and such element or amendment shall not be implemented. If the Commission takes no action with respect to such modified element or amendment within such sixty days, such modified element or amendment shall be deemed to have no such negative impact and shall be incorporated into the comprehensive plan and it shall be implemented. Any element or amendment which the Commission has determined to have a negative impact on the Federal Establishment in the National Capital, and which is submitted again in a modified form not less than one year from the day it was last rejected by the Commission shall be deemed to be a new element or amendment for purposes of the review procedure specified in this section.

“(D) The Commission and the Commissioner shall jointly publish, from time to time as appropriate, a comprehensive plan for the National Capital, consisting of the elements of the comprehensive plan for the Federal activities in the National Capital developed by the Commission, and the District elements developed by the Commissioner and the Council in accordance with the provisions of this section.

“(E) The Council may grant, upon request made to it by the Commission, an extension of any time limitation contained in this section.

“(F) The Commission and the Commissioner shall jointly establish procedures for appropriate meaningful continuing consultation throughout the planning process for the National Capital.

“(b) The National Capital Planning Commission shall be composed of—

“(1) ex officio, the Secretary of the Interior, the Secretary of Defense, the Administrator of the General Services Administration, the Commissioner, the Chairman of the District of Columbia Council, and the chairmen of the Committees on the District of Columbia of the Senate and the House of Representatives, or such alternates as each such person may from time to time designate to serve in his stead, and in addition,

“(2) five citizens with experience in city or regional planning, three of whom shall be appointed by the President and two of whom shall be appointed by the Commissioner. The citizen members appointed by the Commissioner shall be bona fide residents of the District of Columbia and of the three appointed by the President at least one shall be a bona fide resident of Virginia and at least one shall be a bona fide resident of Maryland. The terms of office of members appointed by the President shall be for six years, except that of the members first appointed, the President shall designate one to serve two years and one to serve four years. Members appointed by the Commissioner shall serve for four years. The members first appointed under this section shall assume their office on January 2, 1975. Any person appointed to fill a vacancy shall be ap-

pointed only for the unexpired term of the member whom he shall succeed. The citizen members shall each receive compensation at the rate of \$100 for each day such member is engaged in the actual performance of duties vested in the Commission in addition to reimbursement for necessary expenses incurred by them in the performance of such duties.”.

(b) Subsection (e) of section 2 of such Act of June 6, 1924 (D.C. Code, sec. 1-1002(e)), is amended by (1) inserting “Federal activities in the” immediately before “National Capital” in clause (1); and (2) striking out “and District Governments,” and inserting in lieu thereof “government” in clause (2).

(c) Section 4 of such Act of June 6, 1924 (D.C. Code, sec. 1-1004), is amended as follows:

(1)<sup>3</sup> The first sentence of subsection (a) of such section is amended to read as follows: “The Commission is hereby charged with the duty of preparing and adopting a comprehensive, consistent, and coordinated plan for the National Capital, which plan shall include the Commission’s recommendations or proposals for Federal developments or projects in the environs, and those District elements, or amendments thereto, of the comprehensive plan adopted by the Council and with respect to which the Commission has not determined a negative impact to exist, which elements or amendments shall be incorporated into such comprehensive plan without change.”.

(2)<sup>3</sup> The third sentence of subsection (a) of such section is amended by striking out “within the District of Columbia” and “or District”.

(3) Subsections (b) and (c) of such section are repealed.

(d) Section 5 of such Act of June 6, 1924 (D.C. Code, sec. 1-1005), is amended as follows:

(1)<sup>3</sup> Subsection (c) of such section is amended to read as follows:

“(c) The provisions of section 16 of the Act approved June 20, 1938 (D.C. Code, sec. 5-428), are extended to include public buildings erected by any agency of the Government of the District of Columbia within the boundaries of the central area of the District, as such central area may be defined and from time to time redefined by concurrent action of the Commission and the Council, except that the Commission shall transmit its approval or disapproval respecting any such building within thirty days after the day it was submitted to the Commission.”.

(2)<sup>3</sup> The first and second sentences of subsection (e) of such section are amended to read as follows: “It is the intent of this section to obtain cooperation and correlation of effort between the various agencies of the Federal Government which are responsible for public developments and projects, including the acquisition of land. These agencies, therefore, shall look to the Commission and utilize it as the central planning agency for the Federal activities in the National Capital region.”.

(e) Section 6 of such Act (D.C. Code, sec. 1-1006) is repealed.

(f) Section 7 of such Act (D.C. Code, sec. 1-1007) is amended to read as follows:

<sup>3</sup>Margin as in original law.

“SEC. 7. (a) The Commission shall recommend a six-year program of public works projects for the Federal Government which it shall review annually with the agencies concerned. To this end, each Federal agency shall submit to the Commission in the first quarter of each fiscal year a copy of its advance program of capital improvements within the National Capital and its environs.

“(b) The Commissioner shall submit to the Commission, by February 1 of each year, a copy of the multiyear capital improvements plan for the District developed by him under section 444 of the District of Columbia Self-Government and Governmental Reorganization Act. The Commission shall have thirty days within which to comment upon such plan but shall have no authority to change or disapprove of such plan.”

(g) The first sentence of subsection (a) of section 8 of such Act of June 6, 1924 (D.C. Code, sec. 1-1008(a)), is amended to read as follows: “The Commission may make a report and recommendation to the Zoning Commission of the District of Columbia, as provided in section 5 of the Act of March 1, 1920 (D.C. Code, sec. 5-417), on proposed amendments of the zoning regulations and maps as to the relation, conformity, or consistency of such amendments with the comprehensive plan for the National Capital.”

#### DISTRICT OF COLUMBIA MANPOWER ADMINISTRATION

SEC. 204. (a) All functions of the Secretary of Labor (hereafter in this section referred to as the “Secretary”) under section 3 of the Act entitled “An Act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes”, approved June 6, 1933 (29 U.S.C. 49-49k), with respect to the maintenance of a public employment service for the District, are transferred to the Commissioner. After the effective date of this transfer, the Secretary shall maintain with the District the same relationship with respect to a public employment service in the District, including the financing of such service, as he has with the States (with respect to a public employment service in the States) generally.

(b) The Commissioner is authorized and directed to establish and administer a public employment service in the District and to that end he shall have all necessary powers to cooperate with the Secretary in the same manner as a State under the Act of June 6, 1933, specified in subsection (a).

(c)(1) Section 3(a) of the Act entitled “An Act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes”, approved June 6, 1933 (29 U.S.C. 49b(a)), is amended by striking out “to maintain a public employment service for the District of Columbia”.

(2) Section 3(b) of such Act (29 U.S.C. 49b(b)) is amended by inserting “the District of Columbia,” immediately after “Guam,”.

(d) All functions of the Secretary and of the Director of Apprenticeship under the Act entitled “An Act to provide for voluntary apprenticeship in the District of Columbia”, approved May 20, 1946 (D.C. Code, secs. 36-121—36-133), are transferred to and shall be exercised by the Commissioner. The office of Director of Apprenticeship provided for in section 3 of such Act (D.C. Code, sec. 36-123) is abolished.

(e) All functions of the Secretary under chapter 81 of title 5 of the United States Code, with respect to the processing of claims filed by employees of the government of the District for compensation for work injuries, are transferred to and shall be exercised by the Commissioner, effective the day after the day on which the District establishes an independent personnel system or systems.

(f) So much of the personnel, property, records, and unexpended balances of appropriations, allocations, and other funds employed, held, used, available, or to be made available in connection with functions transferred to the Commissioner by the provisions of this section, as the Director of the Federal Office of Management and Budget shall determine, are authorized to be transferred from the Secretary to the Commissioner.

(g) Any employee in the competitive service of the United States transferred to the government of the District under the provisions of this section shall retain all the rights, benefits, and privileges pertaining thereto held prior to such transfer.

(h) The first section of the Act of August 16, 1937 (29 U.S.C. 50 et seq.) (relating to the welfare of apprentices), is amended by inserting at the end thereof "For the purposes of this Act the term 'State' shall include the District of Columbia."

### TITLE III—DISTRICT CHARTER PREAMBLE, LEGISLATIVE POWER, AND CHARTER AMENDING PROCEDURE

#### DISTRICT CHARTER PREAMBLE

SEC. 301. The charter for the District of Columbia set forth in title IV shall establish the means of governance of the District following its acceptance by a majority of the registered qualified electors of the District voting thereon in the charter referendum held with respect thereto.

#### LEGISLATIVE POWER

SEC. 302. Except as provided in sections 601, 602, and 603, the legislative power of the District shall extend to all rightful subjects of legislation within the District consistent with the Constitution of the United States and the provisions of this Act subject to all the restrictions and limitations imposed upon the States by the tenth section of the first article of the Constitution of the United States.

#### CHARTER AMENDING PROCEDURE

SEC. 303. (a) The charter set forth in title IV (including any provision of law amended by such title), except sections 401(a) and 421(a), and part C of such title, may be amended by an act passed by the Council and ratified by a majority of the registered qualified electors of the District voting in the referendum held for such ratification. The Chairman of the Council shall submit all such acts to the Speaker of the House of Representatives and the President of the Senate on the day the Board of Elections certifies that such act was ratified by a majority of the registered qualified electors voting thereon in such referendum.

(b) An amendment to the charter ratified by the registered electors shall take effect upon the expiration of the 35-calendar-day period (excluding Saturday, Sundays, holidays, and days on which

either House of Congress is not in session) following the date such amendment was submitted to the Congress, or upon the date prescribed by such amendment, whichever is later, unless during such 35-day period, there has been enacted into law a joint resolution, in accordance with the procedures specified in section 604 of this Act, disapproving such amendment. In any case in which any such joint resolution disapproving such an amendment has, within such 35-day period, passed both Houses of Congress and has been transmitted to the President, such resolution, upon becoming law subsequent to the expiration of such 35-day period, shall be deemed to have repealed such amendment, as of the date such resolution becomes law.

(c) The Board of Elections shall prescribe such rules as are necessary with respect to the distribution and signing of petitions and the holding of elections for ratifying amendments to title IV of this Act according to the procedures specified in subsection (a).

(d) The amending procedure provided in this section may not be used to enact any law or affect any law with respect to which the Council may not enact any act, resolution, or rule under the limitations specified in sections 601, 602, and 603.

#### TITLE IV—THE DISTRICT CHARTER

##### PART A—THE COUNCIL

##### Subpart 1—Creation of the Council

##### CREATION AND MEMBERSHIP

SEC. 401. (a) There is established a Council of the District of Columbia; and the members of the Council shall be elected by the registered qualified electors of the District.

(b)(1) The Council established under subsection (a) shall consist of thirteen members elected on a partisan basis. The Chairman and four members shall be elected at large in the District, and eight members shall be elected one each from the eight election wards established, from time to time, under the District of Columbia Election Act. The term of office of the members of the Council shall be four years except as provided in paragraph (3), and shall begin at noon on January 2 of the year following their election.

(2) In the case of the first election held for the office of members of the Council after the effective date of this title, not more than two of the at-large members (excluding the Chairman) shall be nominated by the same political party. Thereafter, a political party may nominate a number of candidates for the office of at-large member of the Council equal to one less than the total number of at-large members (excluding the Chairman) to be elected in such election.

(3) To fill a vacancy in the Office of Chairman, the Board of Elections shall hold a special election in the District on the first Tuesday occurring more than one hundred and fourteen days after the date on which such vacancy occurs, unless the Board of Elections determines that such vacancy could be more practicably filled in a special election held on the same day as the next general election to be held in the District occurring within sixty days of the date on which a special election would otherwise have been held

under the provisions of this paragraph. The person elected Chairman to fill a vacancy in the Office of Chairman shall take office on the day in which the Board of Elections certifies his election, and shall serve as Chairman only for the remainder of the term during which such vacancy occurred. When the Office of Chairman becomes vacant, the Council shall select one of the elected at-large members of the Council to serve as Chairman and one to serve as Chairman pro tempore until the election of a new Chairman.

(4) Of the members first elected after the effective date of this title, the Chairman and two members elected at-large and four of the members elected from election wards shall serve for four-year terms; and two of the at-large members and four of the members elected from election wards shall serve for two-year terms. The members to serve the four-year terms and the members to serve the two-year terms shall be determined by the Board of Elections by lot, except that not more than one of the at-large members nominated by any political party shall serve for any such four-year term.

(c) The Council may establish and select such other officers and employees as it deems necessary and appropriate to carry out the functions of the Council.

(d)(1) In the event of a vacancy in the Council of a member elected from a ward, the Board of Elections shall hold a special election in such ward to fill such vacancy on the first Tuesday occurring more than one hundred and fourteen days after the date on which such vacancy occurs, unless the Board of Elections determines that such vacancy could be more practicably filled in a special election held on the same day as the next general election to be held in the District occurring within sixty days of the date on which a special election would otherwise have been held under the provisions of this subsection. The person elected as a member to fill a vacancy on the Council shall take office on the day on which the Board of Elections certifies his election, and shall serve as a member of the Council only for the remainder of the term during which such vacancy occurred.

(2) In the event of a vacancy in the office of Mayor, and if the Chairman becomes a candidate for the office of Mayor to fill such vacancy, the office of Chairman shall be deemed vacant as of the date of the filing of his candidacy. In the event of a vacancy in the Council of a member elected at large, other than a vacancy in the office of Chairman, who is affiliated with a political party, the central committee of such political party shall appoint a person to fill such vacancy, until the Board of Elections can hold a special election to fill such vacancy, and such special election shall be held on the first Tuesday occurring more than one hundred and fourteen days after the date on which such vacancy occurs unless the Board of Elections determines that such vacancy could be more practicably filled in a special election held on the same day as the next general election to be held in the District occurring within sixty days of the date on which a special election would otherwise be held under the provision of this subsection. The person appointed to fill such vacancy shall take office on the date of his appointment and shall serve as a member of the Council until the day on which the Board certifies the election of the member elected to fill such vacancy in either a special election or a general election. The per-

son elected as a member to fill such a vacancy on the Council shall take office on the day on which the Board of Elections certifies his election, and shall serve as a member of the Council only for the remainder of the term during which such vacancy occurred. With respect to a vacancy on the Council of a member elected at large who is not affiliated with any political party, the Council shall appoint a similarly nonaffiliated person to fill such vacancy until such vacancy can be filled in a special election in the manner prescribed in this paragraph. Such person appointed by the Council shall take office and serve as a member at the same time and for the same term as a member appointed by a central committee of a political party.

(3) Notwithstanding any other provision of this section, at no time shall there be more than three members (including the Chairman) serving at large on the Council who are affiliated with the same political party.

#### QUALIFICATIONS FOR HOLDING OFFICE

SEC. 402. No person shall hold the office of member of the Council, including the office of Chairman, unless he (a) is a qualified elector, (b) is domiciled in the District and if he is nominated for election from a particular ward, resides in the ward from which he is nominated, (c) has resided and been domiciled in the District for one year immediately preceding the day on which the general or special election for such office is to be held, and (d) holds no public office (other than his employment in and position as a member of the Council), for which he is compensated in an amount in excess of his actual expenses in connection therewith, except that nothing in this clause shall prohibit any such person, while a member of the Council, from serving as a delegate or alternate delegate to a convention of a political party nominating candidates for President and Vice President of the United States, or from holding an appointment in a Reserve component of an armed force of the United States other than a member serving on active duty under a call for more than thirty days. A member of the Council shall forfeit his office upon failure to maintain the qualifications required by this section, and, in the case of the Chairman, section 403(e).

#### COMPENSATION

SEC. 403. (a) Each member of the Council shall receive compensation, payable in periodic installments, at a rate equal to the maximum rate as may be established from time to time for grade 12 of the General Schedule under section 5332 of title 5 of the United States Code. On and after the end of the two-year period beginning on the day the members of the Council first elected under this Act take office, the Council may, by act, increase or decrease such rate of compensation. Such change in compensation, upon enactment by the Council in accordance with the provisions of this Act, shall apply with respect to the term of members of the Council beginning after the date of enactment of such change.

(b) All members of the Council shall receive additional allowances for actual and necessary expenses incurred in the performance of their duties of office as may be approved by the Council.

(c) The Chairman shall not engage in any employment (whether as an employee or as a self-employed individual) or hold any position (other than his position as Chairman), for which he is compensated in an amount in excess of his actual expenses in connection therewith.

(d) Notwithstanding subsection (a), as of the effective date of the District of Columbia Appropriations Act, 2001, the Chairman shall receive compensation, payable in equal installments, at a rate equal to \$10,000 less than the annual compensation of the Mayor.

#### POWERS OF THE COUNCIL

SEC. 404. (a) Subject to the limitations specified in title VI of this Act, the legislative power granted to the District by this Act is vested in and shall be exercised by the Council in accordance with this Act. In addition, except as otherwise provided in this Act, all functions granted to or imposed upon, or vested in or transferred to the District of Columbia Council, as established by Reorganization Plan Numbered 3 of 1967, shall be carried out by the Council in accordance with the provisions of this Act.

(b) The Council shall have authority to create, abolish, or organize any office, agency, department, or instrumentality of the government of the District and to define the powers, duties, and responsibilities of any such office, agency, department, or instrumentality.

(c) The Council shall adopt and publish rules of procedure which shall include provisions for adequate public notification of intended actions of the Council.

(d) Every act shall be published and codified upon becoming law as the Council may direct.

(e) An act passed by the Council shall be presented by the Chairman of the Council to the Mayor, who shall, within ten calendar days (excluding Saturdays, Sundays, and holidays) after the act is presented to him, either approve or disapprove such act. If the Mayor shall approve such act, he shall indicate the same by affixing his signature thereto, and such act shall become law subject to the provisions of section 602(c). If the Mayor shall disapprove such act, he shall, within ten calendar days (excluding Saturdays, Sundays, and holidays) after it is presented to him, return such act to the Council setting forth in writing his reasons for such disapproval. If any act so passed shall not be returned to the Council by the Mayor within ten calendar days after it shall have been presented to him, the Mayor shall be deemed to have approved it, and such act shall become law subject to the provisions of section 602(c) unless the Council by a recess of 10 days or more prevents its return, in which case it shall not become law. If, within thirty calendar days after an act has been timely returned by the Mayor to the Council with his disapproval, two-thirds of the members of the Council present and voting vote to reenact such act, the act so reenacted shall become law subject to the provisions of section 602(c).

(f) In the case of any budget act adopted by the Council pursuant to section 446 of this Act and submitted to the Mayor in accordance with subsection (e) of this section, the Mayor shall have power to disapprove any items or provisions, or both, of such act and approve the remainder. In any case in which the Mayor so dis-

approves of any item or provision, he shall append to the act when he signs it a statement of the item or provision which he disapproves, and shall, within such ten-day period, return a copy of the act and statement with his objections to the Council. If, within thirty calendar days after any such item or provision so disapproved has been timely returned by the Mayor to the Council, two-thirds of the members of the Council present and voting vote to reenact any such item or provision, such item or provision so reenacted shall be transmitted by the Chairman to the President of the United States. In any case in which the Mayor fails to timely return any such item or provision so disapproved to the Council, the Mayor shall be deemed to have approved such item or provision not returned, and such item or provision not returned shall be transmitted by the Council to the President of the United States. In the case of any budget act for a fiscal year which is a control year (as defined in section 305(4) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995), this subsection shall apply as if the reference in the second sentence to "ten-day period" were a reference to "five-day period" and the reference in the third sentence to "thirty calendar days" were a reference to "5 calendar days".

#### Subpart 2—Organization and Procedure of the Council

##### THE CHAIRMAN

SEC. 411. (a) The Chairman shall be the presiding officer of the Council.

(b) When the Office of Mayor is vacant, the Chairman shall act in his stead. While the Chairman is Acting Mayor he shall not exercise any of his authority as Chairman or member of the Council.

##### ACTS, RESOLUTIONS, AND REQUIREMENTS FOR QUORUM

SEC. 412. (a) The Council, to discharge the powers and duties imposed herein, shall pass acts and adopt resolutions, upon a vote of a majority of the members of the Council present and voting, unless otherwise provided in this Act or by the Council. Except as provided in the last sentence of this subsection, the Council shall use acts for all legislative purposes. Each proposed act (other than an act to which section 446 applies) shall be read twice in substantially the same form, with at least thirteen days intervening between each reading. Upon final adoption by the Council each act shall be made immediately available to the public in a manner which the Council shall determine. If the Council determines, by a vote of two-thirds of the members, that emergency circumstances make it necessary that an act be passed after a single reading, or that it takes effect immediately upon enactment, such act shall be effective for a period of not to exceed ninety days. Resolutions shall be used (1) to express simple determinations, decisions, or directions of the Council of a special or temporary character; and (2) to approve or disapprove proposed actions of a kind historically or traditionally transmitted by the Mayor, the Board of Elections, Public Service Commission, Armory Board, Board of Education, the Board of Trustees of the University of the District of Columbia, or the Convention Center Board of Directors to the Council pursuant to

an act. Such resolutions must be specifically authorized by that act and must be designed to implement that act.

(b) A special election may be called by resolution of the Council to present for an advisory referendum vote of the people any proposition upon which the Council desires to take action.

(c) A majority of the Council shall constitute a quorum for the lawful convening of any meeting and for the transaction of business of the Council, except a lesser number may hold hearings.

#### INVESTIGATIONS BY THE COUNCIL

SEC. 413. (a) The Council, or any committee or person authorized by it, shall have power to investigate any matter relating to the affairs of the District, and for that purpose may require the attendance and testimony of witnesses and the production of books, papers, and other evidence. For such purpose any member of the Council (if the Council is conducting the inquiry) or any member of the committee may issue subpoenas and administer oaths upon resolution adopted by the Council or committee, as appropriate.

(b) In case of contumacy by, or refusal to obey a subpoena issued to, any person, the Council by resolution may refer the matter to the Superior Court of the District of Columbia, which may by order require such persons to appear and give or produce testimony or books, papers, or other evidence, bearing upon the matter under investigation. Any failure to obey such order may be punished by such Court as a contempt thereof as in the case of failure to obey a subpoena issued, or to testify, in a case pending before such Court.

#### PART B—THE MAYOR

##### ELECTION, QUALIFICATIONS, VACANCY, AND COMPENSATION

SEC. 421. (a) There is established the Office of Mayor of the District of Columbia; and the Mayor shall be elected by the registered qualified electors of the District.

(b) The Mayor established by subsection (a) shall be elected, on a partisan basis, for a term of four years beginning at noon on January 2 of the year following his election.

(c)(1) No person shall hold the Office of Mayor unless he (A) is a qualified elector, (B) has resided and been domiciled in the District for one year immediately preceding the day on which the general or special election for Mayor is to be held, and (C) is not engaged in any employment (whether as an employee or as a self-employed individual) and holds no public office or position (other than his employment in and position as Mayor), for which he is compensated in an amount in excess of his actual expenses in connection therewith, except that nothing in this clause shall be construed as prohibiting such person, while holding the Office of Mayor, from serving as a delegate or alternate delegate to a convention of a political party nominating candidates for President and Vice President of the United States, or from holding an appointment in a reserve component of an armed force of the United States other than a member serving on active duty under a call for more than thirty days. The Mayor shall forfeit his office upon failure to maintain the qualifications required by this paragraph.

(2) To fill a vacancy in the Office of Mayor, the Board of Elections shall hold a special election in the District on the first Tuesday occurring more than one hundred and fourteen days after the date on which such vacancy occurs, unless the Board of Elections determines that such vacancy could be more practicably filled in a special election held on the same day as the next general election to be held in the District occurring within sixty days of the date on which a special election would otherwise have been held under the provisions of this paragraph. The person elected Mayor to fill a vacancy in the Office of Mayor shall take office on the day on which the Board of Elections certifies his election, and shall serve as Mayor only for the remainder of the term during which such vacancy occurred. When the Office of Mayor becomes vacant the Chairman shall become Acting Mayor and shall serve from the date such vacancy occurs until the date on which the board of Elections certifies the election of the new Mayor at which time he shall again become Chairman. While the Chairman is Acting Mayor, the Chairman shall receive the compensation regularly paid the Mayor, and shall receive no compensation as Chairman or member of the Council. While the Chairman is Acting Mayor, the Council shall select one of the elected at-large members of the Council to serve as Chairman and one to serve as chairman pro tempore, until the return of the regularly elected Chairman.

(d) The Mayor shall receive compensation, payable in equal installments, at a rate equal to the maximum rate, as may be established from time to time, for level III of the Executive Schedule in section 5314 of title 5 of the United States Code. Such rate of compensation may be increased or decreased by act of the Council. Such change in such compensation, upon enactment by the Council in accordance with the provisions of this Act, shall apply with respect to the term of Mayor next beginning after the date of such change. In addition, the Mayor may receive an allowance, in such amount as the Council may from time to time establish, for official, reception, and representation expenses, which he shall certify in reasonable detail to the Council.

#### POWERS AND DUTIES

SEC. 422. The executive power of the District shall be vested in the Mayor who shall be the chief executive officer of the District government. In addition, except as otherwise provided in this Act, all functions granted to or vested in the Commissioner of the District of Columbia, as established under reorganization Plan Numbered 3 of 1967, shall be carried out by the Mayor in accordance with this Act. The Mayor shall be responsible for the proper execution of all laws relating to the District, and for the proper administration of the affairs of the District coming under his jurisdiction or control, including but not limited to the following powers, duties, and functions:

(1)<sup>4</sup> The Mayor may designate the officer or officers of the executive department of the District who may, during periods of disability or absence from the District of the Mayor execute and perform the powers and duties of the Mayor.

<sup>4</sup>The margins of paragraphs (1) through (12) as in original.

(2) The Mayor shall administer all laws relating to the appointment, promotion, discipline, separation, and other conditions of employment of personnel in the office of the Mayor, personnel in executive departments of the District, and members of boards, commissions, and other agencies, who, under laws in effect on the date immediately preceding the effective date of section 711(a) of this Act, were subject to appointment and removal by the Commissioner of the District of Columbia. All actions affecting such personnel and such members shall, until such time as legislation is enacted by the Council superseding such laws and establishing a permanent District government merit system, pursuant to paragraph (3), continue to be subject to the provisions of Acts of Congress relating to the appointment, promotion, discipline, separation, and other conditions of employment applicable to officers and employees of the District government, to section 713(d) of this Act, and where applicable, to the provisions of the joint agreement between the Commissioners and the Civil Service Commission authorized by Executive Order Numbered 5491 of November 18, 1930, relating to the appointment of District personnel. He shall appoint or assign persons to positions formerly occupied, ex-officio, by the Commissioner of the District of Columbia or by the Assistant to the Commissioner and shall have power to remove such persons from such positions. The officers and employees of each agency with respect to which legislative power is delegated by this Act and which immediately prior to the effective date of section 711(a) of this Act, was not subject to the administrative control of the Commissioner of the District, shall continue to be appointed and removed in accordance with applicable laws until such time as such laws may be superseded by legislation passed by the Council establishing a permanent District government merit system pursuant to paragraph (3).

(3) The Mayor shall administer the personnel functions of the District covering employees of all District departments, boards, commissions, offices and agencies, except as otherwise provided by this Act. Personnel legislation enacted by Congress prior to or after the effective date of this section, including, without limitation, legislation relating to appointments, promotions, discipline, separations, pay, unemployment compensation, health, disability and death benefits, leave, retirement, insurance, and veterans' preference applicable to employees of the District government as set forth in section 714(c), shall continue to be applicable until such time as the Council shall, pursuant to this section, provide for coverage under a District government merit system. The District government merit system shall be established by act of the Council. The system may provide for continued participation in all or part of the Federal Civil Service System and shall provide for persons employed by the District government immediately preceding the effective date of such system personnel benefits, including but not limited to pay, tenure, leave, residence, retirement, health and life insurance, and employee disability and death benefits, all at least equal to those provided by legislation enacted by Congress, or regulation adopted pursuant thereto, and applicable to such officers and employees immediately prior to the effective date of the system established pursuant to this Act, except that nothing in this Act shall prohibit the District from separating an officer or employee subject to such system in the implementation of a financial plan and budg-

et for the District government approved under subtitle A of title II of the District of Columbia Financial Responsibility and Management Assistance Act of 1995. The District government merit system shall take effect not earlier than one year nor later than five years after the effective date of this section.

(4) The Mayor shall, through the heads of administrative boards, offices, and agencies, supervise and direct the activities of such boards, offices, and agencies.

(5) The Mayor may submit drafts of acts to the Council.

(6) The Mayor may delegate any of his functions (other than the function of approving or disapproving acts passed by the Council or the function of approving contracts between the District and the Federal Government under section 731) to any officer, employee, or agency of the executive office of the Mayor, or to any director of an executive department who may, with the approval of the Mayor, make a further delegation of all or a part of such functions to subordinates under his jurisdiction. Nothing in the previous sentence may be construed to permit the Mayor to delegate any functions assigned to the Chief Financial Officer of the District of Columbia under section 424, without regard to whether such functions are assigned to the Chief Financial Officer under such section during a control year (as defined in section 305(4) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995) or during any other year.

(7) The Mayor shall appoint a City Administrator, who shall serve at the pleasure of the Mayor. The City Administrator shall be the chief administrative officer of the Mayor, and he shall assist the Mayor in carrying out his functions under this Act, and shall perform such other duties as may be assigned to him by the Mayor. The City Administrator shall be paid at a rate established by the Mayor.

(8) The Mayor may propose to the executive or legislative branch of the United States Government legislation or other action dealing with any subject whether or not falling within the authority of the District government, as defined in this Act.

(9) The Mayor, as custodian thereof, shall use and authenticate the corporate seal of the District in accordance with law.

(10) The Mayor shall have the right, under rules to be adopted by the Council, to be heard by the Council or any of its committees.

(11) The Mayor is authorized to issue and enforce administrative orders, not inconsistent with this or any other Act of the Congress or any act of the Council, as are necessary to carry out his functions and duties.

(12) The Mayor may reorganize the offices, agencies, and other entities within the executive branch of the government of the District by submitting to the Council a detailed plan of such reorganization. Such a reorganization plan shall be valid only if the Council does not adopt, within sixty days (excluding Saturdays, Sundays, and holidays) after such reorganization plan is submitted to it by the Mayor, a resolution disapproving such reorganization.

#### MUNICIPAL PLANNING

SEC. 423. (a) The Mayor shall be the central planning agency for the District. He shall be responsible for the coordination of planning activities of the municipal government and the prepara-

tion and implementation of the District's elements of the comprehensive plan for the National Capital which may include land use elements, urban renewal and redevelopment elements, a multi-year program of municipal public works for the District, and physical, social, economic, transportation, and population elements. The Mayor's planning responsibility shall not extend to Federal and international projects and developments in the District, as determined by the National Capital Planning Commission, or to the United States Capitol buildings and grounds as defined in sections 1 and 16 of the Act of July 31, 1946 (40 U.S.C. 193a, 193m), or to any extension thereof or addition thereto, or to buildings and grounds under the care of the Architect of the Capitol. In carrying out his responsibilities under this section, the Mayor shall establish procedures for citizen involvement in the planning process and for appropriate meaningful consultation with any State or local government or planning agency in the National Capital region affected by any aspect of a proposed District element of the comprehensive plan (including amendments thereto) affecting or relating to the District.

(b) The Mayor shall submit the District's elements and amendments thereto, to the Council for revision or modification, and adoption by act, following public hearings. Following adoption and prior to implementation, the Council shall submit such elements and amendments thereto, to the National Capital Planning Commission for review and comment with regard to the impact of such elements or amendments on the interests and functions of the Federal Establishment, as determined by the Commission.

(c) Such elements and amendments thereto shall be subject to and limited by determinations with respect to the interests and functions of the Federal Establishment as determined in the manner provided by Act of Congress.

#### CHIEF FINANCIAL OFFICER OF THE DISTRICT OF COLUMBIA

##### SEC. 424. (a) ESTABLISHMENT OF OFFICE.—

(1) IN GENERAL.—There is hereby established within the executive branch of the government of the District of Columbia an Office of the Chief Financial Officer of the District of Columbia (hereafter referred to as the "Office"), which shall be headed by the Chief Financial Officer of the District of Columbia (hereafter referred to as the "Chief Financial Officer").

(2) OFFICE OF THE TREASURER.—The Office shall include the Office of the Treasurer, which shall be headed by the Treasurer of the District of Columbia, who shall be appointed by the Chief Financial Officer and subject to the Chief Financial Officer's direction and control.

(3) TRANSFER OF OTHER OFFICES.—Effective with the appointment of the first Chief Financial Officer under subsection (b), the functions and personnel of the following offices are transferred to the Office:

- (A) The Controller of the District of Columbia.
- (B) The Office of the Budget.
- (C) The Office of Financial Information Services.
- (D) The Department of Finance and Revenue.

(4) SERVICE OF HEADS OF OTHER OFFICES.—

(A) OFFICE HEADS APPOINTED BY MAYOR.—With respect to the head of the Office of the Budget and the head of the Department of Finance and Revenue—

(i) the Mayor shall appoint such individuals with the advice and consent of the Council, subject to the approval of the Authority during a control year; and

(ii) during a control year, the Authority may remove such individuals from office for cause, after consultation with the Mayor.

(B) OFFICE HEADS APPOINTED BY CHIEF FINANCIAL OFFICER.—With respect to the Controller of the District of Columbia and the head of the Office of Financial Information Services—

(i) the Chief Financial Officer shall appoint such individuals subject to the approval of the Mayor; and

(ii) the Chief Financial Officer may remove such individuals from office for cause, after consultation with the Mayor.<sup>5</sup>

(b) APPOINTMENT.—

(1) IN GENERAL.—

(A) CONTROL YEAR.—During a control year, the Chief Financial Officer shall be appointed by the Mayor as follows:

(i) Prior to the appointment of the Chief Financial Officer, the Authority may submit recommendations for the appointment to the Mayor.

(ii) In consultation with the Authority and the Council, the Mayor shall nominate an individual for appointment and notify the Council of the nomination.

(iii) After the expiration of the 7-day period which begins on the date the Mayor notifies the Council of the nomination under clause (ii), the Mayor shall notify the Authority of the nomination.

(iv) The nomination shall be effective subject to approval by a majority vote of the Authority.

(B) OTHER YEARS.—During a year other than a control year, the Chief Financial Officer shall be appointed by the Mayor with the advice and consent of the Council. Prior to appointment, the Authority may submit recommendations for the appointment. Upon confirmation by the Council, the name of the Chief Financial Officer shall be submitted to the Committees on Appropriations of the Senate and House of Representatives, the Committee on Governmental Affairs of the Senate, and the Committee on Government Reform of the House of Representatives for a 30-day period

<sup>5</sup> Public Law 104-134, § 152(a), provides as follows for fiscal years 1996 and 1997:

(a) the heads and all personnel of the following offices, together with all other District of Columbia executive branch accounting, budget, and financial management personnel, shall be appointed by, shall serve at the pleasure of, and shall act under the direction and control of the Chief Financial Officer:

The Office of the Treasurer.

The Controller of the District of Columbia.

The Office of the Budget.

The Office of Financial Information Services.

The Department of Finance and Revenue.

The District of Columbia Financial Responsibility and Management Assistance Authority established pursuant to Public Law 104-8, approved April 17, 1995, may remove such individuals from office for cause, after consultation with the Mayor and the Chief Financial Officer.

of review and comment before the appointment takes effect.

(2) REMOVAL.—

(A) CONTROL YEAR.—During a control year, the Chief Financial Officer may be removed for cause by the Authority or by the Mayor with the approval of the Authority.

(B) OTHER YEARS.—During a year other than a control year, the Chief Financial Officer shall serve at the pleasure of the Mayor, except that the Chief Financial Officer may only be removed for cause upon dismissal by the Mayor and approval of that dismissal by a  $\frac{2}{3}$  vote of the Council. Upon approval of the dismissal by the Council, notice of the dismissal shall be submitted to the Committees on Appropriations of the Senate and House of Representatives, the Committee on Governmental Affairs of the Senate, and the Committee on Government Reform of the House of Representatives for a 30-day period of review and comment before the dismissal takes effect.

(3) SALARY.—The Chief Financial Officer shall be paid at an annual rate equal to the rate of basic pay payable for level I of the Executive Schedule.

(c) FUNCTIONS.—The Chief Financial Officer shall have the following duties:

(1) During a control year, preparing the financial plan and budget for the use of the Mayor for purposes of subtitle A of title II of the District of Columbia Financial Responsibility and Management Assistance Act of 1995.

(2) Preparing the budgets of the District of Columbia for the year for the use of the Mayor for purposes of part D.

(3) During a control year, assuring that all financial information presented by the Mayor is presented in a manner, and is otherwise consistent with, the requirements of the District of Columbia Financial Responsibility and Management Assistance Act of 1995.

(4) Implementing appropriate procedures and instituting such programs, systems, and personnel policies within the Officer's authority, to ensure that budget, accounting and personnel control systems and structures are synchronized for budgeting and control purposes on a continuing basis.

(5) Preparing and submitting to the Mayor and the Council, with the approval of the Authority during a control year—

(A) annual estimates of all revenues of the District of Columbia (without regard to the source of such revenues), including proposed revenues, which shall be binding on the Mayor and the Council for purposes of preparing and submitting the budget of the District government for the year under part D, except that the Mayor and the Council may prepare the budget based on estimates of revenues which are lower than those prepared by the Chief Financial Officer; and

(B) quarterly re-estimates of the revenues of the District of Columbia during the year.

(6) Supervising and assuming responsibility for financial transactions to ensure adequate control of revenues and resources, and to ensure that appropriations are not exceeded.

(7) Maintaining systems of accounting and internal control designed to provide—

(A) full disclosure of the financial impact of the activities of the District government;

(B) adequate financial information needed by the District government for management purposes;

(C) effective control over, and accountability for, all funds, property, and other assets of the District of Columbia; and

(D) reliable accounting results to serve as the basis for preparing and supporting agency budget requests and controlling the execution of the budget.

(8) Submitting to the Council a financial statement of the District government, containing such details and at such times as the Council may specify.

(9) Supervising and assuming responsibility for the assessment of all property subject to assessment and special assessments within the corporate limits of the District of Columbia for taxation, preparing tax maps, and providing such notice of taxes and special assessments (as may be required by law).

(10) Supervising and assuming responsibility for the levying and collection of all taxes, special assessments, licensing fees, and other revenues of the District of Columbia (as may be required by law), and receiving all amounts paid to the District of Columbia from any source (including the Authority).

(11) Maintaining custody of all public funds belonging to or under the control of the District government (or any department or agency of the District government), and depositing all amounts paid in such depositories and under such terms and conditions as may be designated by the Council (or by the Authority during a control year).

(12) Maintaining custody of all investment and invested funds of the District government or in possession of the District government in a fiduciary capacity, and maintaining the safekeeping of all bonds and notes of the District government and the receipt and delivery of District government bonds and notes for transfer, registration, or exchange.

(13) Apportioning the total of all appropriations and funds made available during the year for obligation so as to prevent obligation or expenditure in a manner which would result in a deficiency or a need for supplemental appropriations during the year, and (with respect to appropriations and funds available for an indefinite period and all authorizations to create obligations by contract in advance of appropriations) apportioning the total of such appropriations, funds, or authorizations in the most effective and economical manner.

(14) Certifying all contracts (whether directly or through delegation) prior to execution as to the availability of funds to meet the obligations expected to be incurred by the District government under such contracts during the year.

(15) Prescribing the forms of receipts, vouchers, bills, and claims to be used by all agencies, offices, and instrumentalities of the District government.

(16) Certifying and approving prior to payment all bills, invoices, payrolls, and other evidences of claims, demands, or

charges against the District government, and determining the regularity, legality, and correctness of such bills, invoices, payrolls, claims, demands, or charges.

(17) In coordination with the Inspector General of the District of Columbia, performing internal audits of accounts and operations and records of the District government, including the examination of any accounts or records of financial transactions, giving due consideration to the effectiveness of accounting systems, internal control, and related administrative practices of the departments and agencies of the District government.

(18) Exercising responsibility for the administration and supervision of the District of Columbia Treasurer (except that the Chief Financial Officer may delegate any portion of such responsibility as the Chief Financial Officer considers appropriate and consistent with efficiency).

(19) Administering all borrowing programs of the District government for the issuance of long-term and short-term indebtedness.

(20) Administering the cash management program of the District government, including the investment of surplus funds in governmental and non-governmental interest-bearing securities and accounts.

(21) Administering the centralized District government payroll and retirement systems.

(22) Governing the accounting policies and systems applicable to the District government.

(23) Preparing appropriate annual, quarterly, and monthly financial reports of the accounting and financial operations of the District government.

(24) Not later than 120 days after the end of each fiscal year, preparing the complete financial statement and report on the activities of the District government for such fiscal year, for the use of the Mayor under section 448(a)(4).

(d) FUNCTIONS OF TREASURER.—At all times, the Treasurer shall have the following duties:

(1) Assisting the Chief Financial Officer in reporting revenues received by the District government, including submitting annual and quarterly reports concerning the cash position of the District government not later than 60 days after the last day of the quarter (or year) involved. Such reports shall include:

(A) Comparative reports of revenue and other receipts by source, including tax, nontax, and Federal revenues, grants and reimbursements, capital program loans, and advances. Each source shall be broken down into specific components.

(B) Statements of the cash flow of the District government for the preceding quarter or year, including receipts, disbursements, net changes in cash inclusive of the beginning balance, cash and investment, and the ending balance, inclusive of cash and investment. Such statements shall reflect the actual, planned, better or worse dollar amounts and the percentage change with respect to the current quarter, year-to-date, and fiscal year.

(C) Quarterly cash flow forecast for the quarter or year involved, reflecting receipts, disbursements, net change in cash inclusive of the beginning balance, cash and investment, and the ending balance, inclusive of cash and investment with respect to the actual dollar amounts for the quarter or year, and projected dollar amounts for each of the 3 succeeding quarters.

(D) Monthly reports reflecting a detailed summary analysis of all District of Columbia government investments, including, but not limited to—

(i) the total of long-term and short-term investments;

(ii) a detailed summary analysis of investments by type and amount, including purchases, sales (maturities), and interest;

(iii) an analysis of investment portfolio mix by type and amount, including liquidity, quality/risk of each security, and similar information;

(iv) an analysis of investment strategy, including near-term strategic plans and projects of investment activity, as well as forecasts of future investment strategies based on anticipated market conditions, and similar information;

(v) an analysis of cash utilization, including—

(I) comparisons of budgeted percentages of total cash to be invested with actual percentages of cash invested and the dollar amounts;

(II) comparisons of the next return on invested cash expressed in percentages (yield) with comparable market indicators and established District of Columbia government yield objectives; and

(III) comparisons of estimated dollar return against actual dollar yield.

(E) Monthly reports reflecting a detailed summary analysis of long-term and short-term borrowings inclusive of debt as authorized by section 603, in the current fiscal year and the amount of debt for each succeeding fiscal year not to exceed 5 years. All such reports shall reflect—

(i) the amount of debt outstanding by type of instrument;

(ii) the amount of authorized and unissued debt, including availability of short-term lines of credit, United States Treasury borrowings, and similar information;

(iii) a maturity schedule of the debt;

(iv) the rate of interest payable upon the debt; and

(v) the amount of debt service requirements and related debt service reserves.

(2) Such other functions assigned to the Chief Financial Officer under subsection (c) as the Chief Financial Officer may delegate.

(e) DEFINITIONS.—In this section—

(1) the term “Authority” means the District of Columbia Financial Responsibility and Management Assistance Author-

ity established under section 101(a) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995;

(2) the term “control year” has the meaning given such term under section 305(4) of such Act; and

(3) the term “District government” has the meaning given such term under section 305(5) of such Act.

#### PART C—THE JUDICIARY

##### JUDICIAL POWERS

SEC. 431. (a) The judicial power of the District is vested in the District of Columbia Court of Appeals and the Superior Court of the District of Columbia. The Superior Court has jurisdiction of any civil action or other matter (at law or in equity) brought in the District and of any criminal case under any law applicable exclusively to the District. The Superior Court has no jurisdiction over any civil or criminal matter over which a United States court has exclusive jurisdiction pursuant to an Act of Congress. The Court of Appeals has jurisdiction of appeals from the Superior Court and, to the extent provided by law to review orders and decisions of the Mayor, the Council, or any agency of the District. The District of Columbia courts shall also have jurisdiction over any other matters granted to the District of Columbia courts by other provisions of law.

(b) The chief judge of a District of Columbia court shall be designated by the District of Columbia Judicial Nominating Commission established by section 434 from among the judges of the court in regular active service, and shall serve as chief judge for a term of four years or until his successor is designated, except that his term as chief judge shall not extend beyond the chief judge's term as a judge of a District of Columbia court. He shall be eligible for redesignation as chief judge.

(c) A judge of a District of Columbia court appointed on or after the date of enactment of the District of Columbia Court Reorganization Act of 1970 shall be appointed for a term of fifteen years subject to mandatory retirement at age seventy-four or removal, suspension, or involuntary retirement pursuant to section 432 and upon completion of such term, such judge shall continue to serve until reappointed or his successor is appointed and qualifies. A judge may be reappointed as provided in subsection (c) of section 433.

(d)(1) There is established a District of Columbia Commission on Judicial Disabilities and Tenure (hereinafter referred to as the “Tenure Commission”). The Tenure Commission shall consist of seven members selected in accordance with the provisions of subsection (e). Such members shall serve for terms of six years, except that the member selected in accordance with subsection (e)(3)(A) shall serve for five years; of the members first selected in accordance with subsection (e)(3)(B), one member shall serve for three years and one member shall serve six years; of the members first selected in accordance with subsection (e)(3)(C), one member shall serve for a term of three years and one member shall serve for five years; the member first selected in accordance with subsection (e)(3)(D) shall serve for six years; and the member first appointed

in accordance with subsection (e)(3)(E) shall serve for six years. In making the respective first appointments according to subsections (e)(3)(B) and (e)(3)(C), the Mayor and Board of Governors of the unified District of Columbia Bar shall designate, at the time of such appointments, which member shall serve for the shorter term and which member shall serve for the longer term.

(2) The Tenure Commission shall act only at meetings called by the Chairman or a majority of the Tenure Commission held after notice has been given of such meeting to all Tenure Commission members.

(3) The Tenure Commission shall choose annually, from among its members, a Chairman and such other officers as it may deem necessary. The Tenure Commission may adopt such rules of procedures not inconsistent with this Act as may be necessary to govern the business of the Tenure Commission.

(4) The District government shall furnish to the Tenure Commission, upon the request of the Tenure Commission, such records, information, services, and such other assistance and facilities as may be necessary to enable the Tenure Commission properly to perform its functions. Information so furnished shall be treated by the Tenure Commission as privileged and confidential.

(e)(1) No person may be appointed to the Tenure Commission unless he—

(A) is a citizen of the United States;

(B) is a bona fide resident of the District and has maintained an actual place of abode in the District for at least ninety days immediately prior to his appointment; and

(C) is not an officer or employee of the legislative branch or of an executive or military department or agency of the United States (listed in sections 101 and 102 of title 5 of the United States Code); and (except with respect to the person appointed or designated according to paragraph (3)(E) is not an officer or employee of the judicial branch of the United States, or an officer or employee of the District government (including its judicial branch).

(2) Any vacancy on the Tenure Commission shall be filled in the same manner as<sup>6</sup> which the original appointment was made. Any person so appointed to fill a vacancy occurring other than upon the expiration of a prior term shall serve only for the remainder of the unexpired term of his predecessor.

(3) In addition to all other qualifications listed in this section, lawyer members of the Tenure Commission shall have the qualifications prescribed for persons appointed as judges of the District of Columbia courts. Members of the Tenure Commission shall be appointed as follows:

(A) One member shall be appointed by the President of the United States.

(B) Two members shall be appointed by the Board of Governors of the unified District of Columbia Bar, both or whom shall have been engaged in the practice of law in the District for at least five successive years preceding their appointment.

(C) Two members shall be appointed by the Mayor, one of whom shall not be a lawyer.

<sup>6</sup>So in original. Probably should be "manner in".

(D) One member shall be appointed by the Council, and shall not be a lawyer.

(E) One member shall be appointed by the chief judge of the United States District Court for the District of Columbia, and such member shall be an active or retired Federal judge serving in the District.

No person may serve at the same time on both the District of Columbia Judicial Nomination Commission and on the District of Columbia Commission on Judicial Disabilities and Tenure.

(f) Members of the Tenure Commission shall serve without compensation for services rendered in connection with their official duties on the Commission.

(g) The Tenure Commission shall have the power to suspend, retire, or remove a judge of a District of Columbia court as provided in section 432 and to make recommendations regarding the appointment of senior judges of the District of Columbia courts as provided in section 11–1504 of the District of Columbia Code.

#### REMOVAL, SUSPENSION, AND INVOLUNTARY RETIREMENT

SEC. 432. (a)(1) A judge of a District of Columbia court shall be removed from office upon the filing in the District of Columbia Court of Appeals by the Tenure Commission of an order of removal certifying the entry, in any court within the United States, of a final judgment of conviction of a crime which is punishable as a felony under Federal law or which would be a felony in the District.

(2) A judge of a District of Columbia court shall also be removed from office upon affirmance of an appeal from an order of removal filed in the District of Columbia Court of Appeals by the Tenure Commission (or upon expiration of the time within which such an appeal may be taken) after a determination by the Tenure Commission of—

(A) willful misconduct in office,

(B) willful and persistent failure to perform judicial duties,

or

(C) any other conduct which is prejudicial to the administration of justice or which brings the judicial office into disrepute.

(b) A judge of a District of Columbia court shall be involuntarily retired from office when (1) The Tenure Commission determines that the judge suffers from a mental or physical disability (including habitual intemperance) which is or is likely to become permanent and which prevents, or seriously interferes with, the proper performance of his judicial duties, and (2) the Tenure Commission files in the District of Columbia Court of Appeals an order of involuntary retirement and the order is affirmed on appeal or the time within which an appeal may be taken from the order has expired.

(c)(1) A judge of a District of Columbia court shall be suspended, without salary—

(A) upon—

(i) proof of his conviction of a crime referred to in subsection (a)(1) which has not become final, or

(ii) the filing of an order of removal under subsection (a)(2) which has not become final; and

(B) upon the filing by the Tenure Commission of an order of suspension in the District of Columbia Court of Appeals. Suspension under this paragraph shall continue until termination of all appeals. If the conviction is reversed or the order of removal is set aside, the judge shall be reinstated and shall recover his salary and all rights and privileges of his office.

(2) A judge of a District of Columbia court shall be suspended from all judicial duties, with such retirement salary as he may be entitled, upon the filing by the Tenure Commission of an order of involuntary retirement under subsection (b) in the District of Columbia Court of Appeals. Suspension shall continue until termination of all appeals. If the order of involuntary retirement is set aside, the judge shall be reinstated and shall recover his judicial salary less any retirement salary received and shall be entitled to all the rights and privileges of his office.

(3) A judge of a District of Columbia court shall be suspended from all or part of his judicial duties, with salary, if the Tenure Commission, upon concurrence of five members, (A) orders a hearing for the removal or retirement of the judge pursuant to this subchapter and determines that his suspension is in the interest of the administration of justice, and (B) files an order of suspension in the District of Columbia Court of Appeals. The suspension shall terminate as specified in the order (which may be modified, as appropriate, by the Tenure Commission) but in no event later than the termination of all appeals.

#### NOMINATION AND APPOINTMENT OF JUDGES

SEC. 433. (a) Except as provided in section 434(d)(1), the President shall nominate, from the list of persons recommended to him by the District of Columbia Judicial Nomination Commission established under section 434, and, by and with the advice and consent of the Senate, appoint all judges of the District of Columbia courts.

(b) No person may be nominated or appointed a judge of a District of Columbia court unless he—

(1) is a citizen of the United States;

(2) is an active member of the unified District of Columbia Bar and has been engaged in the active practice of law in the District for the five years immediately preceding his nomination or for such five years has been on the faculty of a law school in the District, or has been employed as a lawyer by the United States or the District of Columbia government;

(3) is a bona fide resident of the District of Columbia and has maintained an actual place of abode in the District for at least ninety days immediately prior to his nomination, and shall retain such residency as long as he serves as such judge, accept judges appointed prior to the effective date of this part who retain residency as required by section 1501(a) of title II of the District of Columbia Code shall not be required to be residents of the District to be eligible for reappointment or to serve any term to which reappointed;

(4) is recommended to the President, for such nomination and appointment, by the District of Columbia Judicial Nomination Commission; and

(5) has not served, within a period of two years prior to his nomination, as a member of the Tenure Commission or of the District of Columbia Judicial Nomination Commission.

(c) Not less than six months prior to the expiration of his term of office, any judge of the District of Columbia courts may file with the Tenure Commission a declaration of candidacy for reappointment. If a declaration is not so filed by any judge, a vacancy shall result from the expiration of his term of office and shall be filled by appointment as provided in subsections (a) and (b). If a declaration is so filed, the Tenure Commission shall, not less than thirty<sup>7</sup> days prior to the expiration of the declaring candidate's term of office, prepare and submit to the President a written evaluation of the declaring candidate's performance during his present term of office and his fitness for reappointment to another term. If the Tenure Commission determines the declaring candidate to be exceptionally well-qualified or<sup>8</sup> well qualified for reappointment to another term, then the term of such declaring candidate shall be automatically extended for another full term, subject to mandatory retirement, suspension, or removal. If the Tenure Commission determines the declaring candidate to be qualified for reappointment to another term, then the President may nominate such candidate, in which case the President shall submit to the Senate for advice and consent the renomination of the declaring candidate as judge. If the President determines not to so nominate such declaring candidate, he shall nominate another candidate for such position only in accordance with the provisions of subsections (a) and (b). If the Tenure Commission determines the declaring candidate to be unqualified for reappointment to another term, then the President shall not submit to the Senate for advice and consent the renomination of the declaring candidate as judge and such judge shall not be eligible for reappointment or appointment as a judge of a District of Columbia court.

#### DISTRICT OF COLUMBIA JUDICIAL NOMINATION COMMISSION

SEC. 434. (a) There is established for the District of Columbia the District of Columbia Judicial Nomination Commission (hereafter in this section referred to as the "Commission"). The Commission shall consist of seven members selected in accordance with the provisions of subsection (b). Such members shall serve for terms of six years, except that the member selected in accordance with subsection (b)(4)(A) shall serve for five years; of the members first selected in accordance with subsection (b)(4)(B), one member shall serve for three years and one member shall serve for six years; of the members first selected in accordance with subsection (b)(4)(C), one member shall serve for a term of three years and one member shall serve for five years; the member first selected in accordance with subsection (b)(4)(D) shall serve for six years; and the member first appointed in accordance with subsection (b)(4)(E) shall serve for six years. In making the respective first appointments according

<sup>7</sup> Public Law 99-573, § 12(2), amended the second sentence of this subsection by striking "thirty" and inserting "sixty". Impossible to execute; intent was probably to amend the third sentence of this subsection.

<sup>8</sup> Public Law 99-573, § 13, amended the third sentence of this subsection by striking "exceptionally well-qualified or". Impossible to execute; intent was probably to amend the fourth sentence of this subsection.

to subsections (b)(4)(B) and (b)(4)(C), the Mayor and the Board of Governors of the unified District of Columbia Bar shall designate, at the time of such appointments, which member shall serve for the shorter term and which member shall serve for the longer term.

(b)(1) No person may be appointed to the Commission unless he—

(A) is a citizen of the United States;

(B) is a bona fide resident of the District and has maintained an actual place of abode in the District for at least 90 days immediately prior to his appointment; and

(C) is not a member, officer, or employee of the legislative branch or of an executive or military department or agency of the United States (listed in sections 101 and 102 of title 5 of the United States Code); and (except with respect to the person appointed or designated according to paragraph (4)(E)) is not an officer or employee of the judicial branch of the United States, or an officer or employee of the District government (including its judicial branch).

(2) Any vacancy on the Commission shall be filed in the same manner in which the original appointment was made. Any person so appointed to fill a vacancy occurring other than upon the expiration of a prior term shall serve only for the remainder of the unexpired term of his predecessor.

(3) It shall be the function of the Commission to submit nominees for appointment to positions as judges of the District of Columbia courts in accordance with section 433 of this Act.

(4) In addition to all other qualifications listed in this section, lawyer members of the Commission shall have the qualifications prescribed for persons appointed as judges for the District of Columbia courts. Members of the Commission shall be appointed as follows:

(A) One member shall be appointed by the President of the United States.

(B) Two members shall be appointed by the Board of Governors of the unified District of Columbia Bar, both of whom shall have been engaged in the practice of law in the District for at least five successive years preceding their appointment.

(C) Two members shall be appointed by the Mayor, one of whom shall not be a lawyer.

(D) One member shall be appointed by the Council, and shall not be a lawyer.

(E) One member shall be appointed by the chief judge of the United States District Court for the District of Columbia, and such member shall be an active or retired Federal judge serving in the District.

(5) Members of the Commission shall serve without compensation for services rendered in connection with their official duties on the Commission.

(c)(1) The Commission shall act only at meetings called by the Chairman or a majority of the Commission held after notice has been given of such meeting to all Commission members. Meetings of the Commission may be closed to the public. Section 742 of this Act shall not apply to meetings of the Commission.

(2) The Commission shall choose annually, from among its members, a Chairman, and such other officers as it may deem nec-

essary. The Commission may adopt such rules of procedures not inconsistent with this Act as may be necessary to govern the business of the Commission.

(3) The District government shall furnish to the Commission, upon the request of the Commission, such records, information, services, and such other assistance and facilities as may be necessary to enable the Commission properly to perform its function. Information, records, and other materials furnished to or developed by the Commission in the performance of its duties under this section shall be privileged and confidential. Section 552 of title 5, United States Code (known as the Freedom of Information Act), shall not apply to any such materials.

(d)(1) In the event of a vacancy in any position of the judge of a District of Columbia court, the Commission shall, within sixty days following the occurrence of such vacancy, submit to the President, for possible nomination and appointment, a list of three persons for each vacancy. If more than one vacancy exists at one given time, the Commission must submit lists in which no person is named more than once and the President may select more than one nominee from one list. Whenever a vacancy will occur by reason of the expiration of such a judge's term of office, the Commission's list of nominees shall be submitted to the President not less than sixty days prior to the occurrence of such vacancy. In the event the President fails to nominate, for Senate confirmation, one of the persons on the list submitted to him under this section within sixty days after receiving such list, the Commission shall nominate, and with the advice and consent of the Senate, appoint one of those persons to fill the vacancy for which such list was originally submitted to the President.

(2) In the event any person recommended by the Commission to the President requests that his recommendation be withdrawn, dies, or in any other way becomes disqualified to serve as a judge of the District of Columbia courts, the Commission shall promptly recommend to the President one person to replace the person originally recommended.

(3) In no instance shall the Commission recommend any person, who in the event of timely nomination following a recommendation by the Commission, does not meet, upon such nomination, the qualifications specified in section 433.

(4) Upon submission to the President, the name of any individual recommended under this subsection shall be made public by the Judicial Nomination Commission.

#### PART D—DISTRICT BUDGET AND FINANCIAL MANAGEMENT

##### Subpart 1—Budget and Financial Management

###### FISCAL YEAR

SEC. 441. The fiscal year of the District shall, beginning on October 1, 1976, commence on the first day of October of each year and shall end on the thirtieth day of September of the succeeding calendar year. Such fiscal year shall also constitute the budget and accounting year. However, the fiscal year for the Armory Board shall begin on the first day of January and shall end on the thirty-first day of December of each calendar year.

## SUBMISSION OF ANNUAL BUDGET

SEC. 442. (a) At such time as the Council may direct, the Mayor shall prepare and submit to the Council each year, and make available to the public, an annual budget for the District of Columbia government which shall include—

(1) the budget for the forthcoming fiscal year in such detail as the Mayor determines necessary to reflect the actual financial condition of the District government for such fiscal year, and specify the agencies and purposes for which funds are being requested; and which shall be prepared on the assumption that proposed expenditures resulting from financial transactions undertaken on either an obligation or cash-outlay basis, for such fiscal year shall not exceed estimated resources from existing sources and proposed resources;

(2) an annual budget message which shall include supporting financial and statistical information on the budget for the forthcoming fiscal year and information on the approved budgets and expenditures for the immediately preceding three fiscal years;

(3) a multiyear plan for all agencies of the District government as required under section 444;

(4) a multiyear capital improvements plan for all agencies of the District government as required under section 443;

(5) a program performance report comparing actual performance of as many programs as is practicable for the last completed fiscal year against proposed goals for such programs for such year, and, in addition, presenting as many qualitative or quantitative measures of program effectiveness as possible (including results of statistical sampling or other special analyses), and indicating the status of efforts to comply with the reports of the District of Columbia Auditor and the Comptroller General of the United States;

(6) an issue analysis statement consisting of a reasonable number of issues, identified by the Council in its action on the budget in the preceding fiscal year, having significant revenue or budgetary implications, and other similar issues selected by the mayor, which shall consider the cost and benefits of alternatives and the rationale behind action recommended or adopted; and

(7) a summary of the budget for the forthcoming fiscal year designed for distribution to the general public.

(b) The budget prepared and submitted by the Mayor shall include, but not be limited to, recommended expenditures at a reasonable level for the forthcoming fiscal year for the Council, the District of Columbia Auditor, the District of Columbia Board of Elections, the District of Columbia Judicial Nomination Commission, the Zoning Commission of the District of Columbia, the Public Service Commission, the Armory Board, the Commission on Judicial Disabilities and Tenure, and the District of Columbia Water and Sewer Authority.

(c) The Mayor from time to time may prepare and submit to the Council such proposed supplemental or deficiency budget recommendations as in his judgment are necessary on account of laws enacted after transmission of the budget or are otherwise in the

public interest. The Mayor shall submit with such proposals a statement of justifications, including reasons for their omission from the annual budget. Whenever such proposed supplemental or deficiency budget recommendations are in an amount which would result in expenditures in excess of estimated resources, the Mayor shall make such recommendations as are necessary to increase resources to meet such increased expenditures.

(d) The Mayor shall prepare and submit to the Council a proposed supplemental or deficiency budget recommendation under subsection (c) if the Council by resolution requests the Mayor to submit such a recommendation.

#### MULTIYEAR PLAN

SEC. 443. The Mayor shall prepare and include in the annual budget a multiyear plan for all agencies included in the District budget, for all sources of funding, and for such program categories as the Mayor identifies. Such plan shall be based on the actual experience of the immediately preceding three fiscal years, on the approved current fiscal year budget, and on estimates for at least the four succeeding fiscal years. The plan shall include, but not be limited to, provisions identifying—

(1) future cost implications of maintaining programs at currently authorized levels, including anticipated changes in wage, salary, and benefit levels;

(2) future cost implications of all capital projects for which funds have already been authorized, including identification of the amount of already appropriated but unexpended capital project funds;

(3) future cost implications of new, improved, or expanded programs and capital project commitments proposed for each of the succeeding four fiscal years;

(4) the effects of current and proposed capital projects on future operating budget requirements;

(5) revenues and funds likely to be available from existing revenue sources at current rates or levels;

(6) the specific revenue and tax measures recommended for the forthcoming fiscal year and for the next following fiscal year necessary to balance revenues and expenditures;

(7) the actuarial status and anticipated costs and revenues of retirement systems covering District employees; and

(8) total debt service payments in each fiscal year in which debt service payments must be made for all bonds which have been or will be issued, and all loans from the United States Treasury which have been or will be received, to finance the total cost on a full funding basis of all projects listed in the capital improvements plan prepared under section 444; and for each such fiscal year, the percentage relationship of the total debt service payment (with payments for issued and proposed bonds and loans from the United States Treasury, received or proposed, separately identified) to the bonding limitation for the current and forthcoming fiscal year as specified in section 603(b).

## MULTIYEAR CAPITAL IMPROVEMENTS PLAN

SEC. 444. The Mayor shall prepare and include in the annual budget a multiyear capital improvements plan for all agencies of the District which shall be based upon the approved current fiscal year budget and shall include—

(1) the status, estimated period of usefulness, and total cost of each capital project on a full funding basis for which any appropriation is requested or any expenditure will be made in the forthcoming fiscal year and at least four fiscal years thereafter, including an explanation of change in total cost in excess of 5 per centum for any capital project included in the plan of the previous fiscal year;

(2) an analysis of the plan, including its relationship to other programs, proposals, or elements developed by the Mayor as the central planning agency for the District pursuant to section 423 of this Act;

(3) identification of the years and amounts in which bonds would have to be issued, loans made, and costs actually incurred on each capital project identified; and

(4) appropriate maps or other graphics.

## DISTRICT OF COLUMBIA COURTS' BUDGET

SEC. 445. The District of Columbia courts shall prepare and annually submit to the Director of the Office of Management and Budget, for inclusion in the annual budget, annual estimates of the expenditures and appropriations necessary for the maintenance and operation of the District of Columbia court system. The courts shall submit as part of their budgets both a multiyear plan and a multiyear capital improvements plan and shall submit a statement presenting qualitative and quantitative descriptions of court activities and the status of efforts to comply with reports of the Comptroller General of the United States.

## WATER AND SEWER AUTHORITY BUDGET

SEC. 445A. (a) IN GENERAL.—The District of Columbia Water and Sewer Authority established pursuant to the Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996 shall prepare and annually submit to the Mayor, for inclusion in the annual budget, annual estimates of the expenditures and appropriations necessary for the operation of the Authority for the year. All such estimates shall be forwarded by the Mayor to the Council for its action pursuant to sections 446 and 603(c), without revision but subject to his recommendations. Notwithstanding any other provision of this Act, the Council may comment or make recommendations concerning such annual estimates, but shall have no authority under this Act to revise such estimates.

(b) PERMITTING EXPENDITURE OF EXCESS REVENUES FOR CAPITAL PROJECTS IN EXCESS OF BUDGET.—Notwithstanding the amount appropriated for the District of Columbia Water and Sewer Authority for capital projects for a fiscal year, if the revenues of the Authority for the year exceed the estimated revenues of the Authority provided in the annual budget of the District of Columbia for the fiscal year, the Authority may obligate or expend an addi-

tional amount for capital projects during the year equal to the amount of such excess revenues.

ENACTMENT OF APPROPRIATIONS BY CONGRESS

SEC. 446. The Council, within fifty calendar days after receipt of the budget proposal from the Mayor, and after public hearing, shall by act adopt the annual budget for the District of Columbia government. Any supplements thereto shall also be adopted by act by the Council after public hearing. Such budget so adopted shall be submitted by the Mayor to the President for transmission by him to the Congress. Except as provided in section 445A(b), section 467(d), section 471(c), section 472(d)(2), section 475(e)(2), section 483(d), and section 490(f), (g), (h)(3), and (i)(3), no amount may be obligated or expended by any officer or employee of the District of Columbia government unless such amount has been approved by Act of Congress, and then only according to such Act. Notwithstanding any other provision of this Act, the Mayor shall not transmit any annual budget or amendments or supplements thereto, to the President of the United States until the completion of the budget procedures contained in this Act. After the adoption of the annual budget for a fiscal year (beginning with the annual budget for fiscal year 1995), no reprogramming of amounts in the budget may occur unless the Mayor submits to the Council a request for such reprogramming and the Council approves the request, but only if any additional expenditures provided under such request for an activity are offset by reductions in expenditures for another activity.

CONSISTENCY OF BUDGET, ACCOUNTING, AND PERSONNEL SYSTEMS

SEC. 447. The Mayor shall implement appropriate procedures to insure that budget, accounting, and personnel control systems and structures are synchronized for budgeting and control purposes on a continuing basis. No employee shall be hired on a full-time or part-time basis unless such position is authorized by Act of Congress. Employees shall be assigned in accordance with the program, organization, and fund categories specified in the Act of Congress authorizing such position. Hiring of temporary employees and temporary employee transfers among programs shall be consistent with applicable Acts of Congress and reprogramming procedures to insure that costs are accurately associated with programs and sources of funding.

FINANCIAL DUTIES OF THE MAYOR

SEC. 448. (a) Subject to the limitations in section 603, the Mayor shall have charge of the administration of the financial affairs of the District and to that end he shall—

(1) supervise and be responsible for all financial transactions to insure adequate control of revenues and resources and to insure that appropriations are not exceeded;

(2) maintain systems of accounting and internal control designed to provide—

(A) full disclosure of the financial results of the District government's activities,

(B) adequate financial information needed by the District government for management purposes,

- (C) effective control over and accountability for all funds, property, and other assets,
- (D) reliable accounting results to serve as the basis for preparing and supporting agency budget requests and controlling the execution of the budget;
- (3) submit to the Council a financial statement in any detail and at such times as the Council may specify;
- (4) submit to the Council, by February 1 of each fiscal year, a complete financial statement and report for the preceding fiscal year;
- (5) supervise and be responsible for the assessment of all property subject to assessment and special assessments within the corporate limits of the District for taxation, prepare tax maps, and give such notice of taxes and special assessments, as may be required by law;
- (6) supervise and be responsible for the levying and collection of all taxes, special assessments, license fees, and other revenues of the District, as required by law, and receive all moneys receivable by the District from the Federal Government or from any agency or instrumentality of the District, except that this paragraph shall not apply to moneys from the District of Columbia Courts.<sup>9</sup>
- (7) have custody of all public funds belonging to or under the control of the District, or any agency of the District government, and deposit all funds coming into his hands, in such depositories as may be designated and under such terms and conditions as may be prescribed by act of the Council;
- (8) have custody of all investments and invested funds of the District government, or in possession of such government in a fiduciary capacity, and have the safekeeping of all bonds and notes of the District and the receipt and delivery of District bonds and notes for transfer, registration or exchange; and
- (9) apportion the total of all appropriations and funds made available during the fiscal year for obligation so as to prevent obligation or expenditure thereof in a manner which would indicate a necessity for deficiency or supplemental appropriations for such fiscal year, and with respect to all appropriations or funds not limited to a definite period, and all authorizations to create obligations by contract in advance of appropriations, apportion the total of such appropriations or funds or authorizations so as to achieve the most effective and economical use thereof.
- (b) Notwithstanding subsection (a), the Mayor may make any payments required by subsection (b) or subsection (c) of section 483 and take any actions authorized by an act of the Council under section 467(b) or under subsection (a)(4)(A), or subsection (e), of section 490.

## ACCOUNTING SUPERVISION AND CONTROL

## SEC. 449. The Mayor shall—

<sup>9</sup>So in law. The period probably should be a semicolon.

(a)<sup>10</sup> prescribe the forms of receipts, vouchers, bills and claims to be used by all the agencies, offices, and instrumentalities of the District government;

(b) examine and approve all contracts, orders, and other documents by which the District government incurs financial obligations, having previously ascertained that money has been appropriated and allotted and will be available when the obligations shall become due and payable;

(c) audit and approve before payment all bills, invoices, payrolls, and other evidences of claims, demands, or charges against the District government and with the advice of the legal officials of the District determine the regularity, legality, and correctness of such claims, demands, or charges; and

(d) perform internal audits of accounts and operations and agency records of the District government, including the examination of any accounts or records of financial transactions, giving due consideration to the effectiveness of accounting systems, internal control, and related administrative practices of the respective agencies.

#### GENERAL AND SPECIAL FUNDS

SEC. 450. The General Fund of the District shall be composed of those District revenues which on the effective date of this title are paid into the Treasury of the United States and credited either to the General Fund of the District or its miscellaneous receipts, but shall not include any revenues which are applied by law to any special fund existing on the date of enactment of this title. The Council may from time to time establish such additional special funds as may be necessary for the efficient operation of the government of the District. All money received by any agency, officer, or employee of the District in its or his official capacity shall belong to the District government and shall be paid promptly to the Mayor for deposit in the appropriate fund, except that all money received by the District of Columbia Courts shall be deposited in the Treasury of the United States or the Crime Victims Fund.

#### RESERVE FUNDS

SEC. 450A. (a) EMERGENCY RESERVE FUND.—

(1) IN GENERAL.—There is established an emergency cash reserve fund (in this subsection referred to as the “emergency reserve fund”) as an interest-bearing account (separate from other accounts in the General Fund) into which the Mayor shall deposit in cash not later than February 15 of each fiscal year (or not later than October 1, 2000, in the case of fiscal year 2001) such amount as may be required to maintain a balance in the fund of at least 4 percent of the total budget appropriated for operating expenditures for such fiscal year which is derived from local funds (or, in the case of fiscal years prior to fiscal year 2004, such amount as may be required to maintain a balance in the fund of at least the minimum emergency reserve balance for such fiscal year, as determined under paragraph (2)).

<sup>10</sup>The margins of subsections (a) through (d) as in original.

(2) DETERMINATION OF MINIMUM EMERGENCY RESERVE BALANCE.—

(A) IN GENERAL.—The “minimum emergency reserve balance” with respect to a fiscal year is the amount equal to the applicable percentage of the total budget appropriated for operating expenditures for such fiscal year which is derived from local funds.

(B) APPLICABLE PERCENTAGE DEFINED.—In subparagraph (A), the “applicable percentage” with respect to a fiscal year means the following:

(i) For fiscal year 2001, 1 percent.

(ii) For fiscal year 2002, 2 percent.

(iii) For fiscal year 2003, 3 percent.

(3) INTEREST.—Interest earned on the emergency reserve fund shall remain in the account and shall only be withdrawn in accordance with paragraph (4).

(4) CRITERIA FOR USE OF AMOUNTS IN EMERGENCY RESERVE FUND.—The Chief Financial Officer, in consultation with the Mayor, shall develop a policy to govern the emergency reserve fund which shall include (but which may not be limited to) the following requirements:

(A) The emergency reserve fund may be used to provide for unanticipated and nonrecurring extraordinary needs of an emergency nature, including a natural disaster or calamity as defined by section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Public Law 100–707) or unexpected obligations by Federal law.

(B) The emergency reserve fund may also be used in the event of a State of Emergency as declared by the Mayor pursuant to section 5 of the District of Columbia Public Emergency Act of 1980 (sec. 6–1504, D.C. Code).

(C) The emergency reserve fund may not be used to fund—

(i) any department, agency, or office of the Government of the District of Columbia which is administered by a receiver or other official appointed by a court;

(ii) shortfalls in any projected reductions which are included in the budget proposed by the District of Columbia for the fiscal year; or

(iii) settlements and judgments made by or against the Government of the District of Columbia.

(5) ALLOCATION OF EMERGENCY CASH RESERVE FUNDS.—Funds may be allocated from the emergency reserve fund only after—

(A) an analysis has been prepared by the Chief Financial Officer of the availability of other sources of funding to carry out the purposes of the allocation and the impact of such allocation on the balance and integrity of the emergency reserve fund; and

(B) with respect to fiscal years beginning with fiscal year 2005, the contingency reserve fund established by subsection (b) has been projected by the Chief Financial Officer to be exhausted at the time of the allocation.

(6) NOTICE.—The Mayor, the Council, and (in the case of a fiscal year which is a control year, as defined in section 305(4) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995) the District of Columbia Financial Responsibility and Management Assistance Authority shall notify the Committees on Appropriations of the Senate and House of Representatives in writing not more than 30 days after the expenditure of funds from the emergency reserve fund.

(7) REPLENISHMENT.—The District of Columbia shall appropriate sufficient funds each fiscal year in the budget process to replenish any amounts allocated from the emergency reserve fund during the preceding fiscal year by the following fiscal year. Once the emergency reserve equals 4 percent of total budget appropriated from local funds for operating expenditures for the fiscal year, the District of Columbia shall appropriate sufficient funds each fiscal year in the budget process to replenish any amounts allocated from the emergency reserve fund during the preceding year to maintain a balance of at least 4 percent of total funds appropriated from local funds for operating expenditures by the following fiscal year.

(b) CONTINGENCY RESERVE FUND.—

(1) IN GENERAL.—There is established a contingency cash reserve fund (in this subsection referred to as the “contingency reserve fund”) as an interest-bearing account (separate from other accounts in the General Fund) into which the Mayor shall deposit in cash not later than October 1 of each fiscal year (beginning with fiscal year 2002) such amount as may be required to maintain a balance in the fund of at least 3 percent of the total budget appropriated for operating expenditures for such fiscal year which is derived from local funds (or, in the case of fiscal years prior to fiscal year 2007, such amount as may be required to maintain a balance in the fund of at least the minimum contingency reserve balance for such fiscal year, as determined under paragraph (2)).

(2) DETERMINATION OF MINIMUM CONTINGENCY RESERVE BALANCE.—

(A) IN GENERAL.—The “minimum contingency reserve balance” with respect to a fiscal year is the amount equal to the applicable percentage of the total budget appropriated from local funds for operating expenditures for such fiscal year which is derived from local funds.

(B) APPLICABLE PERCENTAGE DEFINED.—In subparagraph (A), the “applicable percentage” with respect to a fiscal year means the following:

- (i) For fiscal year 2002, 0 percent.
- (ii) For fiscal year 2003, 0 percent.
- (iii) For fiscal year 2004, 0 percent.
- (iv) For fiscal year 2005, 1 percent.
- (v) For fiscal year 2006, 2 percent.

(3) INTEREST.—Interest earned on the contingency reserve fund shall remain in the account and may only be withdrawn in accordance with paragraph (4).

(4) CRITERIA FOR USE OF AMOUNTS IN CONTINGENCY RESERVE FUND.—The Chief Financial Officer, in consultation with

the Mayor, shall develop a policy governing the use of the contingency reserve fund which shall include (but which may not be limited to) the following requirements:

(A) The contingency reserve fund may only be used to provide for nonrecurring or unforeseen needs that arise during the fiscal year, including expenses associated with unforeseen weather or other natural disasters, unexpected obligations created by Federal law or new public safety or health needs or requirements that have been identified after the budget process has occurred, or opportunities to achieve cost savings.

(B) The contingency reserve fund may be used, if needed, to cover revenue shortfalls experienced by the District government for 3 consecutive months (based on a 2 month rolling average) that are 5 percent or more below the budget forecast.

(C) The contingency reserve fund may not be used to fund any shortfalls in any projected reductions which are included in the budget proposed by the District of Columbia for the fiscal year.

(5) ALLOCATION OF CONTINGENCY CASH RESERVE.—Funds may be allocated from the contingency reserve fund only after an analysis has been prepared by the Chief Financial Officer of the availability of other sources of funding to carry out the purposes of the allocation and the impact of such allocation on the balance and integrity of the contingency reserve fund.

(6) REPLENISHMENT.—The District of Columbia shall appropriate sufficient funds each fiscal year in the budget process to replenish any amounts allocated from the contingency reserve fund during the preceding fiscal year by the following fiscal year. Once the contingency reserve equals 3 percent of total funds appropriated from local funds for operating expenditures, the District of Columbia shall appropriate sufficient funds each fiscal year in the budget process to replenish any amounts allocated from the contingency reserve fund during the preceding year to maintain a balance of at least 3 percent of total funds appropriated from local funds for operating expenditures by the following fiscal year.

(c) QUARTERLY REPORTS.—The Chief Financial Officer shall submit a quarterly report to the Mayor, the Council, the District of Columbia Financial Responsibility and Management Assistance Authority (in the case of a fiscal year which is a control year, as defined in section 305(4) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995), and the Committees on Appropriations of the Senate and House of Representatives that includes a monthly statement on the balance and activities of the contingency and emergency reserve funds.

#### COMPREHENSIVE FINANCIAL MANAGEMENT POLICY

SEC. 450B. (a) COMPREHENSIVE FINANCIAL MANAGEMENT POLICY.—The District of Columbia shall conduct its financial management in accordance with a comprehensive financial management policy.

(b) CONTENTS OF POLICY.—The comprehensive financial management policy shall include, but not be limited to, the following:

- (1) A cash management policy.
  - (2) A debt management policy.
  - (3) A financial asset management policy.
  - (4) An emergency reserve management policy in accordance with section 450A(a).
  - (5) A contingency reserve management policy in accordance with section 450A(b).
  - (6) A policy for determining real property tax exemptions for the District of Columbia.
- (c) ANNUAL REVIEW.—The comprehensive financial management policy shall be reviewed at the end of each fiscal year by the Chief Financial Officer who shall—
- (1) not later than July 1 of each year, submit any proposed changes in the policy to the Mayor and (in the case of a fiscal year which is a control year, as defined in section 305(4) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995) the District of Columbia Financial Responsibility and Management Assistance Authority (Authority) for review;
  - (2) not later than August 1 of each year, after consideration of any comments received under paragraph (1), submit the changes to the Council of the District of Columbia (Council) for approval; and
  - (3) not later than September 1 of each year, notify the Committees on Appropriations of the Senate and House of Representatives, the Committee on Government Reform of the House of Representatives, and the Committee on Governmental Affairs of the Senate of any changes enacted by the Council.
- (d) PROCEDURE FOR DEVELOPMENT OF FIRST COMPREHENSIVE FINANCIAL MANAGEMENT POLICY.—
- (1) CHIEF FINANCIAL OFFICER.—Not later than April 1, 2001, the Chief Financial Officer shall submit to the Mayor an initial proposed comprehensive financial management policy for the District of Columbia pursuant to this section.
  - (2) COUNCIL.—Following review and comment by the Mayor, not later than May 1, 2001, the Chief Financial Officer shall submit the proposed financial management policy to the Council for its prompt review and adoption.
  - (3) AUTHORITY.—Upon adoption of the financial management policy under paragraph (2), the Council shall immediately submit the policy to the Authority for a review of not to exceed 30 days.
  - (4) CONGRESS.—Following review of the financial management policy by the Authority under paragraph (3), the Authority shall submit the policy to the Committees on Appropriations of the Senate and House of Representatives, the Committee on Government Reform of the House of Representatives, and the Committee on Governmental Affairs of the Senate for review, and the policy shall take effect 30 days after the date the policy is submitted under this paragraph.

SPECIAL RULES REGARDING CERTAIN CONTRACTS

SEC. 451. (a) CONTRACTS EXTENDING BEYOND ONE YEAR.—No contract involving expenditures out of an appropriation which is

available for more than one year shall be made for a period of more than five years unless, with respect to a particular contract, the Council, by a two-thirds vote of its members present and voting, authorizes the extension of such period for such contract. Such contracts shall be made pursuant to criteria established by act of the Council.

(b) **CONTRACTS EXCEEDING CERTAIN AMOUNT.—**

(1) **IN GENERAL.—**No contract involving expenditures in excess of \$1,000,000 during a 12-month period may be made unless the Mayor submits the contract to the Council for its approval and the Council approves the contract (in accordance with criteria established by act of the Council).

(2) **DEEMED APPROVAL.—**For purposes of paragraph (1), the Council shall be deemed to approve a contract if—

(A) during the 10-day period beginning on the date the Mayor submits the contract to the Council, no member of the Council introduces a resolution approving or disapproving the contract; or

(B) during the 45-calendar day period beginning on the date the Mayor submits the contract to the Council, the Council does not disapprove the contract.

(c)(1) The District may enter into multiyear contracts to obtain goods and services for which funds would otherwise be available for obligation only within the fiscal year for which appropriated.

(2) If the funds are not made available for the continuation of such a contract into a subsequent fiscal year, the contract shall be cancelled or terminated, and the cost of cancellation or termination may be paid from—

(A) appropriations originally available for the performance of the contract concerned;

(B) appropriations currently available for procurement of the type of acquisition covered by the contract, and not otherwise obligated; or

(C) funds appropriated for those payments.

(3) No contract entered into under this subsection shall be valid unless the Mayor submits the contract to the Council for its approval and the Council approves the contract (in accordance with criteria established by act of the Council). The Council shall be required to take affirmative action to approve the contract within 45 days. If no action is taken to approve the contract within 45 calendar days, the contract shall be deemed disapproved.<sup>11</sup>

(d) **EXEMPTION FOR CERTAIN CONTRACTS.—**The requirements of this section shall not apply with respect to any of the following contracts:

(1) Any contract entered into by the Washington Convention Center Authority for preconstruction activities, project management, design, or construction.

(2) Any contract entered into by the District of Columbia Water and Sewer Authority established pursuant to the Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996, other than contracts for the sale or lease of the Blue Plains Wastewater Treatment Plant.

<sup>11</sup> Public Law 104-134, § 134, added this subsection to section 451 of the "District of Columbia Self-Government and Governmental Reorganization Act of 1973". Intent was probably to add this subsection to section 451 of this Act.

(3) At the option of the Council, any contract for a highway improvement project carried out under title 23, United States Code.

ANNUAL BUDGET FOR THE BOARD OF EDUCATION

SEC. 452. With respect to the annual budget for the Board of Education in the District of Columbia, the Mayor and the Council may establish the maximum amount of funds which will be allocated to the Board, but may not specify the purposes for which such funds may be expended or the amount of such funds which may be expended for the various programs under the jurisdiction of the Board of Education. This section shall not apply with respect to the annual budget for any fiscal year which is a control year (as defined in section 305(4) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995).

REDUCTIONS IN BUDGETS OF INDEPENDENT AGENCIES

SEC. 453. (a) In accordance with subsection (b) and except as provided in subsection (c), the Mayor may reduce amounts appropriated or otherwise made available to independent agencies of the District of Columbia (including the Board of Education) for a fiscal year if the Mayor determines that it is necessary to reduce such amounts to balance the District's budget for the fiscal year.

(b)(1) The Mayor may not make any reduction pursuant to subsection (a) unless the Mayor submits a proposal to make such a reduction to the Council and the Council approves the proposal.

(2) A proposal submitted by the Mayor under paragraph (1) shall be deemed to be approved by the Council—

(A) if no member of the Council files a written objection to the proposal with the Secretary of the Council before the expiration of the 10-day period that begins on the date the Mayor submits the proposal; or

(B) if a member of the Council files such a written objection during the period described in subparagraph (A), if the Council does not disapprove the proposal prior to the expiration of the 45-day period that begins on the date the member files the written objection.

(3) The periods described in subparagraphs (A) and (B) of paragraph (2) shall not include any days which are days of recess for the Council (according to the Council's rules).

(c) Subsection (a) shall not apply to amounts appropriated or otherwise made available to the Council, the District of Columbia Financial Responsibility and Management Assistance Authority established under section 101(a) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, or the District of Columbia Water and Sewer Authority established pursuant to the Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996.

Subpart 2—Audits and Accountability Requirements

DISTRICT OF COLUMBIA AUDITOR

SEC. 455. (a) There is established for the District of Columbia the Office of District of Columbia Auditor who shall be appointed

by the Chairman, subject to the approval of a majority of the Council. The District of Columbia Auditor shall serve for a term of six years and shall be paid at a rate of compensation as may be established from time to time by the Council.

(b) The District of Columbia Auditor shall each year conduct a thorough audit of the accounts and operations of the government of the District in accordance with such principles and procedures and under such rules and regulations as he may prescribe. In the determination of the auditing procedures to be followed and the extent of the examination of vouchers and other documents and records, the District of Columbia Auditor shall give due regard to generally accepted principles of auditing including the effectiveness of the accounting organizations and systems, internal audit and control, and related administrative practices.

(c) The District of Columbia Auditor shall have access to all books, accounts, records, reports, findings and all other papers, things, or property belonging to or in use by any department, agency, or other instrumentality of the District government and necessary to facilitate the audit.

(d) The District of Columbia Auditor shall submit his audit reports to the Congress, the Mayor, and the Council. Such reports shall set forth the scope of the audits conducted by him and shall include such comments and information as the District of Columbia Auditor may deem necessary to keep the Congress, the Mayor, and the Council informed of the operations to which the reports relate, together with such recommendations with respect thereto as he may deem advisable.

(e) The Council shall make such report, together with such other material as it deems pertinent thereto, available for public inspection.

(f) The Mayor shall state in writing to the Council, within an appropriate time, what action he has taken to effectuate the recommendations made by the District of Columbia Auditor in his reports.

(g) This section shall not apply to the District of Columbia Courts or the accounts and operations thereof.

#### PERFORMANCE AND FINANCIAL ACCOUNTABILITY

##### SEC. 456. (a) PERFORMANCE ACCOUNTABILITY PLAN.—

(1) SUBMISSION OF ANNUAL PLAN.—Concurrent with the submission of the District of Columbia budget to Congress each year (beginning with 2001), the Mayor shall develop and submit to the Committee on Government Reform and Oversight of the House of Representatives, the Committee on Governmental Affairs of the Senate, the Committees on Appropriations of the House of Representatives and the Senate, and the Comptroller General a performance accountability plan for all departments, agencies, and programs of the government of the District of Columbia for the subsequent fiscal year.

(2) CONTENTS OF PLAN.—The performance accountability plan for a fiscal year shall contain the following:

(A) A statement of measurable, objective performance goals established for all significant activities of the government of the District of Columbia during the fiscal year (including activities funded in whole or in part by the District

but performed in whole or in part by some other public or private entity).

(B) A description of the measures of performance to be used in determining whether the government has met the goals established under subparagraph (A) with respect to an activity for a fiscal year. Such measures shall analyze the quantity and quality of the activities involved, and shall include measures of program outcomes and results.

(C) The title of the District of Columbia management employee most directly responsible for the achievement of each goal and the title of such employee's immediate supervisor or superior.

(3) DESCRIPTION OF ACTIVITIES SUBJECT TO COURT ORDER.—In addition to the material included in the performance accountability plan for a fiscal year under paragraph (2), the plan shall include a description of the activities of the government of the District of Columbia that are subject to a court order during the fiscal year and the requirements placed on such activities by the court order.

(b) PERFORMANCE ACCOUNTABILITY REPORT.—

(1) SUBMISSION OF REPORT.—Not later than March 1 of each year (beginning with 2001), the Mayor shall develop and submit to the Committee on Government Reform and Oversight of the House of Representatives, the Committee on Governmental Affairs of the Senate, the Committees on Appropriations of the House of Representatives and the Senate, and the Comptroller General a performance accountability report on activities of the government of the District of Columbia during the fiscal year ending on the previous September 30.

(2) CONTENTS OF REPORT.—The performance accountability report for a fiscal year shall contain the following:

(A) For each goal of the performance accountability plan submitted under subsection (a) for the year, a statement of the actual level of performance achieved compared to the stated goal.

(B) The title of the District of Columbia management employee most directly responsible for the achievement of each goal and the title of such employee's immediate supervisor or superior.

(C) A statement of the status of any court orders applicable to the government of the District of Columbia during the year and the steps taken by the government to comply with such orders.

(3) EVALUATION OF REPORT.—The Comptroller General, in consultation with the Director of the Office of Management and Budget, shall review and evaluate each performance accountability report submitted under this subsection and not later than April 15 of each year shall submit comments on such report to the Committee on Government Reform and Oversight of the House of Representatives, the Committee on Governmental Affairs of the Senate, and the Committees on Appropriations of the House of Representatives and the Senate.

(c) FINANCIAL ACCOUNTABILITY PLAN AND REPORT.—

(1) DEVELOPMENT AND SUBMISSION.—Not later than March 1 of each year (beginning with 1997), the Chief Financial Offi-

cer shall develop and submit to the Committee on Government Reform and Oversight of the House of Representatives, the Committee on Governmental Affairs of the Senate, the Committees on Appropriations of the House of Representatives and the Senate, and the Comptroller General a 5-year financial plan for the government of the District of Columbia that contains a description of the steps the government will take to eliminate any differences between expenditures from, and revenues attributable to, each fund of the District of Columbia during the first 5 fiscal years beginning after the submission of the plan.

(2) REPORT ON COMPLIANCE.—

(A) SUBMISSION OF REPORT.—Not later than March 1 of every year (beginning with 1999), the Chief Financial Officer shall submit a report to the Committee on Government Reform and Oversight of the House of Representatives, the Committee on Governmental Affairs of the Senate, the Committees on Appropriations of the House of Representatives and the Senate, the Comptroller General, and the Director of the Congressional Budget Office on the extent to which the government of the District of Columbia was in compliance during the preceding fiscal year with the applicable requirements of the financial accountability plan submitted for such fiscal year under this subsection.

(B) EVALUATION OF REPORT.—The Comptroller General, in consultation with the Director of the Congressional Budget Office, shall review and evaluate the financial accountability compliance report submitted under subparagraph (A) and not later than April 15 of each year shall submit comments on such report to the Committee on Government Reform and Oversight of the House of Representatives, the Committee on Governmental Affairs of the Senate, and the Committees on Appropriations of the House of Representatives and the Senate.

(d) QUARTERLY FINANCIAL REPORTS.—

(1) SUBMISSION OF QUARTERLY FINANCIAL REPORTS.—Not later than fifteen days after the end of every calendar quarter (beginning with a report for the quarter beginning October 1, 1997), the Chief Financial Officer shall submit to the Committee on Government Reform and Oversight of the House of Representatives, the Committee on Governmental Affairs of the Senate, and the Subcommittees on the District of Columbia of the Committees on Appropriations of the House of Representatives and the Senate, a report on the financial and budgetary status of the government of the District of Columbia for the previous quarter.

(2) CONTENTS OF REPORT.—Each quarterly financial report submitted under paragraph (1) shall include the following information:

(A) A comparison of actual to forecasted cash receipts and disbursements for each month of the quarter, as presented in the District's fiscal year consolidated cash forecast which shall be supported and accompanied by cash forecasts for the general fund and each of the District gov-

ernment's other funds other than the capital projects fund and trust and agency funds.

(B) A projection of the remaining months cash forecast for that fiscal year.

(C) Explanations of (i) the differences between actual and forecasted cash amounts for each of the months in the quarter, and (ii) any changes in the remaining months forecast as compared to the original forecast for such months of that fiscal year.

(D) The effect of such changes, actual and projected, on the total cash balance of the remaining months and for the fiscal year.

(E) Explanations of the impact on meeting the budget, how the results may be reflected in a supplemental budget request, or how other policy decisions may be necessary which may require the agencies to reduce expenditures in other areas.

(F) An aging of the outstanding receivables and payables, with an explanation of how they are reflected in the forecast of cash receipts and disbursements.

(G) For each department or agency, the actual number of full-time equivalent positions, the actual number of full-time employees, the actual number of part-time employees, and the actual number of temporary employees, together with the source of funding for each such category of positions and employees.

(H) A statement of the balance of each account held by the District of Columbia Financial Responsibility and Management Assistance Authority as of the end of the quarter, together with a description of the activities within each such account during the quarter based on information supplied by the Authority.

(e) SUBMISSION OF REPORTS TO DISTRICT OF COLUMBIA FINANCIAL RESPONSIBILITY AND MANAGEMENT ASSISTANCE AUTHORITY.— In the case of any report submitted by the Mayor under this section for a fiscal year (or any quarter of a fiscal year) which is a control year under the District of Columbia Financial Responsibility and Management Assistance Act of 1995, the Mayor shall submit the report to the District of Columbia Financial Responsibility and Management Assistance Authority established under section 101(a) of such Act in addition to any other individual to whom the Mayor is required to submit the report under this section.

#### PART E—BORROWING

##### Subpart 1—Borrowing

###### DISTRICT'S AUTHORITY TO ISSUE AND REDEEM GENERAL OBLIGATION BONDS FOR CAPITAL PROJECTS

SEC. 461. (a)(1) Subject to the limitations in section 603(b), the District may incur indebtedness by issuing general obligation bonds to refund indebtedness of the District at any time outstanding, to finance the outstanding accumulated operating deficit of the general fund of the District of \$331,589,000, existing as of September 30, 1990, to finance or refund the outstanding accumu-

lated operating deficit of the general fund of the District of \$500,000,000, existing as of September 30, 1997, and to provide for the payment of the cost of acquiring or undertaking its various capital projects. Such bonds shall bear interest, payable on such dates, at such date or dates and at such maturities as the Mayor, subject to the provisions of section 462 of this Act, may from time to time determine to be necessary to make such bonds marketable.

(2) The District may not issue any general obligation bonds to finance the operating deficit existing as of September 30, 1990 described in paragraph (1) after September 30, 1992.

(b) The District may reserve the right to redeem any or all of its obligations before maturity in such manner and at such price as may be fixed by the Mayor prior to the issuance of such obligations.

CONTENTS OF BORROWING LEGISLATION AND ELECTIONS ON ISSUING  
GENERAL OBLIGATION BONDS

SEC. 462. (a) The Council may by act authorize the issuance of general obligation bonds for the purposes specified in section 461. Such an Act shall contain, at least, provisions—

(1) briefly describing the projects or categories of projects to be financed by the Act;

(2) identifying the act authorizing each such project or category of projects;

(3) setting forth the maximum amount of the principal of the indebtedness which may be incurred for the projects to be financed;

(4) setting forth the maximum rate of interest to be paid on such indebtedness;

(5) setting forth the maximum allowable maturity for the issue and the maximum debt service payable in any year; and

(6) setting forth, in the event that the Council determines in its discretion to submit the question of issuing such bonds to a vote of the qualified voters of the District, the manner of holding such election, the date of such election, the manner of voting for or against the incurring of such indebtedness, and the form of ballot to be used at such election.

(b) Any election held on the question of issuing general obligation bonds must be held before the act authorizing the issuance of such bonds is transmitted to the Speaker of the House of Representatives and the President of the Senate pursuant to section 602(c).

(c) Notwithstanding section 602(c)(1), the provisions required by paragraph (6) of subsection (a) to be included in any act authorizing the issuance of general obligation bonds shall take effect on the date of the enactment of such act.

PUBLICATION OF BORROWING LEGISLATION

SEC. 463. (a) After each act of the Council of the District under section 462(a) authorizing the issuance of general obligation bonds has taken effect, the Mayor shall publish such act at least once in at least one newspaper of general circulation within the District together with a notice that such act has taken effect. Each such notice shall be in substantially the following form:

## NOTICE

The following act of the Council of the District of Columbia (published with this notice) authorizing the issuance of general obligation bonds has taken effect. As provided in the District of Columbia Self-Government and Governmental Reorganization Act, the time within which a suit, action, or proceeding questioning the validity of such bonds may be commenced expires at the end of the twenty-day period beginning on the date of the first publication of this notice.

\_\_\_\_\_,  
*Mayor.*

(b) Neither the failure to publish the notice provided for in subsection (a) nor any error in any publication of such notice shall impair the effectiveness of the act of the Council authorizing the issuance of such bonds or the validity of any bond issued pursuant to such act.

## SHORT PERIOD OF LIMITATION

SEC. 464. (a) At the end of the twenty-day period beginning on the date of the first publication pursuant to section 463(a) of the notice that an act authorizing the issuance of general obligation bonds has taken effect—

(1) any recital or statement of fact contained in such act or in the preamble or title of such act shall be deemed to be true for the purpose of determining the validity of the bonds authorized by such act, and the District and all others interested shall be estopped from denying any such recital or statement of fact; and

(2) such act, and all proceedings in connection with the authorization of the issuance of such bonds including any election held on the question of issuing such bonds, shall be deemed to have been duly and regularly taken, passed, and done by the District, in compliance with this Act and all other applicable laws, for the purpose of determining the validity of such act and proceedings; and no court shall have jurisdiction in any suit, action, or proceeding questioning the validity of such act or proceedings except in a suit, action, or proceeding commenced before the end of such twenty-day period.

(b) At the end of the twenty-day period beginning on the date of the first publication pursuant to section 463(a) of the notice that an act authorizing the issuance of general obligation bonds has taken effect, no court shall have jurisdiction in any suit, action, or proceeding questioning the validity of any general obligation bond issued pursuant to such act if—

(1) such general obligation bond was purchased in good faith and for fair value; and

(2) such general obligation bond contains substantially the following statement which shall bind the District of Columbia: It is hereby certified and recited that all conditions, acts, and things required by the District of Columbia Self-Government and Governmental Reorganization Act and other applicable laws to exist, to have happened, and to have been performed precedent to and in the issuance of this bond exist, have happened, and have been performed and that the issue bonds, of which this is one, to-

gether with all other indebtedness of the District of Columbia, is within every debt and other limit prescribed by law.

ISSUANCE OF GENERAL OBLIGATION BONDS

SEC. 465. (a) After an act of the Council authorizing the issuance of general obligation bonds under section 461(a) takes effect, the Mayor may issue such general obligation bonds such act of the Council. An issue of general obligation bonds may be all or any part of the aggregate principal amount of bonds authorized by such act.

(b) The principal amount of the general obligation bonds of each issue shall be payable in annual installments beginning not more than three years after the date of such bonds and ending not more than thirty years after such date.

(c) The general obligation bonds of each issue shall be executed by the manual or facsimile signature of such officials as may be designated to sign such bonds by the act of the Council authorizing the issuance of the bonds, except that at least one such signature shall be manual. Coupons attached to the bonds shall be authenticated by the facsimile signature of the Mayor unless the Council provides otherwise.

PUBLIC OR PRIVATE SALE

SEC. 466. General obligation bonds issued under this part may be sold at a private sale on a negotiated basis (in such manner as the Mayor may determine to be in the public interest), or may be sold at public sale upon sealed proposals after publication of a notice of such public sale at least once not less than 10 days prior to the date fixed for sale in a daily newspaper carrying municipal bond notices and devoted primarily to financial news or to the subject of State and municipal bonds published in the city of New York, New York, and in 1 or more newspapers of general circulation published in the District. Such notice of public sale shall state, among other things, that no proposal shall be considered unless there is deposited with the District as a down payment a certified check, cashier's check, or surety for an amount equal to at least 2 percent of the par amount of general obligation bonds bid for, and the Mayor shall reserve the right to reject any and all bids.

AUTHORITY TO CREATE SECURITY INTERESTS IN DISTRICT REVENUES

SEC. 467. (a) IN GENERAL<sup>12</sup>.—An act of the Council authorizing the issuance of general obligation bonds or notes under section 461(a), section 471(a), section 472(a), or section 475(a) may create a security interest in any District revenues as additional security for the payment of the bonds or notes authorized by such act.

(b) CONTENTS OF ACTS.—Any such act creating a security interest in District revenues may contain provisions (which may be part of the contract with the holders of such bonds or notes)—

(1) describing the particular District revenues which are subject to such security interest;

(2) creating a reasonably required debt service reserve fund or any other special fund;

<sup>12</sup>So in original. Probably should read "IN GENERAL".

(3) authorizing the Mayor of the District to execute a trust indenture securing the bonds or notes;

(4) vesting in the trustee under such a trust indenture such properties, rights, powers, and duties in trust as may be necessary, convenient, or desirable;

(5) authorizing the Mayor of the District to enter into and amend agreements concerning—

(A) the custody, collection, use, disposition, security, investment, and payment of the proceeds of the bonds or notes and the District revenues which are subject to such security interest; and

(B) the doing of any act (or the refraining from doing any act) that the District would have the right to do in the absence of such an agreement;

(6) prescribing the remedies of the holders of the bonds or notes in the event of a default; and

(7) authorizing the Mayor to take any other actions in connection with the issuance, sale, delivery, security, and payment of the bonds or notes.

(c) **TIMING AND PERFECTION OF SECURITY INTERESTS.**—Notwithstanding article 9 of title 28 of the District of Columbia Code, any security interest in District revenues created under subsection (a) shall be valid, binding, and perfected from the time such security interest is created, with or without the physical delivery of any funds or any other property and with or without any further action. Such security interest shall be valid, binding, and perfected whether or not any statement, document, or instrument relating to such security interest is recorded or filed. The lien created by such security interest is valid, binding, and perfected with respect to any individual or legal entity having claims against the District, whether or not such individual or legal entity has notice of such lien.

(d) **OBLIGATIONS AND EXPENDITURES NOT SUBJECT TO APPROPRIATION.**—The fourth sentence of section 446 shall not apply to any obligation or expenditure of any District revenues to secure any general obligation bond or note under subsection (a).

### Subpart 2—Short-Term Borrowing

#### BORROWING TO MEET APPROPRIATIONS

SEC. 471. (a) In the absence of unappropriated revenues available to meet appropriations made pursuant to section 446, the Council may by act authorize the issuance of general obligation notes. The total amount of all such general obligation notes originally issued during a fiscal year shall not exceed 2 per centum of the total appropriations for the District for such fiscal year.

(b) Any general obligation note issued under subsection (a), as authorized by an act of the Council, may be renewed. Any such note, including any renewal of such note, shall be due and payable not later than the last day of the fiscal year occurring immediately after the fiscal year during which the act authorizing the original issuance of such note takes effect.

(c) The fourth sentence of section 446 shall not apply to any amount obligated or expended by the District for the payment of the principal of, interest on, or redemption premium for any general obligation note issued under subsection (a).

## BORROWING IN ANTICIPATION OF REVENUES

SEC. 472. (a) IN GENERAL.—In anticipation of the collection or receipt of revenues for a fiscal year, the Council may by act authorize the issuance of general obligation notes for such fiscal year, to be known as revenue anticipation notes.

(b) LIMIT ON AGGREGATE NOTES OUTSTANDING.—The total amount of all revenue anticipation notes issued under subsection (a) outstanding at any time during a fiscal year shall not exceed 20 percent of the total anticipated revenue of the District for such fiscal year, as certified by the Mayor under this subsection. The Mayor shall certify, as of a date which occurs not more than 15 days before each original issuance of such revenue anticipation notes, the total anticipated revenue of the District for such fiscal year.

(c) PERMITTED OUTSTANDING DURATION.—Any revenue anticipation note issued under subsection (a) may be renewed. Any such note, including any renewal note, shall be due and payable not later than the last day of the fiscal year during which the note was originally issued.

(d) EFFECTIVE DATE OF AUTHORIZATION ACTS; PAYMENTS NOT SUBJECT TO APPROPRIATION.—

(1) EFFECTIVE DATE.—Notwithstanding section 602(c)(1), any act of the Council authorizing the issuance of revenue anticipation notes under subsection (a) shall take effect—

(A) if such act is enacted during a control year (as defined in section 305(4) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995), on the date of approval by the District of Columbia Financial Responsibility and Management Assistance Authority; or

(B) if such act is enacted during any other year, on the date of enactment of such act.

(2) PAYMENTS NOT SUBJECT TO APPROPRIATION.—The fourth sentence of section 446 shall not apply to any amount obligated or expended by the District for the payment of the principal of, interest on, or redemption premium for any revenue anticipation note issued under subsection (a).

## NOTES REDEEMABLE PRIOR TO MATURITY

SEC. 473. No notes issued pursuant to this part shall be made payable on demand, but any note may be made subject to redemption prior to maturity on such notice and at such time as may be stated in the note.

## SALES OF NOTES

SEC. 474. All notes issued pursuant to this part may be sold at not less than par and accrued interest at private sale without previous advertising.

## BOND ANTICIPATION NOTES

SEC. 475. (a) AUTHORIZING ISSUANCE.—

(1) IN GENERAL.—In anticipation of the issuance of general obligation bonds, the Council may by act authorize the

issuance of general obligation notes to be known as bond anticipation notes in accordance with this section.

(2) PURPOSES; PERMITTING ISSUANCE OF GENERAL OBLIGATION BONDS TO COVER INDEBTEDNESS.—The proceeds of bond anticipation notes issued under this section shall be used for the purposes for which general obligation bonds may be issued under section 461, and such notes shall constitute indebtedness which may be refunded through the issuance of general obligation bonds under such section.

(b) MAXIMUM ANNUAL DEBT SERVICE AMOUNT.—The Act of the Council authorizing the issuance of bond anticipation notes shall set forth for the bonds anticipated by such notes an estimated maximum annual debt service amount based on an estimated schedule of annual principal payments and an estimated schedule of annual interest payments (based on an estimated maximum average annual interest rate for such bonds over a period of 30 years from the earlier of the date of issuance of the notes or the date of original issuance of prior notes in anticipation of those bonds). Such estimated maximum annual debt service amount as estimated at the time of issuance of the original bond anticipation notes shall be included in the calculation required by section 603(b) while such notes or renewal notes are outstanding.

(c) PERMITTED OUTSTANDING DURATION.—Any bond anticipation note, including any renewal note, shall be due and payable not later than the last day of the third fiscal year following the fiscal year during which the note was originally issued.

(d) GENERAL AUTHORITY OF COUNCIL.—If provided for in Act of the Council authorizing such an issue of bond anticipation notes, bond anticipation notes may be issued in succession, in such amounts, at such times, and bearing interest rates within the permitted maximum authorized by such Act.

(e) EFFECTIVE DATE OF AUTHORIZATION ACTS; PAYMENTS NOT SUBJECT TO APPROPRIATION.—

(1) EFFECTIVE DATE.—Notwithstanding section 602(c)(1), any act of the Council authorizing the renewal of bond anticipation notes under subsection (c) or the issuance of general obligation bonds under section 461(a) to refund any bond anticipation notes shall take effect—

(A) if such act is enacted during a control year (as defined in section 305(4) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995), on the date of approval by the District of Columbia Financial Responsibility and Management Assistance Authority; or

(B) if such act is enacted during any other year, on the date of enactment of such act.

(2) PAYMENT NOT SUBJECT TO APPROPRIATION.—The fourth sentence of 446 shall not apply to any amount obligated or expended by the District for the payment of the principal of, interest on, or redemption premium for any bond anticipation note issued under this section.

## Subpart 3—Payment of Bonds and Notes

## SPECIAL TAX

SEC. 481. (a) Any Act of the Council authorizing the issuance of general obligation bonds under section 461(a) shall provide for the annual levy of a special tax or charge, if the Council determines that such tax or charge is necessary. Such tax or charge shall be levied, without limitation as to rate or amount, in amounts which together with other District revenues available and applicable will be sufficient to pay the principal of and interest on such general obligation bonds as they become due and payable. Such tax or charge shall be levied and collected at the same time and in the same manner as other District taxes are levied and collected, and when collected shall be set aside in a separate debt service fund and irrevocably dedicated to the payment of such principal and interest.

(b) The Comptroller General of the United States shall make annual audits of the amounts set aside and deposited in each debt service fund pursuant to subsection (a).

## FULL FAITH AND CREDIT OF THE DISTRICT

SEC. 482. The full faith and credit of the District is pledged for the payment of the principal of and interest on any general obligation bond or note issued under section 461(a), section 471(a), or section 472(a), whether or not such pledge is stated in such bond or note or in the act authorizing the issuance of such bond or note.

## PAYMENT OF THE GENERAL OBLIGATION BONDS AND NOTES

SEC. 483. (a) The Council shall provide in each annual budget for the District of Columbia government for a fiscal year adopted by the Council pursuant to section 446 sufficient funds to pay the principal of and interest on all general obligation bonds or notes issued under section 461(a), section 471(a), or section 472(a) becoming due and payable during such fiscal year.

(b) The Mayor shall insure that the principal of and interest on all general obligation bonds and notes issued under section 461(a), section 471(a), or section 472(a) are paid when due, including by paying such principal and interest from funds not otherwise legally committed.

**[(c) Repealed]**

(d) The fourth sentence of section 446 shall not apply to—

(1) any amount set aside in a debt service fund under section 481(a);

(2) any amount obligated or expended for the payment of the principal of, interest on, or redemption premium for any general obligation bond or note issued under section 461(a), section 471(a), or section 472(a);

(3) any amount obligated or expended as provided by the Council in any annual budget for the District of Columbia government pursuant to subsection (a) or as provided by any amendment or supplement to such budget; or

(4) any amount obligated or expended by the Mayor pursuant to subsection (b) or (c).

## Subpart 4—Full Faith and Credit of the United States

## FULL FAITH AND CREDIT OF THE UNITED STATES NOT PLEDGED

SEC. 484. The full faith and credit of the United States is not pledged for the payment of any principal of or interest on any bond, note, or other obligation issued by the District under this part. The United States is not responsible or liable for the payment of any principal of or interest on any bond, note, or other obligation issued by the District under this part.

Subpart 5—Tax Exemption; Legal Investment; Water Pollution;  
Reservoirs; Metro Contributions; and Revenue Bonds

## TAX EXEMPTION

SEC. 485. Bonds and notes issued by the Council pursuant to this title and the interest thereon shall be exempt from all Federal and District taxation except estate, inheritance, and gift taxes.

## LEGAL INVESTMENT

SEC. 486. Notwithstanding any restriction on the investment of funds by fiduciaries contained in any other law, all domestic insurance companies, domestic insurance associations, executors, administrators, guardians, trustees, and other fiduciaries within the District may legally invest any sinking funds, moneys, trust funds, or other funds belonging to them or under or within their control in any bonds issued pursuant to this title, it being the purpose of this section to authorize the investment in such bonds or notes of all sinking, insurance, retirement, compensation, pension, and trust funds. National banking associations are authorized to deal in, underwrite, purchase and sell, for their own accounts or for the accounts of customers, bonds and notes issued by the Council to the same extent as national banking associations are authorized by paragraph seven of section 5136 of the Revised Statutes (12 U.S.C. 24), to deal in, underwrite, purchase and sell obligations of the United States, States or political subdivision thereof. All Federal building and loan associations and Federal savings and loan associations; and banks, trust companies, building and loan associations, and savings and loan associations, domiciled in the District, may purchase, sell, underwrite, and deal in, for their own account or for the account of others, all bonds or notes issued pursuant to this title. Nothing contained in this section shall be construed as relieving any person, firm, association, or corporation from any duty of exercising due and reasonable care in selecting securities for purchase or investment.

## WATER POLLUTION

SEC. 487. (a) The Mayor shall annually estimate the amount of the District's principal and interest expense which is required to service District obligations attributable to the Maryland and Virginia pro rata share of District sanitary sewage water works and other water pollution projects which provide service to the local jurisdictions in those States. Such amounts as determined by the Mayor pursuant to the agreements described in subsection (b) shall be used to exclude the Maryland and Virginia share of pollution

projects cost from the limitation on the District's capital project obligations as provided in section 603(b).

(b) The Mayor shall enter into agreements with the States and local jurisdictions concerned for annual payments to the District of rates and charges for waste treatment services in accordance with the use and benefits made and derived from the operation of the said waste treatment facilities. Each such agreement shall require that the estimated amount of such rates and charges will be paid in advance, subject to adjustment after each year. Such rates and charges shall be sufficient to cover the cost of construction, interest on capital, operation and maintenance, and the necessary replacement of equipment during the useful life of the facility.

#### COST OF RESERVOIRS ON POTOMAC RIVER

SEC. 488. (a) The Mayor is authorized to contract with the United States, and State in the Potomac River Basin, any agency or political subdivision thereof, and any other competent State or local authority, with respect to the payment by the District to the United States, either directly or indirectly, of the District's equitable share of any part or parts of the non-Federal portion of the costs of any reservoirs authorized by the Congress for construction on the Potomac River or any of its tributaries. Every such contract may contain such provisions as the Mayor may deem necessary or appropriate.

(b) Unless hereafter otherwise provided by legislation enacted by the Council, all payments made by the District and all moneys received by the District pursuant to any contract made under the authority of this Act shall be paid from, or be deposited in, a fund designated by the Mayor. Charges for water delivered from the District water system for use outside the District may be adjusted to reflect the portions of any payments made by the District under contracts authorized by this Act which are equitably attributable to such use outside the District.

#### DISTRICT'S CONTRIBUTIONS TO THE WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

SEC. 489. Notwithstanding any provision of law to the contrary, beginning with fiscal year 1976 the District share of the cost of the Adopted Regional System described in the National Capital Transportation Act of 1969 (83 Stat. 320), may be payable from the proceeds of the sale of District general obligation bonds issued pursuant to this title.

#### REVENUE BONDS AND OTHER OBLIGATIONS

SEC. 490. (a)(1) Subject to paragraph (2), the Council may by act or by resolution authorize the issuance of taxable and tax-exempt revenue bonds, notes, or other obligations to borrow money to finance, refinance, or reimburse and to assist in the financing, refinancing, or reimbursing of or for capital projects and other undertakings by the District or by any District instrumentality, or on behalf of any qualified applicant, including capital projects or undertakings in the areas of housing; health facilities; transit and utility facilities; manufacturing; sports, convention, and entertainment facilities; recreation, tourism and hospitality facilities; facili-

ties to house and equip operations of the District government or its instrumentalities; public infrastructure development and redevelopment; elementary, secondary and college and university facilities; educational programs which provide loans for the payment of educational expenses for or on behalf of students; facilities used to house and equip operations related to the study, development, application, or production of innovative commercial or industrial technologies and social services; water and sewer facilities (as defined in paragraph (5)); pollution control facilities; solid and hazardous waste disposal facilities; parking facilities, industrial and commercial development; authorized capital expenditures of the District; and any other property or project that will, as determined by the Council, contribute to the health, education, safety, or welfare, of, or the creation or preservation of jobs for, residents of the District, or to economic development of the District, and any facilities or property, real or personal, used in connection with or supplementing any of the foregoing; lease-purchase financing of any of the foregoing facilities or property; and any costs related to the issuance, carrying, security, liquidity or credit enhancement of or for revenue bonds, notes, or other obligations, including, capitalized interest and reserves, and the costs of bond insurance, letters of credit, and guaranteed investment, forward purchase, remarketing, auction, and swap agreements. Any such financing, refinancing, or reimbursement may be effected by loans made directly or indirectly to any individual or legal entity, by the purchase of any mortgage, note, or other security, or by the purchase, lease, or sale of any property.

(2) Any revenue bond, note, or other obligation issued under paragraph (1) shall be a special obligation of the District and shall be a negotiable instrument, whether or not such revenue bond, note, or other obligation is a security as defined in section 28:8-102(1)(a) of title 28 of the District of Columbia Code.

(3) Any revenue bond, note, or other obligation issued under paragraph (1) shall be paid and secured (as to principal, interest, and any premium) as provided by the act or resolution of the Council authorizing the issuance of such revenue bond, note, or other obligation. Any act or resolution of the Council, or any delegation of Council authority under subsection (a)(6), authorizing the issuance of revenue bonds, notes, or other obligations may provide for (A) the payment of such revenue bonds, notes, or other obligations from any available revenues, assets, property (including water and sewer enterprise fund revenues, assets, or other property in the case of bonds, notes, or obligations issued with respect to water and sewer facilities), and (B) the securing of such revenue bond, note, or other obligation by the mortgage of real property or the creation of a security interest in available revenues, assets, or other property (including water and sewer enterprise fund revenues, assets, or other property in the case of bonds, notes, or obligations issued with respect to water and sewer facilities).

(4)(A)<sup>13</sup> In authorizing the issuance of any revenue bond, note, or other obligation under paragraph (1), the Council may enter into, or authorize the Mayor to enter into, any agreement

<sup>13</sup>The margin of paragraph (4)(A) as in original, as amended by section 11508(1)(B) of Public Law 105-33.

concerning the acquisition, use, or disposition of any available revenues, assets, or property. Any such agreement may create a security interest in any available revenues, assets, or property, may provide for the custody, collection, security, investment, and payment of any available revenues (including any funds held in trust) for the payment of such revenue bond, note, or other obligation, may mortgage any property, may provide for the acquisition, construction, maintenance, and disposition of the undertaking financed or refinanced using the proceeds of such revenue bond, note, or other obligation, and may provide for the doing of any act (or the refraining from doing of any act) which the District has the right to do in the absence of such agreement. Any such agreement may be assigned for the benefit of, or made a part of any contract with, any holder of such revenue bond, note, or other obligation issued under paragraph (1).

(B) Notwithstanding article 9 of title 28 of the District of Columbia Code, any security interest created under subparagraph (A) shall be valid, binding, and perfected from the time such security interest is created, with or without the physical delivery of any funds or any other property and with or without any further action. Such security interest shall be valid, binding, and perfected whether or not any statement, document, or instrument relating to such security interest is recorded or filed. The lien created by such security interest is valid, binding, and perfected with respect to any individual or legal entity having claims against the District, whether or not such individual or legal entity has notice of such item.

(C) Any funds of the District held for the payment or security of any revenue bond, note, or other obligation issued under paragraph (1), whether or not such funds are held in trust, may be secured in the manner agreed to by the District and any depository of such funds. Any depository of such funds may give security for the deposit of such funds.

(5) In paragraph (1), the term “water and sewer facilities” means facilities for the obtaining, treatment, storage, and distribution of water, the collection, storage, treatment, and transportation of wastewater, storm drainage, and the disposal of liquids and solids resulting from treatment.

(6)<sup>14</sup> (A) The Council may by act delegate to any District instrumentality the authority of the Council under subsection (a)(1) to issue taxable or tax-exempt revenue bonds, notes, or other obligations to borrow money for the purposes specified in this subsection. For purposes of this paragraph, the Council shall specify for what undertakings revenue bonds, notes, or other obligations may be issued under each delegation made pursuant to this paragraph. Any District instrumentality may exercise the authority and the powers incident thereto delegated to it by the Council as described in the first sentence of this paragraph only in accordance with this paragraph and shall be consistent with this paragraph and the terms of the delegation.

<sup>14</sup>The margin of paragraph (6) as in original, as amended by section 11508(1)(C) of Public Law 105-33

(B) Revenue bonds, notes, or other obligations issued by a District instrumentality under a delegation of authority described in subparagraph (A) shall be issued by resolution of that instrumentality, and any such resolution shall not be considered to be an act of the Council.

(C) Nothing in this paragraph shall be construed as restricting, impairing, or superseding the authority otherwise vested by law in any District instrumentality.

(b) No property owned by the United States may be mortgaged or made subject to any security interest to secure any revenue bond, note, or other obligation issued under subsection (a)(1).

(c) Any and all such revenue bonds, notes, or other obligations issued under subsection (a)(1) shall not be general obligations of the District, shall not be a pledge of or involve the faith and credit or taxing power of the District (other than with respect to any dedicated taxes) and shall not constitute a debt of the District, and shall not constitute lending of the public credit for private undertakings for purposes of section 602(a)(2).

(d) Any and all such bonds, notes, or other obligations shall be issued pursuant to an act of the Council without the necessity of submitting the question of such issuance to the registered qualified electors of the District for approval or disapproval.

(e) Any act of the Council authorizing the issuance of revenue bonds, notes, or other obligations under subsection (a)(1) may—

(1) briefly describe the purpose for which such bonds, notes, or other obligations are to be issued;

(2) identify the Act authorizing such purpose;

(3) prescribe the form, terms, provisions, manner, and method of issuing and selling (including sale by negotiation or by competitive bid) such bonds, notes, or other obligations;

(4) provide for the rights and remedies of the holders of such bonds, notes, or other obligations upon default;

(5) prescribe any other details with respect to the issuance, sale, or securing of such bonds, notes, or other obligations; and

(6) authorize the Mayor to take any actions in connection with the issuance, sale, delivery, security, and payment of such bonds, notes, or other obligations, including the prescribing of any terms or conditions not contained in such act of the Council.

(f) The fourth sentence of section 446 shall not apply to—

(1) any amount (including the amount of any accrued interest or premium) obligated or expended from the proceeds of the sale of any revenue bond, note, or other obligations issued under subsection (a)(1);

(2) any amount obligated or expended for the payment of the principal of, interest on, or any premium for any revenue bond, note, or other obligation issued under subsection (a)(1);

(3) any amount obligated or expended pursuant to provisions made to secure any revenue bond, note, or other obligations issued under subsection (a)(1); and

(4) any amount obligated or expended pursuant to commitments made in connection with the issuance of revenue bonds, notes, or other obligations for repair, maintenance, and capital improvements relating to undertakings financed through any

revenue bond, note, or other obligation issued under subsection (a)(1).

(g)(1) The Council may delegate to any housing finance agency established by it (whether established before or after the date of the enactment of this subsection) the authority of the Council under subsection (a) to issue revenue bonds, notes, and other obligations to borrow money to finance or assist in the financing of undertakings in the area of primarily low- and moderate-income housing. The Council shall define for the purposes of the preceding sentence what undertakings shall constitute undertakings in the area of primarily low- and moderate-income housing. Any such housing finance agency may exercise authority delegated to it by the Council as described in the first sentence of this paragraph (whether such delegation is made before or after the date of the enactment of this subsection) only in accordance with this subsection.

(2) Revenue bonds, notes, and other obligations issued by a housing finance agency of the District under a delegation of authority described in paragraph (1) shall be issued by resolution of the agency, and any such resolution shall not be considered to be an act of the Council.

(3) The fourth sentence of section 446 shall not apply to—

(A) any amount (including the amount of any accrued interest or premium) obligated or expended from the proceeds of the sale of any revenue bond, note, or other obligation issued under subsection (g)(1);

(B) any amount obligated or expended for the payment of the principal of, interest on, or any premium for any revenue bond, note, or other obligation issued under subsection (g)(1); and

(C) any amount obligated or expended to secure any revenue bond, note, or other obligation issued under subsection (g)(1).

(h)(1) The Council may delegate to the District of Columbia Water and Sewer Authority established pursuant to the Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996 the authority of the Council under subsection (a) to issue revenue bonds, notes, and other obligations to borrow money to finance or assist in the financing or refinancing of undertakings in the area of utilities facilities, pollution control facilities, and water and sewer facilities (as defined in subsection (a)(5)). The Authority may exercise authority delegated to it by the Council as described in the first sentence of this paragraph (whether such delegation is made before or after the date of the enactment of this subsection) only in accordance with this subsection.

(2) Revenue bonds, notes, and other obligations issued by the District of Columbia Water and Sewer Authority under a delegation of authority described in paragraph (1) shall be issued by resolution of the Authority, and any such resolution shall not be considered to be an act of the Council.

(3) The fourth sentence of section 446 shall not apply to—

(A) any amount (including the amount of any accrued interest or premium) obligated or expended from the proceeds of the sale of any revenue bond, note, or other obligation issued pursuant to this subsection;

(B) any amount obligated or expended for the payment of the principal of, interest on, or any premium for any revenue bond, note, or other obligation issued pursuant to this subsection;

(C) any amount obligated or expended to secure any revenue bond, note, or other obligation issued pursuant to this subsection; or

(D) any amount obligated or expended for repair, maintenance, and capital improvements to facilities financed pursuant to this subsection.

(i)(1) The Council may delegate to the District of Columbia Tobacco Settlement Financing Corporation (hereafter in this subsection referred to as the "Corporation") established pursuant to the Tobacco Settlement Financing Act of 2000 the authority of the Council under subsection (a) to issue revenue bonds, notes, and other obligations which are used to borrow money to finance or assist in the financing or refinancing of capital projects and other undertakings of the District of Columbia and which are payable solely from and secured by payments under the Master Tobacco Settlement Agreement. The Corporation may exercise authority delegated to it by the Council as described in the first sentence of this paragraph (whether such delegation is made before or after the date of the enactment of this subsection) only in accordance with this subsection and the provisions of the Tobacco Settlement Financing Act of 2000.

(2) Revenue bonds, notes, and other obligations issued by the Corporation under a delegation of authority described in paragraph (1) shall be issued by resolution of the Corporation, and any such resolution shall not be considered to be an act of the Council.

(3) The fourth sentence of section 446 shall not apply to—

(A) any amount (including the amount of any accrued interest or premium) obligated or expended from the proceeds of the sale of any revenue bond, note, or other obligation issued pursuant to this subsection;

(B) any amount obligated or expended for the payment of the principal of, interest on, or any premium for any revenue bond, note, or other obligation issued pursuant to this subsection;

(C) any amount obligated or expended to secure any revenue bond, note, or other obligation issued pursuant to this subsection; or

(D) any amount obligated or expended for repair, maintenance, and capital improvements to facilities financed pursuant to this subsection.

(4) In this subsection, the term "Master Tobacco Settlement Agreement" means the settlement agreement (and related documents), as may be amended from time to time, entered into on November 23, 1998, by the District of Columbia and leading United States tobacco product manufacturers.

(j) The revenue bonds, notes, or other obligations issued under subsection (a)(1) are not general obligation bonds of the District government and shall not be included in determining the aggregate amount of all outstanding obligations subject to the limitation specified in section 603(b).

(k) The issuance of revenue bonds, notes, or other obligations by the District where the ultimate obligation to repay such revenue bonds, notes, or other obligations is that of one or more non-governmental persons or entities may be authorized by resolution of the Council. The issuance of all other revenue bonds, notes, or other obligations by the District shall be authorized by act of the Council.

(l) During any control period (as defined in section 209 of the District of Columbia Financial Responsibility and Management Assistance Act of 1995), any act or resolution of the Council authorizing the issuance of revenue bonds, notes, or other obligations under subsection (a)(1) shall be submitted to the District of Columbia Financial Responsibility and Management Assistance Authority for certification in accordance with section 204 of that Act. Any certification issued by the Authority during a control period shall be effective for purposes of this subsection for revenue bonds, notes, or other obligations issued pursuant to such act or resolution of the Council whether the revenue bonds, notes, or other obligations are issued during or subsequent to that control period.

(m) The following provisions of law shall not apply with respect to property acquired, held, and disposed of by the District in accordance with the terms of any lease-purchase financing authorized pursuant to subsection (a)(1):

(1) The Act entitled "An Act authorizing the sale of certain real estate in the District of Columbia no longer required for public purposes", approved August 5, 1939 (53 Stat. 1211; DC Code sec. 9-401 et seq.).

(2) Subchapter III of chapter 13 of title 16, District of Columbia Code.

(3) Any other provision of District of Columbia law that prohibits or restricts lease-purchase financing.

(n) For purposes of this section, the following definitions shall apply:

(1) The term "revenue bonds, notes, or other obligations" means special fund bonds, notes, or other obligations (including refunding bonds, notes, or other obligations) used to borrow money to finance, assist in financing, refinance, or repay, restore or reimburse moneys used for purposes referred to in subsection (a)(1) the principal of and interest, if any, on which are to be paid and secured in the manner described in this section and which are special obligations and to which the full faith and credit of the District of Columbia is not pledged.

(2) The term "District instrumentality" means any agency or instrumentality (including an independent agency or instrumentality), authority, commission, board, department, division, office, body, or officer of the District of Columbia government duly established by an act of the Council or by the laws of the United States, whether established before or after the date of enactment of the District of Columbia Bond Financing Improvements Act of 1997.

(3) The term "available revenues" means gross revenues and receipts, other than general fund tax receipts, lawfully available for the purpose and not otherwise exclusively committed to another purpose, including enterprise funds, grants, subsidies, contributions, fees, dedicated taxes and fees, invest-

ment income and proceeds of revenue bonds, notes, or other obligations issued under this section.

(4) The term "enterprise fund" means a fund or account for operations that are financed or operated in a manner similar to private business enterprises, or established so that separate determinations may more readily be made periodically of revenues earned, expenses incurred, or net income for management control, accountability, capital maintenance, public policy, or other purposes.

(5) The term "dedicated taxes and fees" means taxes and surtaxes, portions thereof, tax increments, or payments in lieu of taxes, and fees that are dedicated pursuant to law to the payment of the debt service on revenue bonds, notes, or other obligations authorized under this section, the provision and maintenance of reserves for that purpose, or the provision of working capital for or the maintenance, repair, reconstruction or improvement of the undertaking to which the revenue bonds, notes, or other obligations relate.

(6) The term "tax increments" means taxes, other than the special tax provided for in section 481 and pledged to the payment of general obligation indebtedness of the District, allocable to the increase in taxable value of real property or the increase in sales tax receipts, each from a certain date or dates, in prescribed areas, to the extent that such increases are not otherwise exclusively committed to another purpose and as further provided for pursuant to an act of the Council.

#### PART F—INDEPENDENT AGENCIES

##### BOARD OF ELECTIONS

SEC. 491. Section 3 of the District of Columbia Elections Act (D.C. Code, sec. 1-1103) is amended to read as follows:

"SEC. 3. (a) There is created a District of Columbia Board of Elections (hereafter in this section referred to as the 'Board'), to be composed of three members, no more than two of whom shall be of the same political party, appointed by the Mayor, with the advice and consent of the Council. Members shall be appointed to serve for terms of three years, except of the members first appointed under this Act. One member shall be appointed to serve for a one-year term, one member shall be appointed to serve for a two-year term, and one member shall be appointed to serve for a three-year term, as designated by the Mayor.

"(b) Any person appointed to fill a vacancy on the Board shall be appointed only for the unexpired term of the member whose vacancy he is filling.

"(c) A member may be reappointed, and, if not reappointed, the member shall serve until his successor has been appointed and qualifies.

"(d) The Mayor shall, from time to time, designate the Chairman of the Board."

##### ZONING COMMISSION

SEC. 492. (a) The first section of the Act of March 1, 1920 (D.C. Code, sec. 5-412) is amended to read as follows: "That (a) to protect the public health, secure the public safety, and to protect property

in the District of Columbia there is created a Zoning Commission for the District of Columbia, which shall consist of the Architect of the Capitol, the Director of the National Park Service, and three members appointed by the Mayor, by and with the advice and consent of the Council. Each member appointed by the Mayor shall serve for a term of four years, except of the members first appointed under this section—

“(1) one member shall serve for a term of two years, as determined by the Mayor;

“(2) one member shall serve for a term of three years, as determined by the Mayor; and

“(3) one member shall serve for a term of four years, as determined by the Mayor.

“(b) Members of the Zoning Commission appointed by the Mayor shall be entitled to receive compensation as determined by the Mayor, with the approval of a majority of the Council. The remaining members shall serve without additional compensation.

“(c) Members of the Zoning Commission appointed by the Mayor may be reappointed. Each member shall serve until his successor has been appointed and qualifies.

“(d) The Chairman of the Zoning Commission shall be selected by the members.

“(e) The Zoning Commission shall exercise all the powers and perform all the duties with respect to zoning in the District as provided by law.”

(b) The Act of June 20, 1938 (D.C. Code, sec. 5-413, et seq.) is amended as follows:

(1) The first sentence of section 2 of such Act (D.C. Code, sec. 5-414) is amended by striking out “Such regulations shall be made in accordance with a comprehensive plan and” and inserting in lieu thereof “Zoning maps and regulations, and amendments thereto, shall not be inconsistent with the comprehensive plan for the National Capital, and zoning regulations shall be”.

(2) Section 5 of such Act (D.C. Code, sec. 5-417) is amended to read as follows:

“SEC. 5 (a) No zoning regulation or map, or any amendment thereto, may be adopted by the Zoning Commission until the Zoning Commission—

“(1) has held a public hearing, after notice, on such proposed regulation, map, or amendment; and

“(2) after such public hearing, submitted such proposed regulation, map, or amendment to the National Capital Planning Commission for comment and review.

If the National Capital Planning Commission fails to submit its comments regarding any such regulation, map, or amendment within thirty days after submission of such regulation, map, or amendment to it, then the Zoning Commission may proceed to act upon the proposed regulation, map, or amendment without further comment from the National Capital Planning Commission.

“(b) The notice required by clause (1) of subsection (a) shall be published at least thirty days prior to such public hearing and shall include a statement as to the time and place of the hearing and a summary of all changes in existing zoning regulations which would be made by adoption of the proposed regulation, map, or amendment. The Zoning Commission shall give such additional no-

tice as it deems expedient and practicable. All interested persons shall be given a reasonable opportunity to be heard at such public hearing. If the hearing is adjourned from time to time, the time and place of reconvening shall be publicly announced prior to adjournment.

“(c) The Zoning Commission shall deposit with the National Capital Planning Commission all zoning regulations, maps, or amendments thereto, adopted by it.”

#### PUBLIC SERVICE COMMISSION

SEC. 493. (a) There shall be a Public Service Commission whose function shall be to insure that every public utility doing business within the District of Columbia is required to furnish service and facilities reasonably safe and adequate and in all respects just and reasonable. The charge made by any such public utility for any facility or services furnished, or rendered, or to be furnished or rendered, shall be reasonable, just, and nondiscriminatory. Every unjust or unreasonable or discriminating charge for such facility or service is prohibited and is hereby declared unlawful.

(b) The first sentence of paragraph 97(a) of section 8 of the Act of March 4, 1914 (making appropriations for the government of the District of Columbia) (D.C. Code, sec. 43-201), is amended to read as follows: “The Public Service Commission of the District of Columbia shall be composed of three Commissioners appointed by the Mayor by and with the advice and consent of the Council.”

#### ARMORY BOARD

SEC. 494. The first sentence of section 2 of the Act of June 4, 1948 (D.C. Code, sec. 2-1702), is amended to read as follows: “There is established in Armory Board, to be composed of the commanding general of the District of Columbia Militia, and two other members appointed by the Mayor of the District of Columbia by and with the advice and consent of the Council of the District of Columbia. The members appointed by the Mayor shall each serve for a term of four years beginning on the date such member qualifies.”

#### BOARD OF EDUCATION

SEC. 495. The control of the public schools in the District of Columbia is vested in a Board of Education to consist of eleven elected members, three of whom are to be elected at large, and one to be elected from each of the eight school election wards established under the District of Columbia Election Act. The election of the members of the Board of Education shall be conducted on a non-partisan basis and in accordance with such Act.

[TITLE V—REPEALED <sup>15</sup>]

## TITLE VI—RESERVATION OF CONGRESSIONAL AUTHORITY

## RETENTION OF CONSTITUTIONAL AUTHORITY

SEC. 601. Notwithstanding any other provision of this Act, the Congress of the United States reserves the right, at any time, to exercise its constitutional authority as legislature for the District, by enacting legislation for the District on any subject, whether within or without the scope of legislative power granted to the Council by this Act, including legislation to amend or repeal any law in force in the District prior to or after enactment of this Act and any act passed by the Council.

## LIMITATIONS ON THE COUNCIL

SEC. 602. (a) The Council shall have no authority to pass any act contrary to the provisions of this Act except as specifically provided in this Act, or to—

(1) impose any tax on property of the United States or any of the several States;

(2) lend the public credit for support of any private undertaking;

(3) enact any act, or enact any act to amend or repeal any Act of Congress, which concerns the functions or property of the United States or which is not restricted in its application exclusively in or to the District;

(4) enact any act, resolution, or rule with respect to any provision of title 11 of the District of Columbia Code (relating to organization and jurisdiction of the District of Columbia courts);

(5) impose any tax on the whole or any portion of the personal income, either directly or at the source thereof, of any individual not a resident of the District (the terms “individual” and “resident” to be understood for the purposes of this paragraph as they are defined in section 4 of title I of the District of Columbia Income and Franchise Tax Act of 1947);

(6) enact any act, resolution, or rule which permits the building of any structure within the District of Columbia in excess of the height limitations contained in section 5 of the Act of June 1, 1910 (D.C. Code, sec. 5-405), and in effect on the date of enactment of this Act;

(7) enact any act, resolution, or regulation with respect to the Commission of Mental Health;

(8) enact any act or regulation relating to the United States District Court for the District of Columbia or any other court of the United States in the District other than the District courts, or relating to the duties or powers of the United States attorney or the United States Marshal for the District of Columbia;

(9) enact any act, resolution, or rule with respect to any provision of title 23 of the District of Columbia Code (relating to criminal procedure), or with respect to any provision of any

<sup>15</sup>Section 11601(a)(1) of Public Law 105-33 repealed title V (relating to the annual Federal payment to the District of Columbia), effective October 1, 1997.

law codified in title 22 or 24 of the District of Columbia Code (relating to crimes and treatment of prisoners), or with respect to any criminal offense pertaining to articles subject to regulation under chapter 32 of title 22 of the District of Columbia Code, during the forty-eight full calendar months immediately following the day on which the members of the Council first elected pursuant to this Act take office; or

(10) enact any act, resolution, or rule with respect to the District of Columbia Financial Responsibility and Management Assistance Authority established under section 101(a) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995.

(b) Nothing in this Act shall be construed as vesting in the District government any greater authority over the National Zoological Park, the National Guard of the District of Columbia, the Washington Aqueduct, the National Capital Planning Commission, or, except as otherwise specifically provided in this Act, over any Federal agency, than was vested in the Commissioner prior to the effective date of title IV of this Act.

(c)(1) Except acts of the Council which are submitted to the President in accordance with the Budget and Accounting Act, 1921, any act which the Council determines according to section 412(a), should take effect immediately because of emergency circumstances, and acts proposing amendments to title IV of this Act and except as provided in section 462(c) and section 472(d)(1), the Chairman of the Council shall transmit to the Speaker of the House of Representatives, and the President of the Senate a copy of each act passed by the Council and signed by the Mayor, or vetoed by the Mayor and repassed by two-thirds of the Council present and voting, each act passed by the Council and allowed to become effective by the Mayor without his signature, and each initiated act and act subject to referendum which has been ratified by a majority of the registered qualified electors voting on the initiative or referendum. Except as provided in paragraph (2), such act shall take effect upon the expiration of the 30-calendar-day period (excluding Saturdays, Sundays, and holidays, and any day on which neither House is in session because of an adjournment sine die, a recess of more than three days, or an adjournment of more than three days) beginning on the day such act is transmitted by the Chairman to the Speaker of the House of Representatives and the President of the Senate, or upon the date prescribed by such act, whichever is later, unless during such 30-day period, there has been enacted into law a joint resolution disapproving such act. In any case in which any such joint resolution disapproving such an act has, within such 30-day period, passed both Houses of Congress and has been transmitted to the President, such resolution, upon becoming law, subsequent to the expiration of such 30-day period, shall be deemed to have repealed such act, as of the date such resolution becomes law. The provisions of section 604, except subsections (d), (e), and (f) of such section, shall apply with respect to any joint resolution disapproving any act pursuant to this paragraph.

(2) In the case of any such Act transmitted by the Chairman with respect to any Act codified in title 22, 23, or 24 of the District of Columbia Code, such act shall take effect at the end of the 60-

day period beginning on the day such act is transmitted by the Chairman to the Speaker of the House of Representatives and the President of the Senate unless, during such 60-day period, there has been enacted into law a joint resolution disapproving such act. In any case in which any such joint resolution disapproving such an act has, within such 60-day period, passed both Houses of Congress and has been transmitted to the President, such resolution, upon becoming law subsequent to the expiration of such 60-day period shall be deemed to have repealed such act, as of the date such resolution becomes law. The provisions of section 604, relating to an expedited procedure for consideration of joint resolutions, shall apply to a joint resolution disapproving such Act as specified in this paragraph.

(3) The Council shall submit with each Act transmitted under this subsection an estimate of the costs which will be incurred by the District of Columbia as a result of the enactment of the Act in each of the first 4 fiscal years for which the Act is in effect, together with a statement of the basis for such estimate.

#### BUDGET PROCESS; LIMITATIONS ON BORROWING AND SPENDING

SEC. 603. (a) Nothing in this Act shall be construed as making any change in existing law, regulation, or basic procedure and practice relating to the respective roles of the Congress, the President, the Federal Office of Management and Budget, and the Comptroller General of the United States in the preparation, review, submission, examination, authorization, and appropriation of the total budget of the District of Columbia government.

(b)(1) No general obligation bonds (other than bonds to refund outstanding indebtedness) or Treasury capital project loans shall be issued during any fiscal year in an amount which would cause the amount of principal and interest required to be paid both serially and into a sinking fund in any fiscal year on the aggregate amounts of all outstanding general obligation bonds and such Treasury loans, to exceed 17 percent of the District revenues (less any fees or revenues directed to servicing revenue bonds, any revenues, charges, or fees dedicated for the purposes of water and sewer facilities described in section 490(a) (including fees or revenues directed to servicing or securing revenue bonds issued for such purposes), retirement contributions, revenues from retirement systems, and revenues derived from such Treasury loans and the sale or general obligation or revenue bonds) which the Mayor estimates, and the District of Columbia Auditor certifies, will be credited to the District during the fiscal year in which the bonds will be issued. Treasury capital project loans include all borrowing from the United States Treasury, except those funds advanced to the District by the Secretary of the Treasury under the provisions of title VI of the District of Columbia Revenue Act of 1939.

(2) Obligations incurred pursuant to the authority contained in the District of Columbia Stadium Act of 1957 (71 Stat. 619; D.C. Code title 2, chapter 17, subchapter II), obligations incurred by the agencies transferred or established by sections 201 and 202, whether incurred before or after such transfer or establishment, and obligations incurred pursuant to general obligation bonds of the District of Columbia issued prior to October 1, 1996, for the financing of Department of Public Works, Water and Sewer Utility Adminis-

tration capital projects, shall not be included in determining the aggregate amount of all outstanding obligations subject to the limitation specified in the preceding subsection.

(3) The 17 percent limitation specified in paragraph (1) shall be calculated in the following manner:

(A) Determine the dollar amount equivalent to 14 percent of the District revenues (less any fees or revenues directed to servicing revenue bonds, any revenues, charges, or fees dedicated for the purposes of water and sewer facilities described in section 490(a) (including fees or revenues directed to servicing or securing revenue bonds issued for such purposes), retirement, contributions, revenues from retirement systems, and revenues derived from such Treasury loans and the sale of general obligation or revenue bonds) which the Mayor estimates, and the District of Columbia Auditor certifies, will be credited to the District during the fiscal year for which the bonds will be issued.

(B) Determine the actual total amount of principal and interest to be paid in each fiscal year for all outstanding general obligation bonds (less the allocable portion of principal and interest to be paid during the year on general obligation bonds of the District of Columbia issued prior to October 1, 1996, for the financing of Department of Public Works, Water and Sewer Utility Administration capital projects) and such Treasury loans.

(C) Determine the amount of principal and interest to be paid during each fiscal year over the term of the proposed general obligation bond or such Treasury loan to be issued.

(D) If in any one fiscal year the sum arrived at by adding subparagraphs (B) and (C) exceeds the amount determined under subparagraph (A), then the proposed general obligation bond or such Treasury loan in subparagraph (C) cannot be issued.

(c) Except as provided in subsection (f), the Council shall not approve any budget which would result in expenditures being made by the District Government, during any fiscal year, in excess of all resources which the Mayor estimates will be available from all funds available to the District for such fiscal year. The budget shall identify any tax increases which shall be required in order to balance the budget as submitted. The Council shall be required to adopt such tax increases to the extent its budget is approved.

(d) Except as provided in subsection (f), the Mayor shall not forward to the President for submission to Congress a budget which is not balanced according to the provision of subsection 603(c).

(e) Nothing in this Act shall be construed as affecting the applicability to the District government of the provisions of section 3679 of the Revised Statutes of the United States (31 U.S.C. 665), the so-called Anti-Deficiency Act.

(f) In the case of a fiscal year which is a control year (as defined in section 305(4) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995), the Council may not approve, and the Mayor may not forward to the President, any budget which is not consistent with the financial plan and

budget established for the fiscal year under subtitle A of title II of such Act.

CONGRESSIONAL ACTION ON CERTAIN DISTRICT MATTERS

SEC. 604. (a) This section is enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such these provisions are deemed a part of the rule of each House respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by this section; and they supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change the rule (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

(b) For the purpose of this section, “resolution” means only a joint resolution, the matter after the resolving clause of which is as follows: “That the \_\_\_\_\_ approves/disapproves of the action of the District of Columbia Council described as follows: \_\_\_\_\_.”, the blank spaces therein being appropriately filled, and either approval or disapproval being appropriately indicated; but does not include a resolution which specifies more than one action.

(c) A resolution with respect to Council action shall be referred to the Committee on the District of Columbia of the House of Representatives, or the Committee on the District of Columbia of the Senate, by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

(d) If the committee to which a resolution has been referred has not reported it at the end of twenty calendar days after its introduction, it is in order to move to discharge the committee from further consideration of any other resolution with respect to the same Council action which has been referred to the committee.

(e) A motion to discharge may be made only by an individual favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same action), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(f) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same action.

(g) When the committee has reported, or has been discharged from further consideration of, a resolution, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(h) Debate on the resolution shall be limited to not more than ten hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

(i) Motions to postpone made with respect to the discharge from committee or the consideration of a resolution, and motions to proceed to the consideration of other business, shall be decided without debate.

(j) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution shall be decided without debate.

TITLE VII—REFERENDUM; SUCCESSION IN GOVERNMENT;  
TEMPORARY PROVISIONS; MISCELLANEOUS; AMEND-  
MENTS TO DISTRICT OF COLUMBIA ELECTION ACT;  
RULES OF CONSTRUCTION; AND EFFECTIVE DATES

PART A—CHARTER REFERENDUM

REFERENDUM

SEC. 701. On a date to be fixed by the Board of Elections, not more than five months after the date of enactment of this Act, a referendum (in this part referred to as the “charter referendum”) shall be conducted to determine whether the registered qualified electors of the District accept the charter set forth as title IV of this Act.

BOARD OF ELECTIONS AUTHORITY

SEC. 702. (a) The Board of Elections shall conduct the charter referendum and certify the results thereof as provided in this part.

(b) Notwithstanding the fact that such section does not otherwise take effect unless the charter is accepted under this title, the applicable provisions of part E of title VII of this Act shall govern the Board of Elections in the performance of its duties under this Act.

REFERENDUM BALLOT AND NOTICE OF VOTING

SEC. 703. (a) The charter referendum ballot shall contain the following, with a blank space appropriately filled:

“The District of Columbia Self-Government and Governmental Reorganization Act, enacted \_\_\_\_\_, proposes to establish a charter for the governance of the District of Columbia, but provides that the charter shall take effect only if it is accepted by a majority of the registered qualified voters of the District voting on this issue.

“Indicate in one of the squares provided below whether you are for or against the charter.

“ For the charter

“ Against the charter.

“In addition, the Act referred to above authorizes the establishment of advisory neighborhood councils if a majority of the reg-

istered qualified voters of the District voting on this issue in this referendum vote for the establishment of such councils.

“Indicate in one of the squares provided below whether you are for or against the establishment of Advisory Neighborhood Councils.

For Advisory Neighborhood Councils

Against Advisory Neighborhood Councils.”

(b) Voting may be by paper ballot or by voting machine. The Board of Elections may make such changes in the second and fourth paragraphs of the charter referendum ballot as it determines to be necessary to permit the use of voting machines if such machines are used.

(c) Not less than five days before the date of the charter referendum, the Board of Elections shall mail to each registered qualified elector (1) a sample of the charter referendum ballot, and (2) information showing the polling place of such elector and the date and hours of voting.

(d) Not less than one day before the charter referendum, the Board of Elections shall publish, in one or more newspapers of general circulation published in the District, a list of the polling places and the date and hours of voting.

#### ACCEPTANCE OR NONACCEPTANCE OF CHARTER

SEC. 704. (a) If a majority of the registered qualified electors voting in the charter referendum vote for the charter, the charter shall be considered accepted as of the time the Board of Elections certifies the result of the charter referendum to the President of the United States, as provided in subsection (b).

(b) The Board of Elections shall, within a reasonable time, but in no event more than thirty days after the date of the charter referendum, certify the results of the charter referendum to the President of the United States and to the Secretary of the Senate and the Clerk of the House of Representatives.

#### PART B—SUCCESSION IN GOVERNMENT

##### ABOLISHMENT OF EXISTING GOVERNMENT AND TRANSFER OF FUNCTIONS

SEC. 711. The District of Columbia Council, the offices of Chairman of the District of Columbia Council, Vice Chairman of the District of Columbia Council, and the seven other members of the District of Columbia Council, and the offices of the Commissioner of the District of Columbia and Assistant to the Commissioner of the District of Columbia, as established by Reorganization Plan Numbered 3 of 1967, are abolished as of noon January 2, 1975. This subsection shall not be construed to reinstate any governmental body or office in the District abolished in said plan or otherwise heretofore.

##### CERTAIN DELEGATED FUNCTIONS AND FUNCTIONS OF CERTAIN AGENCIES

SEC. 712. No function of the District of Columbia Council (established under Reorganization Plan Numbered 3 of 1967) or of the Commissioner of the District of Columbia which such District of

Columbia Council or Commissioner has delegated to an officer, employee, or agency (including any body of or under such agency) of the District, nor any function now vested pursuant to section 501 of Reorganization Plan Numbered 3 of 1967 in the District Public Service Commission, Zoning Advisory Council, Board of Zoning Adjustment, Office of the Recorder of Deeds, or Armory Board, or in any officer, employee, or body of or under such agency, shall be considered as a function transferred to the Council pursuant to section 404(a) of this Act. Each such function is hereby transferred to the officer, employee, or agency (including any body of or under such agency), to whom or to which it was delegated, or in whom or in which it has remained vested, until the Mayor or Council established under this Act, or both, pursuant to the powers herein granted, shall revoke, modify, or transfer such delegation or vesting.

TRANSFER OF PERSONNEL, PROPERTY, AND FUNDS

SEC. 713. (a) In each of the transfer, by any provision of this Act, of functions to the Council, to the Mayor, or to any agency or officer, there are hereby authorized to be transferred (as of the time of such transfer of functions) to the Council, to the Mayor, to such agency, or to the agency of which such officer is the head, for use in the administration of the functions of the Council or such agency or officer, the personnel (except the Commissioner of the District of Columbia, the Assistant to the Commissioner, the Chairman of the District of Columbia Council, the Vice Chairman of the District of Columbia Council, the other members thereof, all of whose offices are abolished by this Act), property, records, and unexpended balances of appropriations and other funds which relate primarily to the functions so transferred.

(b) If any question arises in connection with the carrying out of subsection (a), such questions shall be decided—

(1) in the case functions transferred from a Federal officer or agency, by the Director of the Office of Management and Budget; and

(2) in the case of other functions (A) by the Council, or in such manner as the Council shall provide, if such functions are transferred to the Council, and (B) by the Mayor if such functions are transferred to him or to any other officer or agency.

(c) Any of the personnel authorized to be transferred to the Council, the Mayor, or any agency by this section which the Council or the head of such agency shall find to be in excess of the personnel necessary for the administration of its or his function shall, in accordance with law, be transferred to other positions in the District or Federal Government or be separated from the service.

(d) No officer or employee shall, by reason of his transfer to the District government under this Act or his separation from service under this Act, be deprived of any civil service rights, benefits, and privileges held by him prior to such transfer or any right of appeal or review he may have by reason of his separation from service.

EXISTING STATUTES, REGULATIONS, AND OTHER ACTIONS

SEC. 714. (a) Any statute, regulation, or other action in respect of (and any regulation or other action issued, made, taken, or

granted by) any officer or agency from which any function is transferred by this Act shall, except to the extent modified or made inapplicable by or under authority of law, continue in effect as if such transfer had not been made; but after such transfer, references in such statute, regulation, or other action to an officer or agency from which a transfer is made by this Act shall be held and considered to refer to the officer or agency to which the transfer is made.

(b) As used in subsection (a), the term "other action" includes without limitation, any rule, order, contract, compact, policy, determination, directive, grant, authorization, permit, requirement, or designation.

(c) Unless otherwise specifically provided in this Act, nothing contained in this Act shall be construed as affecting the applicability to the District government of personnel legislation relating to the District government until such time as the Council may otherwise elect to provide equal or equivalent coverage.

#### PENDING ACTIONS AND PROCEEDINGS

SEC. 715. (a) No suit, action, or other judicial proceeding lawfully commenced by or against any officer or agency in his or its official capacity or in relation to the exercise of his or its official functions, shall abate by reason of the taking effect of any provision of this Act; but the court, unless it determines that the survival of such suit, action, or other proceedings is not necessary for purposes of settlement of the questions involved, shall allow the same to be maintained, with such substitutions as to parties as are appropriate.

(b) No administrative action or proceeding lawfully commenced shall abate solely by reason of the taking effect of any provision of this Act, but such action or proceeding shall be continued with such substitutions as to parties and officers or agencies as are appropriate.

#### VACANCIES RESULTING FROM ABOLISHMENT OF OFFICES OF COMMISSIONER AND ASSISTANT TO THE COMMISSIONER

SEC. 716. Until the 1st day of July next after the first Mayor takes office under this Act no vacancy occurring in any District agency by reason of section 711, abolishing the offices of Commissioner of the District of Columbia and Assistant to the Commissioner, shall affect the power of the remaining members of such agency to exercise its functions; but such agency may take action only if a majority of the members holding office vote in favor of it.

#### STATUS OF THE DISTRICT

SEC. 717. (a) All of the territory constituting the permanent seat of the Government of the United States shall continue to be designated as the District of Columbia. The District of Columbia shall remain and continue a body corporate, as provided in section 2 of the Revised Statutes relating to the District (D.C. Code, sec. 1-102). Said Corporation shall continue to be charged with all the duties, obligations, responsibilities, and liabilities, and to be vested with all the powers, rights, privileges, immunities, and assets, respectively, imposed upon and vested in said Corporation or the Commissioner.

(b) No law or regulation which is in force on the effective date of title IV of this Act shall be deemed amended or repealed by this Act except to the extent specifically provided herein or to the extent that such law or regulation is consistent with this Act, but any such law or regulation may be amended or repealed by act or resolution as authorized in this Act, or by Act of Congress, except that, notwithstanding the provisions of section 752 of this Act, such authority to repeal shall not be construed as authorizing the Council to repeal or otherwise alter, by amendment or otherwise, any provision of subchapter III of chapter 73 of title 5, United States Code, in whole or in part.

(c) Nothing contained in this section shall affect the boundary line between the District of Columbia and the Commonwealth of Virginia as the same was established or may be subsequently established under the provisions of title I of the Act of October 31, 1945 (59 Stat. 552).

#### CONTINUATION OF THE DISTRICT OF COLUMBIA COURT SYSTEM

SEC. 718. (a) The District of Columbia Court of Appeals, the Superior Court of the District of Columbia, and the District of Columbia Commission on Judicial Disabilities and Tenure shall continue as provided under the District of Columbia Court Reorganization Act of 1970 subject to the provisions of part C of title IV of this Act and section 602(a)(4).

(b) The term and qualifications of any judge of any District of Columbia court, and the term and qualifications of any member of the District of Columbia Commission on Judicial Disabilities and Tenure appointed prior to the effective date of title IV of this Act shall not be affected by the provisions of part C of title IV of this Act. No provision of this Act shall be construed to extend the term of any such judge or member of such Commission. Judges of the District of Columbia courts and members of the District of Columbia Commission on Judicial Disabilities and Tenure appointed after the effective date of title IV of this Act shall be appointed according to part C of such title IV.

(c) Nothing in this Act shall be construed to amend, repeal, or diminish the duties, rights, privileges, or benefits accruing under sections 1561 through 1571 of title 11 of the District of Columbia Code, and sections 703 and 904 of such title, dealing with the retirement and compensation of the judges of the District of Columbia courts.

#### CONTINUATION OF THE BOARD OF EDUCATION

SEC. 719. The term of any member elected to the District of Columbia Board of Education, and the powers and duties of the Board of Education, shall not be affected by the provisions of section 495. No provision of such section shall be construed to extend the term of any such member or to terminate the term of any such member.

## PART C—TEMPORARY PROVISIONS

## POWERS OF THE PRESIDENT DURING TRANSITIONAL PERIOD

SEC. 721. The President of the United States is hereby authorized and requested to take such action during the period following the date of the enactment of this Act and ending on the date of the first meeting of the Council, by Executive order or otherwise, with respect to the administration of the functions of the District government, as he deems necessary to enable the Board of Elections properly to perform its functions under this Act.

## REIMBURSABLE APPROPRIATIONS FOR THE DISTRICT

SEC. 722. (a) The Secretary of the Treasury is authorized to advance to the District of Columbia the sum of \$750,000, out of any money in the Treasury not otherwise appropriated, for use (1) in paying the expenses of the Board of Elections (including compensation of the members thereof), and (2) in otherwise carrying into effect the provisions of this Act.

(b) The full amount expended out of the money advanced pursuant to this section shall be reimbursed to the United States, without interest, during the second fiscal year which begins after the effective date of title IV, from the general fund of the District.

## INTERIM LOAN AUTHORITY

SEC. 723. (a) The Mayor is authorized to accept loans for the District from the Treasury of the United States, and the Secretary is authorized to lend to the Mayor, such sums as the Mayor may determine are required to complete capital projects for which construction and construction services funds have been authorized or appropriated, as the case be, by Congress prior to October 1, 1983, or the date of enactment of the appropriation Act for the fiscal year ending September 30, 1984, for the government of the District of Columbia, whichever is later. In addition, such loans may include funds to pay the District's share of the cost of the adopted regional system specified in the National Capital Transportation Act of 1969.

(b) Loans advanced pursuant to this section during any six-month period shall be at a rate of interest determined by the Secretary as of the beginning of such period, which, in his judgment, would reflect the cost of money to the Treasury for borrowing at a maturity approximately equal to the period of time the loan is outstanding.

(c) Subject to the limitations contained in section 603(b), there is authorized to be appropriated to make loans under this section the sum of \$155,000,000 for the fiscal year ending on September 30, 1982, the sum of \$155,000,000 for the fiscal year ending on September 30, 1983, and the sum of \$155,000,000 for the fiscal year ending on September 30, 1984.

(d) The authority contained in this section to make loans shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

POLITICAL PARTICIPATION IN CERTAIN ELECTIONS FIRST HELD UNDER  
THIS ACT

SEC. 724. (a) In order to provide continuity in the government of the District of Columbia during the transition from the appointed government to the elected government provided for under this Act, no person employed by the United States or by the government of the District of Columbia shall be prohibited by reason of such employment—

(1) from being a candidate in the first primary election and general election held under this Act for the office of Mayor or Chairman or member of the Council of the District of Columbia provided for under title IV of this Act, and

(2) if such a candidate, from taking an active part in political management or political campaigns in any election referred to in paragraph (1) of this subsection.

(b) Such candidacy shall be deemed to have commenced on the day such person obtains from the Board of Elections an official nominating petition with his name stamped thereon, and shall terminate—

(1) in the case of such candidate who ceases to be eligible as a nominee for the office with respect to which such petition was obtained by reason of his inability or failure to qualify as a bona fide nominee prior to the expiration of the final date for filing such petition under the election laws of the District of Columbia, on the day following such expiration date;

(2) in the case of such candidate who is elected to any such office with respect to which such nominating petition was obtained, on the day such candidate takes office following the election held with respect thereto;

(3) in the case of such candidate who is defeated in a primary election held to nominate candidates for the office with respect to which such nominating petition was obtained, on the expiration of the thirty day period following the date of such primary election; and

(4) in the case of such candidate who fails to be elected in a general election to any such office with respect to which such nominating petition was obtained, on the expiration of the thirty day period following the date of such election.

(c) The provisions of this section shall terminate as of January 2, 1975.

## PART D—MISCELLANEOUS

**[SEC. 731 Repealed]**

## PERSONAL INTEREST IN CONTRACTS OR TRANSACTIONS

SEC. 732. Any officer or employee of the District who is convicted of a violation of section 208 of title 18, United States Code, shall forfeit his office or position.

## COMPENSATION FROM MORE THAN ONE SOURCE

SEC. 733. (a) Except as provided in this Act, no person shall be ineligible to serve or to receive compensation as a member of the Board of Elections because he occupies another office or position or

because he receives compensation (including retirement compensation) from another source.

(b) The right to another office or position or to compensation from another source otherwise secured to such a person under the laws of the United States shall not be abridged by the fact of his service or receipt of compensation as a member of such Board, if such service does not interfere with the discharge of his duties in such other office or position.

ASSISTANCE OF THE UNITED STATES CIVIL SERVICE COMMISSION IN  
DEVELOPMENT OF DISTRICT MERIT SYSTEM

SEC. 734. The United States Civil Service Commission is hereby authorized to advise and assist the Mayor and the Council in the further development of the merit system or systems required by section 422(3) and the said Commission is authorized to enter into agreements with the District government to make available its registers of eligibles as a recruiting source to fill District positions as needed. The costs of any specific services furnished by the Civil Service Commission may be compensated for under the provisions of section 731 of this Act.

【SEC. 735 Repealed】

【SEC. 736 Repealed】

ADJUSTMENTS

SEC. 737. (a) Subject to section 731, the Mayor, with the approval of the Council, and the Director of the Office of Management and Budget, is authorized and empowered to enter into an agreement or agreements concerning the manner and method by which amounts owed by the District to the United States, or by the United States to the District, shall be ascertained and paid.

(b) The United States shall reimburse the District for necessary expenses incurred by the District in connection with assemblages, marches, and other demonstrations in the District which relate primarily to the Federal Government. The manner and method of ascertaining and paying the amounts needed to so reimburse the District shall be determined by agreement entered into in accordance with subsection (a) of this section.

(c) Each officer and employee of the District required to do so by the Council shall provide a bond with such surety and in such amount as the Council may require. The premiums for all such bonds shall be paid out of appropriations for the District.

ADVISORY NEIGHBORHOOD COUNCILS

SEC. 738. (a) The Council shall by act divide the District into neighborhood council areas and, upon receiving a petition signed by at least 5 per centum of the registered qualified electors of a neighborhood council area, shall establish for that neighborhood an elected advisory neighborhood council. In designating such neighborhoods, the Council shall consider natural geographic boundaries, election districts, and divisions of the District made for the purpose of administration of services.

(b) Elections for members of each advisory neighborhood council shall be nonpartisan, shall be scheduled to coincide with the elections of members of the Board of Education held in the District,

and shall be administered by the Board of Elections. Advisory neighborhood council members shall be elected from single member districts within each neighborhood council area by the registered qualified electors thereof.

(c) Each advisory neighborhood council—

(1) may advise the District government on matters of public policy including decisions regarding planning, streets, recreation, social services programs, health, safety, and sanitation in that neighborhood council area;

(2) may employ staff and expend, for public purposes within its neighborhood council area, public funds and other funds donated to it; and

(3) shall have such other powers and duties as may be provided by act of the Council.

(d) In the manner provided by act of the Council, in addition to any other notice required by law, timely notice shall be given to each advisory neighborhood council of requested or proposed zoning changes, variances, public improvements, licenses or permits of significance to neighborhood planning and development within its neighborhood council area for its review, comment, and recommendation.

(e) In order to pay the expenses of the advisory neighborhood councils, enable them to employ such staff as may be necessary, and to conduct programs for the welfare of the people in a neighborhood council area, the District government shall apportion to each advisory neighborhood council, out of the revenue of the District received from the tax on real property in the District including improvements thereon, a sum not less than that part of such revenue raised by levying 1 cent per \$100 of assessed valuation which bears the same ratio to the full sum raised thereby as the population of the neighborhood bears to the population of the District. The Council may authorize additional methods of financing advisory neighborhood councils.

(f) The Council shall by act make provisions for the handling of funds and accounts by each advisory neighborhood council and shall establish guidelines with respect to the employment of persons by each advisory neighborhood council which shall include fixing the status of such employees with respect to the District government, but all such provisions and guidelines shall be uniform for all advisory neighborhood councils and shall provide that decisions to employ and discharge employees shall be made by the advisory neighborhood council. These provisions shall conform to the extent practicable to the regular budgetary, expenditure and auditing procedures and the personnel merit system of the District.

(g) The Council shall have authority in accordance with the provisions of this Act, to legislate with respect to the advisory neighborhood councils established in this section.

(h) The foregoing provisions of this section shall take effect only if agreed to in accordance with the provisions of section 703(a) of this Act.

#### NATIONAL CAPITAL SERVICE AREA

SEC. 739. (a) There is established within the District of Columbia the National Capital Service Area which shall include, subject to the following provisions of this section, the principal Federal

monuments, the White House, the Capitol Building, the United States Supreme Court Building, and the Federal executive, legislative, and judicial office buildings located adjacent to the Mall and the Capitol Building, and is more particularly described in subsection (f).

(b) There is established in the Executive Office of the President the National Capital Service Director who shall be appointed by the President. The President, through the National Capital Service Director, shall assure that there is provided, utilizing District of Columbia governmental services to the extent practicable, within the area specified in subsection (a) and particularly described in subsection (f), adequate fire protection and sanitation services. Except with respect to that portion of the National Capital Service Area comprising the United States Capitol Buildings and Grounds as defined in sections 1 and 16 of the Act of July 31, 1946, as amended (40 U.S.C. 193a and 193m), the United States Supreme Court Building and Grounds as defined in section 11 of the Act of August 18, 1949, as amended (40 U.S.C. 13p), and the Library of Congress Buildings and Grounds as defined in section 11 of the Act of August 4, 1950, as amended (2 U.S.C. 167j), the National Capital Service Director shall assure that there is provided within the remainder of such area specified in subsection (a) and subsection (f), adequate police protection and maintenance of streets and highways.

(c) The National Capital Service Director shall be entitled to receive compensation at the maximum rate as may be established from time to time for level IV of the Executive Schedule of section 5314 of title 5 of the United States Code. The Director may appoint, subject to the provisions of title 5 of the United States Code governing appointments in the competitive service, and fix the pay of, in accordance with the provisions of chapter 51 and subchapter 3 of chapter 53 of such title relating to classification and General Schedule pay rates, such personnel as may be necessary.

(d) Section 45 of the Act entitled "An Act to provide for the organization of the militia of the District of Columbia", approved March 1, 1889 (D.C. Code, sec. 39-603), is amended by inserting after "United States Marshal for the District of Columbia," the following: "or for the National Capital Service Director,".

(e)(1) Within one year after the effective date of this section, the President is authorized and directed to submit to the Congress a report on the feasibility and advisability of combining the Executive Protective Service and the United States Park Police within the National Capital Service Area, and placing them under the National Capital Service Director.

(2) Such report shall include such recommendations, including recommendations for legislative and executive action, as the President deems necessary in carrying out the provisions of paragraph (1) of this subsection.

(f)(1)(A) The National Capital Service Area referred to in subsection (a) is more particularly described as follows:

Beginning at the point on the present Virginia-District of Columbia boundary due west of the northernmost point of Theodore Roosevelt Island and running due east of the eastern shore of the Potomac River;

thence generally south along the shore at the mean high water mark to the northwest corner of the Kennedy Center;  
thence east along the north side of the Kennedy Center to a point where it reaches the E Street Expressway;  
thence east on the expressway to E Street Northwest and thence east on E Street Northwest to Eighteenth Street Northwest;  
thence south on Eighteenth Street Northwest to Constitution Avenue Northwest;  
thence east on Constitution Avenue to Seventeenth Street Northwest;  
thence north on Seventeenth Street Northwest to Pennsylvania Avenue Northwest;  
thence east on Pennsylvania Avenue to Jackson Place Northwest;  
thence north on Jackson Place to H Street Northwest;  
thence east on H Street Northwest to Madison Place Northwest;  
thence south on Madison Place Northwest to Pennsylvania Avenue Northwest;  
thence east on Pennsylvania Avenue Northwest to Fifteenth Street Northwest;  
thence south on Fifteenth Street Northwest to Pennsylvania Avenue Northwest;  
thence southeast on Pennsylvania Avenue Northwest to John Marshall Place Northwest;  
thence north on John Marshall Place Northwest to C Street Northwest;  
thence east on C Street Northwest to Third Street Northwest;  
thence north on Third Street Northwest to D Street Northwest;  
thence east on D Street Northwest to Second Street Northwest;  
thence south on Second Street Northwest to the intersection of Constitution Avenue Northwest and Louisiana Avenue Northwest;  
thence northeast on Louisiana Avenue Northwest to North Capitol Street;  
thence north on North Capitol Street to Massachusetts Avenue Northwest;  
thence southeast on Massachusetts Avenue Northwest so as to encompass Union Square;  
thence following Union Square to F Street Northeast;  
thence east on F Street Northeast to Second Street Northeast;  
thence south on Second Street Northeast to D Street Northeast;  
thence west on D Street Northeast to First Street Northeast;  
thence south on First Street Northeast to Maryland Avenue Northeast;  
thence generally north and east on Maryland Avenue to Second Street Northeast;

thence south on Second Street Northeast to C Street Southeast;  
thence west on C Street Southeast to New Jersey Avenue Southeast;  
thence south on New Jersey Avenue Southeast to D Street Southeast;  
thence west on D Street Southeast to Canal Street Parkway;  
thence southeast on Canal Street Parkway to E Street Southeast;  
thence west on E Street Southeast to the intersection of Canal Street Southwest and South Capitol Street;  
thence northwest on Canal Street Southwest to Second Street Southwest;  
thence south on Second Street Southwest to Virginia Avenue Southwest;  
thence generally west on Virginia Avenue to Third Street Southwest;  
thence north on Third Street Southwest to C Street Southwest;  
thence west on C Street Southwest to Sixth Street Southwest;  
thence north on Sixth Street Southwest to Independence Avenue;  
thence west on Independence Avenue to Twelfth Street Southwest;  
thence south on Twelfth Street Southwest to D Street Southwest;  
thence west on D Street Southwest to Fourteenth Street Southwest;  
thence south on Fourteenth Street Southwest to the middle of the Washington Channel;  
thence generally south and east along the midchannel of the Washington Channel to a point due west of the northern boundary line of Fort Lesley McNair;  
thence due east to the side of the Washington Channel;  
thence following generally south and east along the side of the Washington Channel at the mean high water mark, to the point of confluence with the Anacostia River, and along the northern shore at the mean high water mark to the northernmost point of the Eleventh Street Bridge;  
thence generally south and east along the northern side of the Eleventh Street Bridge to the eastern shore of the Anacostia River;  
thence generally south and west along such shore at the mean high water mark to the point of confluence of the Anacostia and Potomac Rivers;  
thence generally south along the eastern shore at the mean high water mark of the Potomac River to the point where it meets the present southeastern boundary line of the District of Columbia;  
thence south and west along such southeastern boundary line to the point where it meets the present Virginia-District of Columbia boundary;

thence generally north and west up the Potomac River along the Virginia-District of Columbia boundary to the point of beginning.

(B) Where the area in paragraph (1) is bounded by any street, such street, and any sidewalk thereof, shall be included within such area.

(2) Any Federal real property affronting or abutting, as of the date of the enactment of this Act, the area described in paragraph (1) shall be deemed to be within such area.

(3) For the purposes of paragraph (2), Federal real property affronting or abutting such area described in paragraph (1) shall—

(A) be deemed to include, but not limited to, Fort Lesley McNair, the Washington Navy Yard, the Anacostia Naval Annex, the United States Naval Station, Bolling Air Force Base, and the Naval Research Laboratory; and

(B) not be construed to include any area situated outside of the District of Columbia boundary as it existed immediately prior to the date of the enactment of this Act, nor be construed to include any portion of the Anacostia Park situated east of the northern side of the Eleventh Street Bridge, or any portion of the Rock Creek Park.

(g)(1) Subject to the provisions of paragraph (2) of this subsection, the President is authorized and directed to conduct a survey of the area described in this section in order to establish the proper metes and bounds of such area, and to file, in such manner and at such place as he may designate, a map and a legal description of such area, and such description and map shall have the same force and effect as if included in this Act, except that corrections of clerical, typographical and other errors in any such legal descriptions and map may be made. In conducting such survey, the President shall make such adjustments as may be necessary in order to exclude from the National Capital Service Area any privately owned properties, and buildings and adjacent parking facilities owned by the District of Columbia government.

(2) In carrying out the provisions of paragraph (1) of this subsection, the President shall, to the extent that such survey, legal description, and map involves areas comprising the United States Capitol Buildings and Grounds as defined in sections 1 and 16 of the Act of July 31, 1946, as amended (40 U.S.C. 193a and 193m), and other buildings and grounds under the care of the Architect of the Capitol, consult with the Architect of the Capitol.

(3) Section 1 of the Act of July 31, 1946, as amended by the Act of October 20, 1967 (60 Stat. 718; 81 Stat. 275; 40 U.S.C. 193a), is hereby amended to include within the definition of the United States Capitol Grounds, the following streets: "Independence Avenue from the west curb of First Street S.E., to the east curb of First Street S.W., New Jersey Avenue S.E. from the south curb of Independence Avenue to the north curb of D Street S.E., South Capitol Street from the south curb of Independence Avenue to the north curb of D Street; Delaware Avenue S.W. from the south curb of C Street S.W. to the north curb of D Street S.W., C Street from the west curb of First Street S.E. to the intersection of First and Canal Streets S.W., D Street from the west curb of First Street S.E. to the intersection of Canal Street and Delaware Avenue S.W., that part of First Street lying west of the outer face of the curb of the

sidewalk on the east side thereof from D Street N.E. to D Street S.E., that part of First Street within the east and west curblines thereof extending from the north side of Pennsylvania Avenue N.W. to the intersection of C Street and Canal Street S.W., including the two circles within such area. Nothing in the section shall be construed as repealing, or otherwise altering, modifying, affecting, or superseding those provisions of law in effect on the date immediately preceding the effective date of title IV of this Act vesting authority in the United States Supreme Court police and Library of Congress police to make arrests in adjacent streets, including First Street N.E. and First Street S.E.”.

(4) Section 9 of the Act of July 31, 1946, as amended (40 U.S.C. 212a), is amended by deleting “or of any State,” and inserting in lieu thereof a comma and the following: “of the District of Columbia, or of any State,”.

(5) Section 9 of such Act is further amended by deleting the following: “, with the exception of the streets and roadways shown on the map referred to in section 1 of this Act as being under the jurisdiction and control of the Commissioners of the District of Columbia.”.

(6) Section 14(a) of the Act of July 31, 1946, as amended (40 U.S.C. 212b), is amended by deleting: “, except on those streets and roadways shown on the map referred to in section 1 of this Act as being under the jurisdiction and control of the Commissioners of the District of Columbia”.

(7) Section 1 of the Act of July 31, 1946, as amended (40 U.S.C. 193a), is amended by deleting “: *Provided*, That those streets and roadways in said United States Capitol Grounds shown on said map as being under the jurisdiction and control of the Commissioners of the District of Columbia shall continue under such jurisdiction and control, and said Commissioners shall be responsible for the maintenance and improvement thereof: *Provided further*,” and inserting in lieu thereof a comma and the following: “including those streets and roadways in said United States Capitol Grounds as shown on said map as being under the jurisdiction and control of the Commissioners of the District of Columbia, except that the Commissioner of the District of Columbia shall be responsible for the maintenance and improvement of those portions of the following streets which are situated between the curblines thereof: Constitution Avenue from First Street N.E. to Second Street N.W., First Street from D Street N.E. to D Street S.E., D Street from First Street S.E. to Canal Street S.W., and First Street from the north side of Louisiana Avenue to the intersection of C Street and Canal Street S.W.: *Provided*,”.

(8) Section 9 of the Act of August 18, 1949, as amended (40 U.S.C. 13n), is amended by deleting “or of any State” and inserting in lieu thereof a comma and the following: “any law of the District of Columbia, or of any State,”.

(9) Section 9 of the Act of August 4, 1950, as amended (2 U.S.C. 167h), is amended by deleting “or of any State” and inserting in lieu thereof a comma and the following: “any law of the District of Columbia, or of any State,”.

(h)(1) Except to the extent specifically provided by the provisions of this section, and amendments made by this section, nothing in this section shall be applicable to the United States Capitol

Buildings and Grounds as defined in sections 1 and 16 of the Act of July 31, 1946, as amended (40 U.S.C. 193a, 193m), or to any other buildings and grounds under the care of the Architect of the Capitol, the United States Supreme Court Building and Grounds as defined in section 11 of the Act of August 18, 1949, as amended (40 U.S.C. 13p), and the Library of Congress Buildings and Grounds as defined in section 11 of the Act of August 4, 1950, as amended (2 U.S.C. 167j), and except to the extent herein specifically provided, including amendments made by this section, nothing in this section shall be construed to repeal, amend, alter, modify, or supersede any provision of the Act of July 31, 1946, as amended (40 U.S.C. 193a et seq.), or any other of the general laws of the United States or any of the laws enacted by the Congress and applicable exclusively to the District of Columbia, or any rule or regulation promulgated pursuant thereto, in effect on the date immediately preceding the effective date of title IV of this Act pertaining to said buildings and grounds, or an existing authority, with respect to such buildings and grounds, vested by law, or otherwise, on such date immediately preceding such effective date, in the Senate, the House of Representatives, the Congress, or any committee or commission or board thereof, the Architect of the Capitol, or any other officer of the legislative branch, the Chief Justice of the United States, the Marshal of the Supreme Court of the United States, or the Librarian of Congress.

(2) Notwithstanding the foregoing provision of this section, any of the services and facilities authorized by this Act to be rendered or furnished (including maintenance of streets and highways, and services under section 731 of this Act) shall, as far as practicable, be made available to the Senate, the House of Representatives, the Congress, or any committee or commission or board thereof, the Architect of the Capitol, or any other officer of the legislative branch vested by law or otherwise on such date immediately preceding the effective date of title IV of this Act with authority over such buildings and grounds, the Chief Justice of the United States, the Marshal of the Supreme Court of the United States, and the Librarian of Congress, upon their request, and, if payment would be required for the rendition or furnishing of a similar service or facility to any other Federal agency, payment therefor shall be made by the recipient thereof, upon presentation of proper vouchers, in advance or by reimbursement (as may be agreed upon by the parties rendering and receiving such services).

(i) Except to the extent otherwise specifically provided in the provisions of this section, and amendments made by this section, all general laws of the United States and all laws enacted by the Congress and applicable exclusively to the District of Columbia, including regulations and rules promulgated pursuant thereto, in effect on the date immediately preceding the effective date of title IV of this Act and which, on such date immediately preceding the effective date of such title, are applicable to and within the areas included within the National Capitol Service Area pursuant to this section shall, on and after such effective date, continue to be applicable to and within such National Capital Service Area in the same manner and to the same extent as if this section had not been enacted, and shall remain so applicable until such time as they are repealed, amended, altered, modified, or superseded, and such

laws, regulations and rules shall thereafter be applicable to and within such area in the manner and to the extent so provided by any such amendment, alteration, or modification.

(j) In no case shall any person be denied the right to vote or otherwise participate in any manner in any election in the District of Columbia solely because such person resides within the National Capital Service Area.

#### EMERGENCY CONTROL OF POLICE

SEC. 740. (a) Notwithstanding any other provision of law, whenever the President of the United States determines that special conditions of an emergency nature exist which require the use of the Metropolitan Police force for Federal purposes, he may direct the Mayor to provide him, and the Mayor shall provide, such services of the Metropolitan Police force as the President may deem necessary and appropriate. In no case, however, shall such services made available pursuant to any such direction under this subsection extend for a period in excess of forty-eight hours unless the President has, prior to the expiration of such period, notified the Chairman and ranking minority Members of the Committee on the District of Columbia of the Senate and the House of Representatives, in writing, as to the reason for such direction and the period of time during which the need for such services is likely to continue.

(b) Subject to the provisions of subsection (c) of this section, such services made available in accordance with subsection (a) of this section shall terminate upon the end of such emergency, the expiration of a period of thirty days following the date on which such services are first made available, or the enactment into law of a joint resolution by the Congress providing for such termination, whichever first occurs.

(c) Notwithstanding the foregoing provisions of this section, in any case in which such services are made available in accordance with the provisions of subsection (a) of this section during any period of an adjournment of the Congress sine die, such services shall terminate upon the end of the emergency, the expiration of the thirty-day period following the date on which Congress first convenes following such adjournment, or the enactment into law of a joint resolution by the Congress providing for such termination, whichever first occurs.

(d) Except to the extent provided for in subsection (c) of this section, no such services made available pursuant to the direction of the President pursuant to subsection (a) of this section shall extend for any period in excess of thirty days, unless the Senate and the House of Representatives enact into law a joint resolution authorizing such an extension.

#### OPEN MEETINGS

SEC. 742. (a) All meetings (including hearings) of any department, agency, board, or commission of the District government, including meetings of the District Council, at which official action of any kind is taken shall be open to the public. No resolution, rule, act, regulation or other official action shall be effective unless taken, made, or enacted at such meeting.

(b) A written transcript or a transcription shall be kept for all such meetings and shall be made available to the public during normal business hours of the District government. Copies of such written transcripts or copies of such transcriptions shall be available upon request to the public at reasonable cost.

TERMINATION OF THE DISTRICT'S AUTHORITY TO BORROW FROM THE  
TREASURY

SEC. 743. (a) The first section of the Act entitled "An Act to authorize the Commissioners of the District of Columbia to borrow funds for capital improvement programs and to amend provisions of law relating to Federal Government participation in meeting costs of maintaining the Nation's Capital City", approved June 6, 1958 (72 Stat. 183; D.C. Code, sec. 9-220), is amended by striking out subsections (b), (c), (d), and (e).

(b) The Act entitled "An Act authorizing loans from the United States Treasury for the expansion of the District of Columbia water system", approved June 2, 1950 (64 Stat. 195; D.C. Code, sec. 43-1540), is repealed.

(c) Title II of the Act entitled "An Act to authorize the financing of a program of public works construction for the District of Columbia, and for other purposes", approved May 18, 1954 (68 Stat. 108), is amended by striking out sections 213, 214, 216, 217, and 218 (D.C. Code, sections 43-1612, 43-1615, 43-1616, and 43-1617), authorizing loans from the United States Treasury for sanitary and combined sewer systems of the District.

(d) Section 402 of title IV of such Act approved May 18, 1954 (68 Stat. 110; D.C. Code, sec. 7-133), authorizing loans from the United States Treasury for the District of Columbia highway construction program, is repealed.

(e) Section 4 of the Act entitled "An Act to authorize the Commissioners of the District of Columbia to plan, construct, operate, and maintain a sanitary sewer to connect the Dulles International Airport with the District of Columbia system," approved June 12, 1960 (74 Stat. 211; D.C. Code, sec. 43-1623), is repealed.

(f) Nothing contained in this section shall be deemed to relieve the District of its obligation to repay any loan made to it under the authority of the Acts specified in the preceding subsections, nor to preclude the District from using the unexpended balance of any such loan appropriated to the District prior to the effective date of this provision, nor to prevent the District from fulfilling the provisions of section 722.

PART E—AMENDMENTS TO THE DISTRICT OF COLUMBIA ELECTION  
ACT

AMENDMENTS

SEC. 751. The District of Columbia Election Act (D.C. Code, secs. 1-1101—1-1115) is amended as follows:

(1) The first section of such Act (D.C. Code sec. 1-1101) is amended by inserting immediately after "Board of Education," the following: "the members of the Council of the District of Columbia, the Mayor".

(2) Section 2 of such Act (D.C. Code, sec. 1-1102) is amended by adding at the end thereof the following new paragraphs:

“(8) The term ‘Council’ or ‘Council of the District of Columbia’ means the Council of the District of Columbia established pursuant to the District of Columbia Self-Government and Governmental Reorganization Act.

“(9) The term ‘Mayor’ means the office of Mayor of the District of Columbia established pursuant to the District of Columbia Self-Government and Governmental Reorganization Act.”

(3) Subsections (h), (i), (j), and (k) of section 8 of such Act (D.C. Code, sec. 1-1108) are amended to read as follows:

“(h)(1)(A) The Delegate, Mayor, Chairman of the District Council and the four at-large members of the Council shall be elected by the registered qualified electors of the District of Columbia in a general election. Each candidate for the office of Delegate, Mayor, Chairman of the District Council, and at-large members of the Council in any general election shall, except as otherwise provided in subsection (j) of this section and section 10(d), have been elected by the registered qualified electors of the District as such candidate by the next preceding primary election.

“(B)(i) A member of the office of Council (other than the Chairman and any member elected at large) shall be elected in a general election by the registered qualified electors of the respective ward of the District from which the individual seeking such office was elected as a candidate for such office as provided in clause (ii) of this paragraph.

“(ii) Each candidate for the office of member of the Council (other than Chairman and at-large members) shall, except as otherwise provided in subsection (j) of this section and section 10(d), have been elected as such a candidate, by the registered qualified electors of the ward of the District from which such individual was nominated, at the next preceding primary election to fill such office within that ward.

“(2) The nomination and election of any individual to the office of Delegate, Mayor, Chairman of the Council and member of the Council shall be governed by the provisions of this Act. No political party shall be qualified to hold a primary election to select candidates for election to any such office in a general election unless, in the next preceding election year, at least seven thousand five hundred votes were cast in the general election for a candidate of such party for any such office or for its candidates for electors of President and Vice President.

“(i)(1) Each individual in a primary election for candidate for the office of Delegate, Mayor, Chairman of the Council or at-large member of the Council shall be nominated for any such office by a petition (A) filed with the Board not later than sixty days before the date of such primary election, and (B) signed by at least two thousand registered qualified electors of the same political party as the nominee, or by 1 per centum of the duly registered members of such political party, whichever is less as shown by the records of the Board of Elections as of the one hundred fourteenth day before the date of such election.

“(2) Each individual in a primary election for candidate for the office of member of the Council (other than the Chairman and at-large members) shall be nominated for such office by a petition (A) filed with the Board not later than sixty days before the date of such primary election, and (B) signed by at least two hundred and

fifty persons in the ward from which such individual seeks election who are duly registered in such ward and under section 7 of this Act, and who are of the same political party as the nominee.

“(3) A nominating petition for a candidate in a primary election for any such office may not be circulated for signature before the one hundred fourteenth day preceding the date of such election and may not be filed with the Board before the eighty-fifth day preceding such date. The Board may prescribe rules with respect to the preparation and presentation of nominating petitions. The Board shall arrange the ballot of each political party in each such primary election as to enable a voter of such party to vote for nominated candidates of that party.

“(j)(1) A duly qualified candidate for the office of Delegate, Mayor, Chairman of the Council, or member of the Council may, subject to the provisions of this subsection, be nominated directly as such a candidate for election for such office (including any such election to be held to fill a vacancy). Such person shall be nominated by petition (A) filed with the Board not less than sixty days before the date of such general election, and (B) in the case of a person who is a candidate for the office of member of the Council (other than Chairman or an at-large member), signed by five hundred voters who are duly registered under section 7 in the ward from which the candidate seeks election; and in the case of a person who is a candidate for the office of Delegate, Mayor, Chairman of the Council, or at-large member of the Council, signed by duly registered voters equal in number to 1½ per centum of the total number of registered voters in the District, as shown by the records of the Board as of one hundred fourteen days before the date of such election, or by three thousand persons duly registered under section 7, whichever is less. No signatures on such a petition may be counted which have been made on such petition more than one hundred fourteen days before the date of such election.

“(2) Nominations under this subsection for candidates for election in a general election to any office referred to in paragraph (1) shall be of no force and effect with respect to any person whose name has appeared on the ballot of a primary election for that office held within eight months before the date of such general election.

“(k)(1) In each general election for the office of member of the Council (other than the office of Chairman or an at-large member) the Board shall arrange the ballots in each ward to enable a voter registered in that ward to vote for any one candidate who (A) has been duly elected by any political party in the next preceding primary election for such office from such ward, (B) has been duly nominated to fill a vacancy in such office in such ward pursuant to section 10(d), or (C) has been nominated directly as a candidate for such office in such ward under subsection (j) of this section.

“(2) In each general election for the office of Chairman and member of the Council at large, the Board shall arrange the ballots to enable a registered qualified elector to vote for as many candidates for election as members at large as there are members at large to be elected in such election, including the Chairman. Such candidates shall be only those persons who (A) have been duly elected by any political party in the next preceding primary election for such office, (B) have been duly nominated to fill vacancies

in such office pursuant to section 10(d), or (C) have been nominated directly as a candidate under subsection (j) of this section.

“(3) In each general election for the office of Delegate and Mayor, the Board shall arrange the ballots to enable a registered qualified elector to vote for any one of the candidates for any such office who (A) has been duly elected by any political party in the next preceding primary election for such office, (B) has been duly nominated to fill a vacancy in such office pursuant to section 10(d), or (C) has been nominated directly as a candidate under subsection (j) of this section.”

(4) Paragraph (3) of section 10(a) of such Act (D.C. Code, sec. 1-1100) is amended (1) by inserting “(A)” immediately before the word “Except”, and (2) by adding at the end thereof the following:

“(B) Except as otherwise provided in the case of special elections under this Act primary elections of each political party for the office of member of the Council shall be held on the first Tuesday after the second Monday in September 1974, and every second year thereafter, and general election for such offices shall be held on the first Tuesday after the first Monday in November in 1974 and every second year thereafter.

“(C) Except as otherwise provided in the case of a special election under this Act, primary elections of each political party for the office of Mayor and Chairman shall be held on the first Tuesday after the second Monday in September of every fourth year, commencing with calendar year 1974, and the general election for such office shall be held on the first Tuesday after the first Monday in November 1974 and every fourth year thereafter.”

(5) Paragraphs (6), (7), (8), and (9) of section 10(a) of such Act (D.C. Code, sec. 1-1110) are repealed, and paragraphs (4) and (5) of such section 10(a) are amended to read as follows:

“(4) With respect to special elections required or authorized by this Act, the Board may establish the dates on which such special elections are to be held and prescribe such other terms and conditions as may, in the Board’s opinion, be necessary or appropriate for the conduct of such elections in a manner comparable to that prescribed for other elections held pursuant to this Act.

“(5) General elections for members of the Board of Education shall be held on the first Tuesday after the first Monday in November of each odd-numbered calendar year.”

(6) Section 10(b) of such Act (D.C. Code, sec. 1-1110) is amended by striking out “other than general elections for the Office of Delegate and for members of the Board of Education.”

(7) Section 10(c) of such Act (D.C. Code, sec. 1-1110) is amended by striking out the words “other than an election for members of the Board of Education”.

(8) Section 10(d) of such Act (D.C. Code, sec. 1-1110) is amended to read as follows:

“(d) In the event that any official, other than the Delegate, Mayor, member of the Council, member of the Board of Education, or a winner of a primary election for the office of Delegate, Mayor, or member of the Council, elected pursuant to this Act dies, resigns, or becomes unable to serve during his or her term of office leaving no person elected pursuant to this Act to serve the remainder of the unexpired term of office, the successor or successors to serve the remainder of such term shall be chosen pursuant to the

rules of the duly authorized party committee, except that such successor shall have the qualifications required by this Act for such office. In the event that such a vacancy occurs in the office of a candidate for the office of Delegate, Mayor, or member of the Council who has been declared the winner in the preceding primary election of such office, the vacancy may be filled not later than fifteen days prior to the next general election for such office, by nomination by the party committee of the party which nominated his predecessor. In the event that such a vacancy occurs in the office of Delegate more than eight months before the expiration of its term of office, the Board shall call special elections to fill such vacancy for the remainder of its term of office.”

(9) The first sentence of section 15 of such Act (D.C. Code, sec. 1-1115) is amended to read as follows: “No person shall be a candidate for more than one office on the Board of Education or the Council in any election for members of the Board of Education or Council, and no person shall be a candidate for more than one office on the Council in any primary election.”

(10) Section 15 of such Act (D.C. Code, sec. 1-1115) is further amended (1) by designating the existing text of such section as subsection (a), and (2) by adding at the end thereof the following new subsection:

“(b) No person who is holding the office of Mayor, Delegate, Chairman or member of the Council, or member of the School Board shall, while holding such office, be eligible as a candidate for any other of such offices in any primary or general election, unless the term of the office which he so holds expires on or prior to the date on which he would be eligible, if elected in such primary or general election, to take the office with respect to which such election is held.”

#### DISTRICT COUNCIL AUTHORITY OVER ELECTIONS

SEC. 752. Notwithstanding any other provision of this Act or of any other law, the Council shall have authority to enact any act or resolution with respect to matters involving or relating to elections in the District.

#### PART F—RULES OF CONSTRUCTION

##### CONSTRUCTION

SEC. 761. To the extent that any provisions of this Act are inconsistent with the provisions of any other laws, the provisions of this Act shall prevail and shall be deemed to supersede the provisions of such laws.

##### SEVERABILITY

SEC. 762. If any particular provision of this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of this Act and the application of such provision to other persons or circumstances shall not be affected thereby.

## PART G—EFFECTIVE DATE

EFFECTIVE DATES<sup>16</sup>

SEC. 771. (a) Titles I and V, and parts A and G, and section 722 of title VII shall take effect on the date of enactment of this Act.

(b) Sections 712, 713, 714, and 715 of title VII, and section 401(b) of title IV, and title II shall take effect July 1, 1974, except that any provision thereof which in effect transfers authority to appoint any citizen member of the National Capital Planning Commission or the District of Columbia Redevelopment Land Agency shall take effect January 2, 1975.

(c) Titles II and IV, except section 401(b) of title IV, shall take effect January 2, 1975, if title IV is accepted by a majority of the registered qualified electors in the District of Columbia voting on the charter issue in the charter referendum.

(d) Title VI and parts D and F and sections 711, 716, 717, 718, 719, 721, and 723 of title VII shall take effect only if and upon the date that title IV becomes effective.

(e) Section 724 and part E of title VII shall take effect on the date on which title IV is accepted by a majority of the registered qualified electors in the District of Columbia voting on the charter issue in the charter referendum.

Approved December 24, 1973.

<sup>16</sup>These effective dates are changed by Public Law 93-395. In the original Act, Section 771 read:

SEC. 771. (a) Title I and V, and parts A and G, and Section 722, of title VII shall take effect on the date of the enactment of this Act.

(b) Title II shall take effect on July 1, 1974, except that any provision thereof which in effect transfers authority to appoint any citizen member of the National Capital Planning Commission or the District of Columbia Redevelopment Land Agency shall take effect on January 2, 1975.

(c) Titles III and IV shall take effect January 2, 1975, if title IV is accepted by a majority of the registered qualified electors in the District of Columbia voting on the charter issue in the charter referendum.

(d) Title VI and parts B, D and F, and Sections 721 and 723, of title VII shall take effect only if and upon the date that title IV becomes effective.

(e) Part E of title VII shall take effect on the date on which title IV is accepted by a majority of the registered qualified electors in the District voting on the charter issue in the charter referendum.

Public Law 93-268 amended subsection (e) hereof in the original Act, by deleting "Part E" and inserting in lieu thereof "Section 724 and part E". Sec. 724 provided for political participation in the first elections held under the Home Rule Act, and terminated on January 2, 1975.



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**DISTRICT OF COLUMBIA FINANCIAL RESPONSIBILITY  
AND MANAGEMENT ASSISTANCE ACT OF 1995**

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**DISTRICT OF COLUMBIA FINANCIAL RESPONSIBILITY  
AND MANAGEMENT ASSISTANCE ACT OF 1995**

*Be it enacted by the Senate and House of Representatives of the  
United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) **SHORT TITLE.**—This Act may be cited as the “District of Columbia Financial Responsibility and Management Assistance Act of 1995”.

(b) **TABLE OF CONTENTS.**—The table of contents of this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings; purpose.

**TITLE I—ESTABLISHMENT AND ORGANIZATION OF AUTHORITY**

- Sec. 101. District of Columbia Financial Responsibility and Management Assistance Authority.
- Sec. 102. Executive director and staff of Authority.
- Sec. 103. Powers of Authority.
- Sec. 104. Exemption from liability for claims.
- Sec. 105. Treatment of actions arising from act.
- Sec. 106. Funding for operation of Authority.
- Sec. 107. Suspension of activities.
- Sec. 108. Application of laws of District of Columbia to Authority.<sup>1</sup>

**TITLE II—RESPONSIBILITIES OF AUTHORITY**

**Subtitle A—Establishment and Enforcement of Financial Plan and Budget  
for District Government**

- Sec. 201. Development of financial plan and budget for District of Columbia.
- Sec. 202. Process for submission and approval of financial plan and annual District budget.
- Sec. 203. Review of activities of District government to ensure compliance with approved financial plan and budget.
- Sec. 204. Restrictions on borrowing by District during control year.
  - “Sec. 601. Transitional provision for short-term advances.
  - “Sec. 602. Short-term advances for seasonal cash-flow management.
  - “Sec. 603. Security for advances.
  - “Sec. 604. Reimbursement to the Treasury.
  - “Sec. 605. Definitions.
- [Sec. 205. Repealed.]
- Sec. 206. Effect of finding of non-compliance with financial plan and budget.
- Sec. 207. Recommendations on financial stability and management responsibility.
- Sec. 208. Special rules for fiscal year 1996.
- Sec. 209. Control periods described.

**Subtitle B—Issuance of Bonds**

- Sec. 211. Authority to issue bonds.
- Sec. 212. Pledge of security interest in revenues of District government.
- Sec. 213. Establishment of debt service reserve fund.
- Sec. 214. Other requirements for issuance of bonds.
- Sec. 215. No full faith and credit of the United States.

<sup>1</sup>Section 159 of Public Law 105–277 added section 109 (“Chief Management Officer”) without adding a corresponding item to the table of contents.

**Subtitle C—Other Duties of Authority**

- Sec. 221. Duties of Authority during year other than control year.
- Sec. 222. General assistance in achieving financial stability and management efficiency.
- Sec. 223. Obtaining reports.
- Sec. 224. Reports and comments.
- Sec. 225. Disposition of certain school property.

**TITLE III—MISCELLANEOUS PROVISIONS**

- Sec. 301. Other District budget reforms.
- Sec. 302. Establishment of Chief Financial Officer of District of Columbia.
- Sec. 303. Revisions to powers and duties of Inspector General of District of Columbia.
- Sec. 304. Council approval of certain contracts.
- Sec. 305. Definitions.

**SEC. 2. FINDINGS; PURPOSE.**

(a) **FINDINGS.**—Congress finds the following:

(1) A combination of accumulated operating deficits, cash shortages, management inefficiencies, and deficit spending in the current fiscal year have created a fiscal emergency in the District of Columbia.

(2) As a result of its current financial problems and management inefficiencies, the District of Columbia government fails to provide its citizens with effective and efficient services in areas such as education, health care, crime prevention, trash collection, drug abuse treatment and prevention, human services delivery, and the supervision and training of government personnel.

(3) The current financial and management problems of the District government have already adversely affected the long-term economic health of the District of Columbia by causing the migration of residents and businesses out of the District of Columbia and the failure of new residents and businesses to move to the District of Columbia.

(4) The fiscal and management problems in the District of Columbia government are pervasive across all segments of the government.

(5) A comprehensive approach to fiscal, management, and structural problems must be undertaken which exempts no part of the District government and which preserves home rule for the citizens of the District of Columbia.

(6) The current deficit of the District of Columbia must be resolved over a multi-year period, since it cannot be effectively addressed in a single year.

(7) The ability of the District government to obtain funds from capital markets in the future will be severely diminished without Congressional action to restore its financial stability.

(8) The failure to improve the financial situation of the District government will adversely affect the long-term economic health of the entire National Capital region.

(9) The efficient operation of the Federal Government may be adversely affected by the current problems of the District of Columbia not only through the services the District government provides directly to the Federal Government but through services provided indirectly such as street and traffic flow maintenance, public safety, and services affecting tourism.

(b) **PURPOSE.**—The purposes of this Act are as follows:

(1) To eliminate budget deficits and cash shortages of the District of Columbia through visionary financial planning, sound budgeting, accurate revenue forecasts, and careful spending.

(2) To ensure the most efficient and effective delivery of services, including public safety services, by the District government during a period of fiscal emergency.

(3) To conduct necessary investigations and studies to determine the fiscal status and operational efficiency of the District government.

(4) To assist the District government in—

(A) restructuring its organization and workforce to ensure that the residents of the District of Columbia are served by a local government that is efficient and effective;

(B) achieving an appropriate relationship with the Federal Government;

(C) ensuring the appropriate and efficient delivery of services; and

(D) modernizing its budget, accounting, personnel, procurement, information technology, and management systems to ensure the maximum financial and performance accountability of the District government and its officers and employees.

(5) To enhance the District government's access to the capital markets and to ensure the continued orderly payment of its debt service obligations.

(6) To ensure the long-term financial, fiscal, and economic vitality and operational efficiency of the District of Columbia.

(7) To examine the programmatic and structural relationship between the District government and the Federal Government.

(8) To provide for the review of the financial impact of activities of the District government before such activities are implemented or submitted for Congressional review.

(c) RULES OF CONSTRUCTION.—Nothing in this Act may be construed—

(1) to relieve any obligations existing as of the date of the enactment of this Act of the District government to repay any individual or entity from whom the District has borrowed funds, whether through the issuance of bonds or otherwise;

(2) to limit the authority of Congress to exercise ultimate legislative authority over the District of Columbia pursuant to Article I, section 8, clause 17 of the Constitution of the United States;

(3) to amend, supersede, or alter the provisions of title 11 of the District of Columbia Code, or sections 431 through 434, 445, and 602(a)(4) of the District of Columbia Self-Government and Governmental Reorganization Act (pertaining to the organization, powers, and jurisdiction of the District of Columbia courts); or

(4) to authorize the application of section 103(e) or 303(b)(3) of this Act (relating to issuance of subpoenas) to judicial officers or employees of the District of Columbia courts.

## TITLE I—ESTABLISHMENT AND ORGANIZATION OF AUTHORITY

### SEC. 101. DISTRICT OF COLUMBIA FINANCIAL RESPONSIBILITY AND MANAGEMENT ASSISTANCE AUTHORITY.

(a) ESTABLISHMENT.—Pursuant to Article I, section 8, clause 17 of the Constitution of the United States, there is hereby established the District of Columbia Financial Responsibility and Management Assistance Authority, consisting of members appointed by the President in accordance with subsection (b). Subject to the conditions described in section 108 and except as otherwise provided in this Act, the Authority is established as an entity within the government of the District of Columbia, and is not established as a department, agency, establishment, or instrumentality of the United States Government.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Authority shall consist of 5 members appointed by the President who meet the qualifications described in subsection (c), except that the Authority may take any action under this Act (or any amendments made by this Act) at any time after the President has appointed 3 of its members.

(2) CONSULTATION WITH CONGRESS.—The President shall appoint the members of the Authority after consulting with the Chair of the Committee on Appropriations and the Chair of the Committee on Government Reform and Oversight of the House of Representatives, the Chair of the Committee on Appropriations and the Chair of the Committee on Governmental Affairs of the Senate, and the Delegate to the House of Representatives from the District of Columbia.

(3) CHAIR.—The President shall designate one of the members of the Authority as the Chair of the Authority.

(4) SENSE OF CONGRESS REGARDING DEADLINE FOR APPOINTMENT.—It is the sense of Congress that the President should appoint the members of the Authority as soon as practicable after the date of the enactment of this Act, but in no event later than 25 days after the date of the enactment of this Act.

(5) TERM OF SERVICE.—

(A) IN GENERAL.—Except as provided in subparagraph (B), each member of the Authority shall be appointed for a term of 3 years.

(B) APPOINTMENT FOR TERM FOLLOWING INITIAL TERM.—As designated by the President at the time of appointment for the term immediately following the initial term, of the members appointed for the term immediately following the initial term—

(i) 1 member shall be appointed for a term of 1 year;

(ii) 2 members shall be appointed for a term of 2 years; and

(iii) 2 members shall be appointed for a term of 3 years.

(C) REMOVAL.—The President may remove any member of the Authority only for cause.

(D) CONTINUATION OF SERVICE UNTIL SUCCESSOR APPOINTED.—Upon the expiration of a term of office, a member of the Authority may continue to serve until a successor has been appointed.

(c) QUALIFICATIONS FOR MEMBERSHIP.—An individual meets the qualifications for membership on the Authority if the individual—

(1) has knowledge and expertise in finance, management, and the organization or operation of business or government;

(2) does not provide goods or services to the District government (and is not the spouse, parent, child, or sibling of an individual who provides goods and services to the District government);

(3) is not an officer or employee of the District government; and

(4) maintains a primary residence in the District of Columbia or has a primary place of business in the District of Columbia.

(d) NO COMPENSATION FOR SERVICE.—Members of the Authority shall serve without pay, but may receive reimbursement for any reasonable and necessary expenses incurred by reason of service on the Authority.

(e) ADOPTION OF BY-LAWS FOR CONDUCTING BUSINESS OF AUTHORITY.—

(1) IN GENERAL.—As soon as practicable after the appointment of its members, the Authority shall adopt by-laws, rules, and procedures governing its activities under this Act, including procedures for hiring experts and consultants. Such by-laws, rules, and procedures shall be public documents, and shall be submitted by the Authority upon adoption to the Mayor, the Council, the President, and Congress.

(2) CERTAIN ACTIVITIES REQUIRING APPROVAL OF MAJORITY OF MEMBERS.—Under the by-laws adopted pursuant to paragraph (1), the Authority may conduct its operations under such procedures as it considers appropriate, except that an affirmative vote of a majority of the members of the Authority shall be required in order for the Authority to—

(A) approve or disapprove a financial plan and budget under subtitle A of title II;

(B) implement recommendations on financial stability and management responsibility under section 207;

(C) give consent to the appointment of the Chief Financial Officer of the District of Columbia under section 424 of the District of Columbia Self-Government and Governmental Reorganization Act (as added by section 302); and

(D) give consent to the appointment of the Inspector General of the District of Columbia under section 208(a) of the District of Columbia Procurement Practices Act of 1985 (as amended by section 303(a)).

(3) ADOPTION OF RULES AND REGULATIONS OF DISTRICT OF COLUMBIA.—The Authority may incorporate in its by-laws, rules, and procedures under this subsection such rules and regulations of the District government as it considers appropriate

to enable it to carry out its activities under this Act with the greatest degree of independence practicable.

**SEC. 102. EXECUTIVE DIRECTOR AND STAFF OF AUTHORITY.**

(a) EXECUTIVE DIRECTOR.—The Authority shall have an Executive Director who shall be appointed by the Chair with the consent of the Authority. The Executive Director shall be paid at a rate determined by the Authority, except that such rate may not exceed the rate of basic pay payable for level IV of the Executive Schedule.

(b) STAFF.—With the approval of the Chair, the Executive Director may appoint and fix the pay of additional personnel as the Executive Director considers appropriate, except that no individual appointed by the Executive Director may be paid at a rate greater than the rate of pay for the Executive Director.

(c) INAPPLICABILITY OF CERTAIN EMPLOYMENT AND PROCUREMENT LAWS.—

(1) CIVIL SERVICE LAWS.— The Executive Director and staff of the Authority may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates.

(2) DISTRICT EMPLOYMENT AND PROCUREMENT LAWS.—The Executive Director and staff of the Authority may be appointed and paid without regard to the provisions of the District of Columbia Code governing appointments and salaries. The provisions of the District of Columbia Code governing procurement shall not apply to the Authority.

(d) STAFF OF FEDERAL AGENCIES.—Upon request of the Chair, the head of any Federal department or agency may detail, on a reimbursable or non-reimbursable basis, any of the personnel of that department or agency to the Authority to assist it in carrying out its duties under this Act.

(e) PRESERVATION OF RETIREMENT AND CERTAIN OTHER RIGHTS OF FEDERAL EMPLOYEES WHO BECOME EMPLOYED BY THE AUTHORITY.—

(1) IN GENERAL.—Any Federal employee who becomes employed by the Authority—

(A) may elect, for the purposes set forth in paragraph (2)(A), to be treated, for so long as that individual remains continuously employed by the Authority, as if such individual had not separated from service with the Federal Government, subject to paragraph (3); and

(B) shall, if such employee subsequently becomes re-employed by the Federal Government, be entitled to have such individual's service with the Authority treated, for purposes of determining the appropriate leave accrual rate, as if it had been service with the Federal Government.

(2) EFFECT OF AN ELECTION.—An election made by an individual under the provisions of paragraph (1)(A)—

(A) shall qualify such individual for the treatment described in such provisions for purposes of—

(i) chapter 83 or 84 of title 5, United States Code, as appropriate (relating to retirement), including the Thrift Savings Plan;

(ii) chapter 87 of such title (relating to life insurance); and

(iii) chapter 89 of such title (relating to health insurance); and

(B) shall disqualify such individual, while such election remains in effect, from participating in the programs offered by the government of the District of Columbia (if any) corresponding to the respective programs referred to in subparagraph (A).

(3) CONDITIONS FOR AN ELECTION TO BE EFFECTIVE.—An election made by an individual under paragraph (1)(A) shall be ineffective unless—

(A) it is made before such individual separates from service with the Federal Government; and

(B) such individual's service with the Authority commences within 3 days after so separating (not counting any holiday observed by the government of the District of Columbia).

(4) CONTRIBUTIONS.—If an individual makes an election under paragraph (1)(A), the Authority shall, in accordance with applicable provisions of law referred to in paragraph (2)(A), be responsible for making the same deductions from pay and the same agency contributions as would be required if it were a Federal agency.

(5) REGULATIONS.—Any regulations necessary to carry out this subsection shall be prescribed in consultation with the Authority by—

(A) the Office of Personnel Management, to the extent that any program administered by the office is involved;

(B) the appropriate office or agency of the government of the District of Columbia, to the extent that any program administered by such office or agency is involved; and

(C) the Executive Director referred to in section 8474 of title 5, United States Code, to the extent that the Thrift Savings Plan is involved.

(f) FEDERAL BENEFITS FOR OTHERS.—

(1) IN GENERAL.—The Office of Personnel Management, in conjunction with each corresponding office or agency of the government of the District of Columbia and in consultation with the Authority, shall prescribe regulations under which any individual who becomes employed by the Authority (under circumstances other than as described in subsection (e)) may elect either—

(A) to be deemed a Federal employee for purposes of the programs referred to in subsection (e)(2)(A) (i)–(iii); or

(B) to participate in 1 or more of the corresponding programs offered by the government of the District of Columbia.

(2) EFFECT OF AN ELECTION.—An individual who elects the option under subparagraph (A) or (B) of paragraph (1) shall be disqualified, while such election remains in effect, from partici-

pating in any of the programs referred to in the other such subparagraph.

(3) DEFINITION OF "CORRESPONDING OFFICE OR AGENCY".—For purposes of paragraph (1), the term "corresponding office or agency of the government of the District of Columbia" means, with respect to any program administered by the Office of Personnel Management, the office or agency responsible for administering the corresponding program (if any) offered by the government of the District of Columbia.

(4) THRIFT SAVINGS PLAN.—To the extent that the Thrift Savings Plan is involved, the preceding provisions of this subsection shall be applied by substituting "the Executive Director referred to in section 8474 of title 5, United States Code" for "the Office of Personnel Management".

**SEC. 103. POWERS OF AUTHORITY.**

(a) HEARINGS AND SESSIONS.—The Authority may, for the purpose of carrying out this Act, hold hearings, sit and act at times and places, take testimony, and receive evidence as the Authority considers appropriate. The Authority may administer oaths or affirmations to witnesses appearing before it.

(b) POWERS OF MEMBERS AND AGENTS.—Any member or agent of the Authority may, if authorized by the Authority, take any action which the Authority is authorized to take by this section.

(c) OBTAINING OFFICIAL DATA.—

(1) FROM FEDERAL GOVERNMENT.—Notwithstanding sections 552 (commonly known as the Freedom of Information Act), 552a (the Privacy Act of 1974), and 552b (the Government in the Sunshine Act) of title 5, United States Code, the Authority may secure directly from any department or agency of the United States information necessary to enable it to carry out this Act, with the approval of the head of that department or agency.

(2) FROM DISTRICT GOVERNMENT.—Notwithstanding any other provision of law, the Authority shall have the right to secure copies of such records, documents, information, or data from any entity of the District government necessary to enable the Authority to carry out its responsibilities under this Act. At the request of the Authority, the Authority shall be granted direct access to such information systems, records, documents or information or data as will enable the Authority to carry out its responsibilities under this Act. The head of the entity of the District government responsible shall provide the Authority with such information and assistance (including granting the Authority direct access to automated or other information systems) as the Authority requires under this paragraph.

(d) GIFTS, BEQUESTS, AND DEVICES.—The Authority may accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Authority. Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in such account as the Authority may establish and shall be available for disbursement upon order of the Chair.

(e) SUBPOENA POWER.—

(1) IN GENERAL.—The Authority may issue subpoenas requiring the attendance and testimony of witnesses and the production of any evidence relating to any matter under investigation by the Authority. The attendance of witnesses and the production of evidence may be required from any place within the United States at any designated place of hearing within the United States.

(2) FAILURE TO OBEY A SUBPOENA.—If a person refuses to obey a subpoena issued under paragraph (1), the Authority may apply to a United States district court for an order requiring that person to appear before the Authority to give testimony, produce evidence, or both, relating to the matter under investigation. The application may be made within the judicial district where the hearing is conducted or where that person is found, resides, or transacts business. Any failure to obey the order of the court may be punished by the court as civil contempt.

(3) SERVICE OF SUBPOENAS.—The subpoenas of the Authority shall be served in the manner provided for subpoenas issued by United States district court under the Federal Rules of Civil Procedure for the United States district courts.

(4) SERVICE OF PROCESS.—All process of any court to which application is made under paragraph (2) may be served in the judicial district in which the person required to be served resides or may be found.

(f) ADMINISTRATIVE SUPPORT SERVICES.—Upon the request of the Authority, the Administrator of General Services shall promptly provide to the Authority, on a reimbursable basis, the administrative support services necessary for the Authority to carry out its responsibilities under this Act.

(g) AUTHORITY TO ENTER INTO CONTRACTS.—The Executive Director may enter into such contracts as the Executive Director considers appropriate (subject to the approval of the Chair) to carry out the Authority's responsibilities under this Act.

(h) CIVIL ACTIONS TO ENFORCE POWERS.—The Authority may seek judicial enforcement of its authority to carry out its responsibilities under this Act.

(i) PENALTIES.—

(1) ACTS PROHIBITED.—Any officer or employee of the District government who—

(A) takes any action in violation of any valid order of the Authority or fails or refuses to take any action required by any such order; or

(B) prepares, presents, or certifies any information (including any projections or estimates) or report for the Board or any of its agents that is false or misleading, or, upon learning that any such information is false or misleading, fails to immediately advise the Board or its agents thereof in writing,

shall be guilty of a misdemeanor, and shall be fined not more than \$1,000, imprisoned for not more than 1 year, or both.

(2) ADMINISTRATIVE DISCIPLINE.—In addition to any other applicable penalty, any officer or employee of the District government who knowingly and willfully violates paragraph (1) shall be subject to appropriate administrative discipline, in-

cluding (when appropriate) suspension from duty without pay or removal from office by order of either the Mayor or Authority.

(3) **REPORT BY MAYOR ON DISCIPLINARY ACTIONS TAKEN.**—In the case of a violation of paragraph (1) by an officer or employee of the District government, the Mayor shall immediately report to the Board all pertinent facts together with a statement of the action taken thereon.

**SEC. 104. EXEMPTION FROM LIABILITY FOR CLAIMS.**

The Authority, its members, and its employees<sup>2</sup> may not be liable for any obligation of or claim against the Authority or its members or employees or the District of Columbia resulting from actions taken to carry out this Act.

**SEC. 105. TREATMENT OF ACTIONS ARISING FROM ACT.**

(a) **JURISDICTION ESTABLISHED IN DISTRICT COURT FOR DISTRICT OF COLUMBIA.**—Except as provided in section 103(e)(2) (relating to the issuance of an order enforcing a subpoena), any action against the Authority or any action otherwise arising out of this Act, in whole or in part, shall be brought in the United States District Court for the District of Columbia.

(b) **PROMPT APPEAL.**—

(1) **COURT OF APPEALS.**—Notwithstanding any other provision of law, any order of the United States District Court for the District of Columbia which is issued pursuant to an action brought under subsection (a) shall be reviewable only pursuant to a notice of appeal to the United States Court of Appeals for the District of Columbia Circuit.

(2) **SUPREME COURT.**—Notwithstanding any other provision of law, review by the Supreme Court of the United States of a decision of the Court of Appeals which is issued pursuant to paragraph (1) may be had only if the petition for such review is filed within 10 days after the entry of such decision.

(c) **TIMING OF RELIEF.**—No order of any court granting declaratory or injunctive relief against the Authority, including relief permitting or requiring the obligation, borrowing, or expenditure of funds, shall take effect during the pendency of the action before such court, during the time appeal may be taken, or (if appeal is taken) during the period before the court has entered its final order disposing of such action.

(d) **EXPEDITED CONSIDERATION.**—It shall be the duty of the United States District Court for the District of Columbia, the United States Court of Appeals for the District of Columbia Circuit, and the Supreme Court of the United States to advance on the docket and to expedite to the greatest possible extent the disposition of any matter brought under subsection (a).

**SEC. 106. FUNDING FOR OPERATION OF AUTHORITY.**

(a) **ANNUAL BUDGETING PROCESS.**—

(1) **SUBMISSION OF BUDGET.**—The Authority shall submit a proposed budget for each fiscal year to the President for inclusion in the annual budget for the District of Columbia under

<sup>2</sup>The amendment made by section 153(c)(1) of Public Law 104-134 (110 Stat. 1322-110) striking “the Authority and its members” and inserting “the Authority, its members, and its employees” was executed to reflect the probable intent of Congress. The initial letter of the first word probably should have been capitalized.

part D of title IV of the District of Columbia Self-Government and Governmental Reorganization Act not later than the May 1 prior to the first day of the fiscal year. In the case of the budget for fiscal year 1996, the Authority shall submit its proposed budget not later than July 15, 1995.

(2) CONTENTS OF BUDGET.—The budget shall describe—

(A) expenditures of the Authority by each object class, including expenditures for staff of the Authority;

(B) services of personnel and other services provided by or on behalf of the Authority for which the Authority made no reimbursement; and

(C) any gifts or bequests made to the authority during the previous fiscal year.

(3) APPROPRIATIONS REQUIRED.—No amount may be obligated or expended by the Authority for a fiscal year (beginning with fiscal year 1996) unless such amount has been approved by Act of Congress, and then only according to such Act.

(4) CONFORMING AMENDMENT.—Section 453(c) of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 47–304.1(c), D.C. Code) is amended by striking the period at the end and inserting the following: “, or to the District of Columbia Financial Responsibility and Management Assistance Authority established under section 101(a) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995.”

(b) SPECIAL RULE FOR FUNDING OF OPERATIONS DURING FISCAL YEAR 1995.—As soon as practicable after the appointment of its members, the Authority shall submit to the Mayor and the President—

(1) a request for reprogramming of funds under subsection (c)(1); and

(2) a description of anticipated expenditures of the Authority for fiscal year 1995 (which shall be transmitted to Congress).

(c) SOURCES OF FUNDS.—

(1) USE OF PREVIOUSLY APPROPRIATED FUNDS IN DISTRICT BUDGET.—The Mayor shall transfer funds previously appropriated to the District government for a fiscal year for auditing and consulting services to the Authority (in such amounts as are provided in the budget request of the Authority under subsection (a) or, with respect to fiscal year 1995, the request submitted under subsection (b)(1)) for the purpose of carrying out the Authority’s activities during the fiscal year.

(2) OTHER SOURCES OF FUNDS.—For provisions describing the sources of funds available for the operations of the Authority during a fiscal year (in addition to any interest earned on accounts of the Authority during the year), see section 204(b)(1)(A) (relating to the set-aside of amounts requisitioned from the Treasury by the Mayor) and section 213(b)(3) (relating to the use of interest accrued from amounts in a debt service reserve fund of the Authority).

(d) USE OF INTEREST ON ACCOUNTS FOR DISTRICT.—

(1) IN GENERAL.—Notwithstanding any other provision of this Act, the Authority may transfer or otherwise expend any amounts derived from interest earned on accounts held by the

Authority on behalf of the District of Columbia for such purposes as it considers appropriate to promote the economic stability and management efficiency of the District government.

(2) SPENDING NOT SUBJECT TO APPROPRIATION BY CONGRESS.—Notwithstanding subsection (a)(3), any amounts transferred or otherwise expended pursuant to paragraph (1) may be obligated or expended without approval by Act of Congress.

**SEC. 107. SUSPENSION OF ACTIVITIES.**

(a) SUSPENSION UPON PAYMENT OF AUTHORITY OBLIGATIONS.—

(1) IN GENERAL.—Upon the expiration of the 12-month period which begins on the date that the Authority certifies that all obligations arising from the issuance by the Authority of bonds, notes, or other obligations pursuant to subtitle B of title II have been discharged, and that all borrowings by or on behalf of the District of Columbia pursuant to title VI of the District of Columbia Revenue Act of 1939 (sec. 47–3401, D.C. Code) have been repaid, the Authority shall suspend any activities carried out under this Act and the terms of the members of the Authority shall expire.

(2) NO SUSPENSION DURING CONTROL YEAR.—The Authority may not suspend its activities pursuant to paragraph (1) at any time during a control year.

(b) REACTIVATION UPON INITIATION OF CONTROL PERIOD.—

Upon receiving notice from the Chairs of the Appropriations Committees of the House of Representatives and the Senate that a control period has been initiated (as described in section 209) at any time after the Authority suspends its activities under subsection (a), the President shall appoint members of the Authority, and the Authority shall carry out activities under this Act, in the same manner as the President appointed members and the Authority carried out activities prior to such suspension.

**SEC. 108. APPLICATION OF LAWS OF DISTRICT OF COLUMBIA TO AUTHORITY.**

(a) IN GENERAL.—The following laws of the District of Columbia (as in effect on the date of the enactment of this Act) shall apply to the members and activities of the Authority:

(1) Section 742 of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 1–1504, D.C. Code).

(2) Sections 201 through 206 of the District of Columbia Freedom of Information Act (secs. 1–1521 through 1–1526, D.C. Code).

(3) Section 601 of the District of Columbia Campaign Finance Reform and Conflict of Interest Act (sec. 1–1461, D.C. Code).

(b) NO CONTROL, SUPERVISION, OVERSIGHT, OR REVIEW BY MAYOR OR COUNCIL.—

(1) IN GENERAL.—Neither the Mayor nor the Council may exercise any control, supervision, oversight, or review over the Authority or its activities.

(2) PROHIBITION AGAINST LEGISLATION AFFECTING AUTHORITY.—Section 602(a) of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 1–233(a), D.C. Code) is amended—

(A) by striking “or” at the end of paragraph (8);

(B) by striking the period at the end of paragraph (9) and inserting “; or”; and

(C) by adding at the end the following new paragraph:

“(10) enact any act, resolution, or rule with respect to the District of Columbia Financial Responsibility and Management Assistance Authority established under section 101(a) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995.”

(c) **AUTHORITY NOT SUBJECT TO REPRESENTATION BY CORPORATION COUNSEL.**—In any action brought by or on behalf of the Authority, and in any action brought against the Authority, the Authority shall be represented by such counsel as it may select, but in no instance may the Authority be represented by the Corporation Counsel of the District of Columbia.

**SEC. 109. CHIEF MANAGEMENT OFFICER.**<sup>3</sup>

(a) The Authority may employ a Chief Management Officer of the District of Columbia, who shall be appointed by the Chair with the consent of the Authority. The Chief Management Officer shall assist the Authority in the fulfillment of its responsibilities under the District of Columbia Management Reform Act of 1997, subtitle B of the National Capital Revitalization and Self-Government Improvement Act of 1997, title XI of Public Law 105–33, to improve the effectiveness and efficiency of the District of Columbia Government. The Authority may delegate to the Chief Management Officer responsibility for oversight and supervision of departments and functions of the District of Columbia Government, or successor departments and functions, consistent with the District of Columbia Management Reform Act of 1997, subtitle B of the National Capital Revitalization and Self-Government Improvement Act of 1997, title XI of Public Law 105–33. The Chief Management Officer shall report directly to the Authority, through the Chair of the Authority, and shall be directed in his or her performance by a majority of the Authority. The Chief Management Officer shall be paid at an annual rate determined by the Authority sufficient in the judgment of the Authority to obtain the services of an individual with the skills and experience required to discharge the duties of the office.

(b) **EMPLOYMENT CONTRACT.**—Notwithstanding any other provision of law, the employment agreement entered into as of January 15, 1998, between the Chief Management Officer and the District of Columbia Financial Responsibility and Management Assistance Authority shall be valid in all respects.

<sup>3</sup>Section 159 of Public Law 105–277 added section 109 (“Chief Management Officer”) without adding a corresponding item to the table of contents.

## TITLE II—RESPONSIBILITIES OF AUTHORITY

### Subtitle A—Establishment and Enforcement of Financial Plan and Budget for District Government

#### SEC. 201. DEVELOPMENT OF FINANCIAL PLAN AND BUDGET FOR DISTRICT OF COLUMBIA.

(a) DEVELOPMENT OF FINANCIAL PLAN AND BUDGET.—For each fiscal year for which the District government is in a control period, the Mayor shall develop and submit to the Authority a financial plan and budget for the District of Columbia in accordance with this section.

(b) CONTENTS OF FINANCIAL PLAN AND BUDGET.—A financial plan and budget for the District of Columbia for a fiscal year shall specify the budgets for the District government under part D of title IV of the District of Columbia Self-Government and Governmental Reorganization Act for the applicable fiscal year and the next 3 fiscal years (including the projected revenues and expenditures of each fund of the District government for such years), in accordance with the following requirements:

(1) The financial plan and budget shall meet the standards described in subsection (c) to promote the financial stability of the District government.

(2) The financial plan and budget shall provide for estimates of revenues and expenditures on a modified accrual basis.

(3) The financial plan and budget shall—

(A) describe lump sum expenditures by department by object class;

(B) describe capital expenditures (together with a schedule of projected capital commitments of the District government and proposed sources of funding);

(C) contain estimates of short-term and long-term debt (both outstanding and anticipated to be issued); and

(D) contain cash flow forecasts for each fund of the District government at such intervals as the Authority may require.

(4) The financial plan and budget shall include a statement describing methods of estimations and significant assumptions.

(5) The financial plan and budget shall include any other provisions and shall meet such other criteria as the Authority considers appropriate to meet the purposes of this Act, including provisions for changes in personnel policies and levels for each department or agency of the District government, changes in the structure and organization of the District government, and management initiatives to promote productivity, improvement in the delivery of services, or cost savings.

(c) STANDARDS TO PROMOTE FINANCIAL STABILITY DESCRIBED.—

(1) IN GENERAL.—The standards to promote the financial stability of the District government applicable to the financial plan and budget for a fiscal year are as follows:

(A) In the case of the financial plan and budget for fiscal year 1996, the expenditures of the District government for each fiscal year (beginning with fiscal year 1998) may not exceed the revenues of the District government for each such fiscal year.

(B) During fiscal years 1996 and 1997, the District government shall make continuous, substantial progress towards equalizing the expenditures and revenues of the District government for such fiscal years (in equal annual installments to the greatest extent possible).

(C) The District government shall provide for the orderly liquidation of the cumulative fund balance deficit of the District government, as evidenced by financial statements prepared in accordance with generally accepted accounting principles.

(D) If funds in accounts of the District government which are dedicated for specific purposes have been withdrawn from such accounts for other purposes, the District government shall fully restore the funds to such accounts.

(E) The financial plan and budget shall assure the continuing long-term financial stability of the District government, as indicated by factors including access to short-term and long-term capital markets, the efficient management of the District government's workforce, and the effective provision of services by the District government.

(2) APPLICATION OF SOUND BUDGETARY PRACTICES.—In meeting the standards described in paragraph (1) with respect to a financial plan and budget for a fiscal year, the District government shall apply sound budgetary practices, including reducing costs and other expenditures, improving productivity, increasing revenues, or combinations of such practices.

(3) ASSUMPTIONS BASED ON CURRENT LAW.—In meeting the standards described in paragraph (1) with respect to a financial plan and budget for a fiscal year, the District government shall base estimates of revenues and expenditures on Federal law as in effect at the time of the preparation of the financial plan and budget.

(d) REPEAL OF OFFSETS AGAINST FEDERAL PAYMENT AND OTHER DISTRICT REVENUES.—Section 138 of the District of Columbia Appropriations Act, 1995, is amended—

- (1) by striking subsection (c); and
- (2) by redesignating subsections (d) and (e) as subsections (c) and (d).

**SEC. 202. PROCESS FOR SUBMISSION AND APPROVAL OF FINANCIAL PLAN AND ANNUAL DISTRICT BUDGET.**

(a) SUBMISSION OF PRELIMINARY FINANCIAL PLAN AND BUDGET BY MAYOR.—Not later than the February 1 preceding a fiscal year for which the District government is in a control period, the Mayor shall submit to the Authority and the Council a financial plan and budget for the fiscal year which meets the requirements of section 201.

(b) REVIEW BY AUTHORITY.—Upon receipt of the financial plan and budget for a fiscal year from the Mayor under subsection (a), the Authority shall promptly review the financial plan and budget. In conducting the review, the Authority may request any additional information it considers necessary and appropriate to carry out its duties under this subtitle.

(c) ACTION UPON APPROVAL OF MAYOR'S PRELIMINARY FINANCIAL PLAN AND BUDGET.—

(1) CERTIFICATION TO MAYOR.—

(A) IN GENERAL.—If the Authority determines that the financial plan and budget for the fiscal year submitted by the Mayor under subsection (a) meets the requirements applicable under section 201—

(i) the Authority shall approve the financial plan and budget and shall provide the Mayor, the Council, the President, and Congress with a notice certifying its approval; and

(ii) the Mayor shall promptly submit the financial plan and budget to the Council pursuant to section 442 of the District of Columbia Self-Government and Governmental Reorganization Act.

(B) DEEMED APPROVAL AFTER 30 DAYS.—

(i) IN GENERAL.—If the Authority has not provided the Mayor, the Council, and Congress with a notice certifying approval under subparagraph (A)(i) or a statement of disapproval under subsection (d)(1) upon the expiration of the 30-day period which begins on the date the Authority receives the financial plan and budget from the Mayor under subsection (a), the Authority shall be deemed to have approved the financial plan and budget and to have provided the Mayor, the Council, the President, and Congress with the notice certifying approval described in subparagraph (A)(i).

(ii) EXPLANATION OF FAILURE TO RESPOND.—If clause (i) applies with respect to a financial plan and budget, the Authority shall provide the Mayor, the Council, the President and Congress with an explanation for its failure to provide the notice certifying approval or the statement of disapproval during the 30-day period described in such clause.

(2) ADOPTION OF FINANCIAL PLAN AND BUDGET BY COUNCIL AFTER RECEIPT OF APPROVED FINANCIAL PLAN AND BUDGET.—Notwithstanding the first sentence of section 446 of the District of Columbia Self-Government and Governmental Reorganization Act, not later than 30 days after receiving the financial plan and budget for the fiscal year from the Mayor under paragraph (1)(A)(ii), the Council shall by Act adopt a financial plan and budget for the fiscal year which shall serve as the adoption of the budgets of the District government for the fiscal year under such section, and shall submit such financial plan and budget to the Mayor and the Authority.

(3) REVIEW OF COUNCIL FINANCIAL PLAN AND BUDGET BY AUTHORITY.—Upon receipt of the financial plan and budget for a fiscal year from the Council under paragraph (2) (taking into account any items or provisions disapproved by the Mayor or

disapproved by the Mayor and reenacted by the Council under section 404(f) of the District of Columbia Self-Government and Governmental Reorganization Act, as amended by subsection (f)(2)), the Authority shall promptly review the financial plan and budget. In conducting the review, the Authority may request any additional information it considers necessary and appropriate to carry out its duties under this subtitle.

(4) RESULTS OF AUTHORITY REVIEW OF COUNCIL'S INITIAL FINANCIAL PLAN AND BUDGET.—

(A) APPROVAL OF COUNCIL'S INITIAL FINANCIAL PLAN AND BUDGET.—If the Authority determines that the financial plan and budget for the fiscal year submitted by the Council under paragraph (2) meets the requirements applicable under section 201—

(i) the Authority shall approve the financial plan and budget and shall provide the Mayor, the Council, the President, and Congress with a notice certifying its approval; and

(ii) the Council shall promptly submit the financial plan and budget to the Mayor for transmission to the President and Congress under section 446 of the District of Columbia Self-Government and Governmental Reorganization Act.

(B) DISAPPROVAL OF COUNCIL'S INITIAL BUDGET.—If the Authority determines that the financial plan and budget for the fiscal year submitted by the Council under paragraph (2) does not meet the requirements applicable under section 201, the Authority shall disapprove the financial plan and budget, and shall provide the Mayor, the Council, the President, and Congress with a statement containing—

(i) the reasons for such disapproval;

(ii) the amount of any shortfall in the budget or financial plan; and

(iii) any recommendations for revisions to the budget the Authority considers appropriate to ensure that the budget is consistent with the financial plan and budget.

(C) DEEMED APPROVAL AFTER 15 DAYS.—

(i) IN GENERAL.—If the Authority has not provided the Mayor, the Council, the President, and Congress with a notice certifying approval under subparagraph (A)(i) or a statement of disapproval under subparagraph (B) upon the expiration of the 15-day period which begins on the date the Authority receives the financial plan and budget from the Council under paragraph (2), the Authority shall be deemed to have approved the financial plan and budget and to have provided the Mayor, the Council, the President, and Congress with the notice certifying approval described in subparagraph (A)(i).

(ii) EXPLANATION OF FAILURE TO RESPOND.—If clause (i) applies with respect to a financial plan and budget, the Authority shall provide the Mayor, the Council, the President and Congress with an explanation for its failure to provide the notice certifying

approval or the statement of disapproval during the 15-day period described in such clause.

(5) AUTHORITY REVIEW OF COUNCIL'S REVISED FINANCIAL PLAN AND BUDGET.—

(A) SUBMISSION OF COUNCIL'S REVISED FINANCIAL PLAN AND BUDGET.—Not later than 15 days after receiving the statement from the Authority under paragraph (4)(B), the Council shall promptly by Act adopt a revised financial plan and budget for the fiscal year which addresses the reasons for the Authority's disapproval cited in the statement, and shall submit such financial plan and budget to the Mayor and the Authority.

(B) APPROVAL OF COUNCIL'S REVISED FINANCIAL PLAN AND BUDGET.—If, after reviewing the revised financial plan and budget for a fiscal year submitted by the Council under subparagraph (A) in accordance with the procedures described in this subsection, the Authority determines that the revised financial plan and budget meets the requirements applicable under section 201—

(i) the Authority shall approve the financial plan and budget and shall provide the Mayor, the Council, the President, and Congress with a notice certifying its approval; and

(ii) the Council shall promptly submit the financial plan and budget to the Mayor for transmission to the President and Congress under section 446 of the District of Columbia Self-Government and Governmental Reorganization Act.

(C) DISAPPROVAL OF COUNCIL'S REVISED FINANCIAL PLAN AND BUDGET.—

(i) IN GENERAL.—If, after reviewing the revised financial plan and budget for a fiscal year submitted by the Council under subparagraph (A) in accordance with the procedures described in this subsection, the Authority determines that the revised financial plan and budget does not meet the applicable requirements under section 201, the Authority shall—

(I) disapprove the financial plan and budget;

(II) provide the Mayor, the Council, the President, and Congress with a statement containing the reasons for such disapproval and describing the amount of any shortfall in the financial plan and budget; and

(III) approve and recommend a financial plan and budget for the District government which meets the applicable requirements under section 201, and submit such financial plan and budget to the Mayor, the Council, the President, and Congress.

(ii) TRANSMISSION OF REJECTED FINANCIAL PLAN AND BUDGET.—The Council shall promptly submit the revised financial plan and budget disapproved by the Authority under this subparagraph to the Mayor for transmission to the President and Congress under sec-

tion 446 of the District of Columbia Self-Government and Governmental Reorganization Act.

(D) DEEMED APPROVAL AFTER 15 DAYS.—

(i) IN GENERAL.—If the Authority has not provided the Mayor, the Council, the President, and Congress with a notice certifying approval under subparagraph (B)(i) or a statement of disapproval under subparagraph (C) upon the expiration of the 15-day period which begins on the date the Authority receives the revised financial plan and budget submitted by the Council under subparagraph (A), the Authority shall be deemed to have approved the revised financial plan and budget and to have provided the Mayor, the Council, the President, and Congress with the notice certifying approval described in subparagraph (B)(i).

(ii) EXPLANATION OF FAILURE TO RESPOND.—If clause (i) applies with respect to a financial plan and budget, the Authority shall provide the Mayor, the Council, the President and Congress with an explanation for its failure to provide the notice certifying approval or the statement of disapproval during the 15-day period described in such clause.

(6) DEADLINE FOR TRANSMISSION OF FINANCIAL PLAN AND BUDGET BY AUTHORITY.—Notwithstanding any other provision of this section, not later than the June 15 preceding each fiscal year which is a control year, the Authority shall—

(A) provide Congress with a notice certifying its approval of the Council's initial financial plan and budget for the fiscal year under paragraph (4)(A);

(B) provide Congress with a notice certifying its approval of the Council's revised financial plan and budget for the fiscal year under paragraph (5)(B); or

(C) submit to Congress an approved and recommended financial plan and budget of the Authority for the District government for the fiscal year under paragraph (5)(C).

(d) ACTION UPON DISAPPROVAL OF MAYOR'S PRELIMINARY FINANCIAL PLAN AND BUDGET.—

(1) STATEMENT OF DISAPPROVAL.—If the Authority determines that the financial plan and budget for the fiscal year submitted by the Mayor under subsection (a) does not meet the requirements applicable under section 201, the Authority shall disapprove the financial plan and budget, and shall provide the Mayor and the Council with a statement containing—

(A) the reasons for such disapproval;

(B) the amount of any shortfall in the financial plan and budget; and

(C) any recommendations for revisions to the financial plan and budget the Authority considers appropriate to ensure that the financial plan and budget meets the requirements applicable under section 201.

(2) AUTHORITY REVIEW OF MAYOR'S REVISED FINANCIAL PLAN AND BUDGET.—

(A) SUBMISSION OF MAYOR'S REVISED FINANCIAL PLAN AND BUDGET.—Not later than 15 days after receiving the statement from the Authority under paragraph (1), the

Mayor shall promptly submit to the Authority and the Council a revised financial plan and budget for the fiscal year which addresses the reasons for the Authority's disapproval cited in the statement.

(B) APPROVAL OF MAYOR'S REVISED FINANCIAL PLAN AND BUDGET.—If the Authority determines that the revised financial plan and budget for the fiscal year submitted by the Mayor under subparagraph (A) meets the requirements applicable under section 201—

(i) the Authority shall approve the financial plan and budget and shall provide the Mayor, the Council, the President, and Congress with a notice certifying its approval; and

(ii) the Mayor shall promptly submit the financial plan and budget to the Council pursuant to section 442 of the District of Columbia Self-Government and Governmental Reorganization Act.

(C) DISAPPROVAL OF MAYOR'S REVISED FINANCIAL PLAN AND BUDGET.—

(i) IN GENERAL.—If the Authority determines that the revised financial plan and budget for the fiscal year submitted by the Mayor under subparagraph (A) does not meet the requirements applicable under section 201, the Authority shall—

(I) disapprove the financial plan and budget;

(II) shall provide the Mayor, the Council, the President, and Congress with a statement containing the reasons for such disapproval; and

(III) recommend a financial plan and budget for the District government which meets the requirements applicable under section 201 and submit such financial plan and budget to the Mayor and the Council.

(ii) SUBMISSION OF REJECTED FINANCIAL PLAN AND BUDGET.—The Mayor shall promptly submit the revised financial plan and budget disapproved by the Authority under this subparagraph to the Council pursuant to section 442 of the District of Columbia Self-Government and Governmental Reorganization Act.

(D) DEEMED APPROVAL AFTER 15 DAYS.—

(i) IN GENERAL.—If the Authority has not provided the Mayor, the Council, the President, and Congress with a notice certifying approval under subparagraph (B)(i) or a statement of disapproval under subparagraph (C) upon the expiration of the 15-day period which begins on the date the Authority receives the revised financial plan and budget submitted by the Mayor under subparagraph (A), the Authority shall be deemed to have approved the revised financial plan and budget and to have provided the Mayor, the Council, the President, and Congress with the notice certifying approval described in subparagraph (B)(i).

(ii) EXPLANATION OF FAILURE TO RESPOND.—If clause (i) applies with respect to a financial plan and budget, the Authority shall provide the Mayor, the

Council, the President and Congress with an explanation for its failure to provide the notice certifying approval or the statement of disapproval during the 15-day period described in such clause.

(3) ACTION BY COUNCIL.—

(A) ADOPTION OF FINANCIAL PLAN AND BUDGET.—Notwithstanding the first sentence of section 446 of the District of Columbia Self-Government and Governmental Reorganization Act, not later than 30 days after receiving the Mayor's approved revised financial plan and budget for the fiscal year under paragraph (2)(B) or (in the case of a financial plan and budget disapproved by the Authority) the financial plan and budget recommended by the Authority under paragraph (2)(C)(i)(III), the Council shall by Act adopt a financial plan and budget for the fiscal year which shall serve as the adoption of the budgets of the District government for the fiscal year under such section, and shall submit the financial plan and budget to the Mayor and the Authority.

(B) REVIEW BY AUTHORITY.—The financial plan and budget submitted by the Council under subparagraph (A) shall be subject to review by the Authority and revision by the Council in the same manner as the financial plan and budget submitted by the Council after an approved preliminary financial plan and budget of the Mayor under paragraphs (3), (4), (5), and (6) of subsection (c).

(e) REVISIONS TO FINANCIAL PLAN AND BUDGET.—

(1) PERMITTING MAYOR TO SUBMIT REVISIONS.—The Mayor may submit proposed revisions to the financial plan and budget for a control year to the Authority at any time during the year.

(2) PROCESS FOR REVIEW, APPROVAL, DISAPPROVAL, AND COUNCIL ACTION.—Except as provided in paragraph (3), the procedures described in subsections (b), (c), and (d) shall apply with respect to a proposed revision to a financial plan and budget in the same manner as such procedures apply with respect to the original financial plan and budget, except that subparagraph (B) of subsection (c)(1) (relating to deemed approval by the Authority of a preliminary financial plan and budget of the Mayor) shall be applied as if the reference to the term "30-day period" were a reference to "20-day period".

(3) EXCEPTION FOR REVISIONS NOT AFFECTING APPROPRIATIONS.—To the extent that a proposed revision to a financial plan and budget adopted by the Council pursuant to this subsection does not increase the amount of spending with respect to any account of the District government, the revision shall become effective upon the Authority's approval of such revision (subject to review by Congress under section 602(c) of the District of Columbia Self-Government and Governmental Reorganization Act).

(f) CONFORMING AMENDMENT TO BUDGET PROCESS REQUIREMENTS UNDER HOME RULE ACT.—

(1) SUBMISSION OF UNBALANCED BUDGETS.—Section 603 of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 47-313, D.C. Code) is amended—

(A) in subsection (c), by striking “The Council” the first place it appears and inserting “Except as provided in subsection (f), the Council”;

(B) in subsection (d), by striking “The Mayor” and inserting “Except as provided in subsection (f), the Mayor”;

and

(C) by adding at the end the following new subsection:

“(f) In the case of a fiscal year which is a control year (as defined in section 305(4) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995)—

“(1) subsection (c) (other than the fourth sentence) and subsection (d) shall not apply; and

“(2) the Council may not approve, and the Mayor may not forward to the President, any budget which is not consistent with the financial plan and budget established for the fiscal year under subtitle A of title II of such Act.”.

(2) EXPEDITED PROCEDURES FOR DISAPPROVAL OF ITEMS AND PROVISIONS OF COUNCIL BUDGET BY MAYOR.—Section 404(f) of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 1-227(f), D.C. Code) is amended by adding at the end the following new sentence: “In the case of any budget act for a fiscal year which is a control year (as defined in section 305(4) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995), this subsection shall apply as if the reference in the second sentence to ‘ten-day period’ were a reference to ‘five-day period’ and the reference in the third sentence to ‘thirty calendar days’ were a reference to ‘5 calendar days’.”.

(g) PERMITTING MAYOR AND COUNCIL TO SPECIFY EXPENDITURES UNDER SCHOOL BOARD BUDGET DURING CONTROL YEAR.—

(1) MAYOR’S ESTIMATE INCLUDED IN ANNUAL FINANCIAL PLAN AND BUDGET.—Section 2(h) of the Act entitled “An Act to fix and regulate the salaries of teachers, school officers, and other employees of the board of education of the District of Columbia”, approved June 20, 1906 (sec. 31-103, D.C. Code) is amended by striking the period at the end and inserting the following: “, except that in the case of a year which is a control year (as defined in section 305(4) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995), the Mayor shall transmit the same together with the Mayor’s own request for the amount of money required for the public schools for the year.”.

(2) SPECIFICATION OF EXPENDITURES.—Section 452 of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 31-104, D.C. Code) is amended by adding at the end the following new sentence: “This section shall not apply with respect to the annual budget for any fiscal year which is a control year (as defined in section 305(4) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995).”.

(h) PERMITTING SEPARATION OF EMPLOYEES IN ACCORDANCE WITH FINANCIAL PLAN AND BUDGET.—The fourth sentence of section 422(3) of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 1-242(3), D.C. Code) is amended by striking “pursuant to procedures” and all that follows

through “Act of 1991” and inserting the following: “in the implementation of a financial plan and budget for the District government approved under subtitle A of title II of the District of Columbia Financial Responsibility and Management Assistance Act of 1995”.

(i) **EXPEDITED SUBMISSION AND APPROVAL OF CONSENSUS BUDGET AND FINANCIAL PLAN.**—Notwithstanding any other provision of this section, if the Mayor, the Council, and the Authority jointly develop a financial plan and budget for the fiscal year which meets the requirements applicable under section 201 and which the Mayor, Council, and Authority certify reflects a consensus among them—

(1) such financial plan and budget shall serve as the budget of the District government for the fiscal year adopted by the Council under section 446 of the District of Columbia Self-Government and Governmental Reorganization Act; and

(2) the Mayor shall transmit the financial plan and budget to the President and Congress under such section.

(j) **RESERVE FUNDS.**—

(1) **BUDGET RESERVE.**—

(A) **IN GENERAL.**—For each of the fiscal years 2002 and 2003, the budget of the District government for the fiscal year shall contain a budget reserve in the following amounts:

(i) \$120,000,000, in the case of fiscal year 2002.

(ii) \$70,000,000, in the case of fiscal year 2003.

(B) **AVAILABILITY OF FUNDS.**—Any amount made available from the budget reserve described in subparagraph (A) shall remain available until expended.

(C) **AVAILABILITY OF FISCAL YEAR 2001 BUDGET RESERVE FUNDS.**—For fiscal year 2001, any amount in the budget reserve shall remain available until expended.

(2) **CUMULATIVE CASH RESERVE.**—In addition to any other cash reserves required under section 450A of the District of Columbia Home Rule Act, for each of the fiscal years 2004 and 2005, the budget of the District government for the fiscal year shall contain a cumulative cash reserve of \$50,000,000.

(3) **CONDITIONS ON USE.**—The District of Columbia may obligate or expend amounts in the budget reserve under paragraph (1) or the cumulative cash reserve under paragraph (2) only in accordance with the following conditions:

(A) The Chief Financial Officer of the District of Columbia shall certify that the amounts are available.

(B) The amounts shall be obligated or expended in accordance with laws enacted by the Council in support of each such obligation or expenditure.

(C) The amounts may not be used to fund the agencies of the District of Columbia government under court ordered receivership.

(D) The amounts may be obligated or expended only if the Mayor notifies the Committees on Appropriations of the House of Representatives and Senate in writing 30 days in advance of any obligation or expenditure.

(4) **REPLENISHMENT.**—Any amount of the budget reserve under paragraph (1) or the cumulative cash reserve under

paragraph (2) which is expended in 1 fiscal year shall be replenished in the following fiscal year appropriations to maintain the required balance.

**SEC. 203. REVIEW OF ACTIVITIES OF DISTRICT GOVERNMENT TO ENSURE COMPLIANCE WITH APPROVED FINANCIAL PLAN AND BUDGET.**

**(a) REVIEW OF COUNCIL ACTS.—**

(1) **SUBMISSION OF ACTS TO AUTHORITY.**—The Council shall submit to the Authority each Act passed by the Council and signed by the Mayor during a control year or vetoed by the Mayor and repassed by two-thirds of the Council present and voting during a control year, and each Act passed by the Council and allowed to become effective without the Mayor's signature during a control year, together with the estimate of costs accompanying such Act required under section 602(c)(3) of the District of Columbia Self-Government and Governmental Reorganization Act (as added by section 301(d)).

(2) **PROMPT REVIEW BY AUTHORITY.**—Upon receipt of an Act from the Council under paragraph (1), the Authority shall promptly review the Act to determine whether it is consistent with the applicable financial plan and budget approved under this subtitle and with the estimate of costs accompanying the Act (described in paragraph (1)).

**(3) ACTIONS BY AUTHORITY.—**

(A) **APPROVAL.**—Except as provided in subparagraph (C), if the Authority determines that an Act is consistent with the applicable financial plan and budget, the Authority shall notify the Council that it approves the Act, and the Council shall submit the Act to Congress for review in accordance with section 602(c) of the District of Columbia Self-Government and Governmental Reorganization Act.

(B) **FINDING OF INCONSISTENCY.**—Except as provided in subparagraph (C), if the Authority determines that an Act is significantly inconsistent with the applicable financial plan and budget, the Authority shall—

- (i) notify the Council of its finding;
- (ii) provide the Council with an explanation of the reasons for its finding; and
- (iii) to the extent the Authority considers appropriate, provide the Council with recommendations for modifications to the Act.

(4) **EFFECT OF FINDING.**—If the Authority makes a finding with respect to an Act under paragraph (3)(B), the Council may not submit the Act to Congress for review in accordance with section 602(c) of the District of Columbia Self-Government and Governmental Reorganization Act.

(5) **DEEMED APPROVAL.**—If the Authority does not notify the Council that it approves or disapproves an Act submitted under this subsection during the 7-day period (excluding Saturdays, Sundays, and legal holidays) which begins on the first day (excluding Saturdays, Sundays, and legal holidays) after the Authority receives the Act from the Council, the Authority shall be deemed to have approved the Act in accordance with paragraph (3)(A). At the option of the Authority, the previous sentence shall be applied as if the reference to “7-day period”

were a reference to “14-day period” if during such 7-day period the Authority so notifies the Council and the Mayor.

(6) PRELIMINARY REVIEW OF PROPOSED ACTS.—At the request of the Council, the Authority may conduct a preliminary review of proposed legislation before the Council to determine whether the legislation as proposed would be consistent with the applicable financial plan and budget approved under this subtitle, except that any such preliminary review shall not be binding on the Authority in reviewing any Act subsequently submitted under this subsection.

(b) EFFECT OF APPROVED FINANCIAL PLAN AND BUDGET ON CONTRACTS AND LEASES.—

(1) MANDATORY PRIOR APPROVAL FOR CERTAIN CONTRACTS AND LEASES.—

(A) IN GENERAL.—In the case of a contract or lease described in subparagraph (B) which is proposed to be entered into by the District government during a control year, the Mayor (or the appropriate officer or agent of the District government) shall submit the proposed contract or lease to the Authority. The Authority shall review each contract or lease submitted under this subparagraph, and the Mayor (or the appropriate officer or agent of the District government) may not enter into the contract or lease unless the Authority determines that the proposed contract or lease is consistent with the financial plan and budget for the fiscal year.

(B) CONTRACTS AND LEASES DESCRIBED.—A contract or lease described in this subparagraph is—

(i) a labor contract entered into through collective bargaining; or

(ii) such other type of contract or lease as the Authority may specify for purposes of this subparagraph.

(2) AUTHORITY TO REVIEW OTHER CONTRACTS AND LEASES AFTER EXECUTION.—

(A) IN GENERAL.—In addition to the prior approval of certain contracts and leases under paragraph (1), the Authority may require the Mayor (or the appropriate officer or agent of the District government) to submit to the Authority any other contract (including a contract to carry out a grant) or lease entered into by the District government during a control year which is executed after the Authority has approved the financial plan and budget for the year under section 202(c) or 202(d), or any proposal of the District government to renew, extend, or modify a contract or lease during a control year which is made after the Authority has approved such financial plan and budget.

(B) REVIEW BY AUTHORITY.—The Authority shall review each contract or lease submitted under subparagraph (A) to determine if the contract or lease is consistent with the financial plan and budget for the fiscal year. If the Authority determines that the contract or lease is not consistent with the financial plan and budget, the Mayor shall take such actions as are within the Mayor’s powers to revise the contract or lease, or shall submit a proposed revision to the financial plan and budget in accordance with

section 202(e), so that the contract or lease will be consistent with the financial plan and budget.

(3) SPECIAL RULE FOR FISCAL YEAR 1995.—The Authority may require the Mayor to submit to the Authority any proposal to renew, extend, or modify a contract or lease in effect during fiscal year 1995 to determine if the renewal, extension, or modification is consistent with the budget for the District of Columbia under the District of Columbia Appropriations Act, 1995.

(4) SPECIAL RULE FOR CONTRACTS SUBJECT TO COUNCIL APPROVAL.—In the case of a contract or lease which is required to be submitted to the Authority under this subsection and which is subject to approval by the Council under the laws of the District of Columbia, the Mayor shall submit such contract or lease to the Authority only after the Council has approved the contract or lease.

(5) APPLICATION TO RULES AND REGULATIONS.—The provisions of this subsection shall apply with respect to a rule or regulation issued or proposed to be issued by the Mayor (or the head of any department or agency of the District government) in the same manner as such provisions apply to a contract or lease.

**(c) RESTRICTIONS ON REPROGRAMMING OF AMOUNTS IN BUDGET DURING CONTROL YEARS.—**

(1) SUBMISSIONS OF REQUESTS TO AUTHORITY.—If the Mayor submits a request to the Council for the reprogramming of any amounts provided in a budget for a fiscal year which is a control year after the budget is adopted by the Council, the Mayor shall submit such request to the Authority, which shall analyze the effect of the proposed reprogramming on the financial plan and budget for the fiscal year and submit its analysis to the Council not later than 15 days after receiving the request.

(2) NO ACTION PERMITTED UNTIL ANALYSIS RECEIVED.—The Council may not adopt a reprogramming during a fiscal year which is a control year, and no officer or employee of the District government may carry out any reprogramming during such a year, until the Authority has provided the Council with an analysis of a request for the reprogramming in accordance with paragraph (1).

**SEC. 204. RESTRICTIONS ON BORROWING BY DISTRICT DURING CONTROL YEAR.**

**(a) PRIOR APPROVAL REQUIRED.—**

(1) IN GENERAL.—The District government may not borrow money during a control year unless the Authority provides prior certification that both the receipt of funds through such borrowing and the repayment of obligations incurred through such borrowing are consistent with the financial plan and budget for the year.

(2) REVISIONS TO FINANCIAL PLAN AND BUDGET PERMITTED.—If the Authority determines that the borrowing proposed to be undertaken by the District government is not consistent with the financial plan and budget, the Mayor may submit to the Authority a proposed revision to the financial plan and budget in accordance with section 202(e) so that the bor-

rowing will be consistent with the financial plan and budget as so revised.

(3) BORROWING DESCRIBED.—This subsection shall apply with respect to any borrowing undertaken by the District government, including borrowing through the issuance of bonds under part E of title IV of the District of Columbia Self-Government and Governmental Reorganization Act, the exercise of authority to obtain funds from the United States Treasury under title VI of the District of Columbia Revenue Act of 1939 (sec. 47-3401, D.C. Code), or any other means.

(4) SPECIAL RULES FOR TREASURY BORROWING DURING FISCAL YEAR 1995.—

(A) NO PRIOR APPROVAL REQUIRED DURING INITIAL PERIOD FOLLOWING APPOINTMENT.—The District government may requisition advances from the United States Treasury under title VI of the District of Columbia Revenue Act of 1939 (sec. 47-3401, D.C. Code) without the prior approval of the Authority during the 45-day period which begins on the date of the appointment of the members of the Authority (subject to the restrictions described in such title, as amended by subsection (c)).

(B) CRITERIA FOR APPROVAL DURING REMAINDER OF FISCAL YEAR.—The District government may requisition advances described in subparagraph (A) during the portion of fiscal year 1995 occurring after the expiration of the 45-day period described in such subparagraph if the Authority finds that—

(i) such borrowing is appropriate to meet the needs of the District government to reduce deficits and discharge payment obligations; and

(ii) the District government is making appropriate progress toward meeting its responsibilities under this Act (and the amendments made by this Act).

(b) DEPOSIT OF FUNDS OBTAINED THROUGH TREASURY WITH AUTHORITY.—

(1) AUTOMATIC DEPOSIT DURING CONTROL YEAR.—If the Mayor requisitions funds from the Secretary of the Treasury pursuant to title VI of the District of Columbia Revenue Act of 1939 (sec. 47-3401, D.C. Code) during a control year (beginning with fiscal year 1996), such funds shall be deposited by the Secretary into an escrow account held by the Authority, to be used as follows:

(A) The Authority shall expend a portion of the funds for its operations during the fiscal year in which the funds are requisitioned, in such amount and under such conditions as are established under the budget of the Authority for the fiscal year under section 106(a).

(B) The Authority shall allocate the remainder of such funds to the Mayor at such intervals and in accordance with such terms and conditions as it considers appropriate, consistent with the financial plan and budget for the year and with any other withholding of funds by the Authority pursuant to this Act.

(2) OPTIONAL DEPOSIT DURING FISCAL YEAR 1995.—

(A) DURING INITIAL PERIOD FOLLOWING APPOINTMENT.—If the Mayor requisitions funds described in paragraph (1) during the 45-day period which begins on the date of the appointment of the members of the Authority, the Secretary of the Treasury shall notify the Authority, and at the request of the Authority shall deposit such funds into an escrow account held by the Authority in accordance with paragraph (1).

(B) DURING REMAINDER OF FISCAL YEAR.—If the Mayor requisitions funds described in paragraph (1) during the portion of fiscal year 1995 occurring after the expiration of the 45-day period described in subparagraph (A), the Secretary of the Treasury shall deposit such funds into an escrow account held by the Authority in accordance with paragraph (1) at the request of the Authority.

(c) CONDITIONS ON REQUISITIONS FROM TREASURY.—Title VI of the District of Columbia Revenue Act of 1939 (sec. 47–3401, D.C. Code) is amended by striking all after the heading and inserting the following:

**“SEC. 601. TRANSITIONAL PROVISION FOR SHORT-TERM ADVANCES.**

**“(a) TRANSITIONAL SHORT-TERM ADVANCES MADE BEFORE OCTOBER 1, 1995.—**

**“(1) IN GENERAL.—**If the conditions in paragraph (2) are satisfied, the Secretary shall make an advance of funds from time to time, out of any money in the Treasury not otherwise appropriated, for the purpose of assisting the District government in meeting its general expenditures, as authorized by Congress.

**“(2) CONDITIONS TO MAKING ANY TRANSITIONAL SHORT-TERM ADVANCE BEFORE OCTOBER 1, 1995.—**The Secretary shall make an advance under this subsection if the following conditions are satisfied:

**“(A) the Mayor delivers to the Secretary a requisition for an advance under this section;**

**“(B) as of the date on which the requisitioned advance is to be made, the Authority has not approved a financial plan and budget for the District government as meeting the requirements of the District of Columbia Financial Responsibility and Management Assistance Act of 1995;**

**“(C) the date on which the requisitioned advance is to be made is not later than September 30, 1995;**

**“(D) the District government has delivered to the Secretary—**

**“(i) a schedule setting forth the anticipated timing and amounts of requisitions for advances under this subsection; and**

**“(ii) evidence demonstrating to the satisfaction of the Secretary that the District government is effectively unable to obtain credit in the public credit markets or elsewhere in sufficient amounts and on sufficiently reasonable terms to meet the District government’s financing needs;**

**“(E) the Secretary determines that there is reasonable assurance of reimbursement for the advance from the**

amount authorized to be appropriated as the annual Federal payment to the District of Columbia under title V of the District of Columbia Self-Government and Governmental Reorganization Act for the fiscal year ending September 30, 1996; and

“(F) except during the 45-day period beginning on the date of the appointment of the members of the Authority, the Authority makes the findings described in section 204(a)(4)(B) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995.

“(3) AMOUNT OF ANY TRANSITIONAL SHORT-TERM ADVANCE MADE BEFORE OCTOBER 1, 1995.—

“(A) IN GENERAL.—Except as provided in subparagraph (C), if the conditions described in subparagraph (B) are satisfied, each advance made under this subsection shall be in the amount designated by the Mayor in the Mayor’s requisition for such advance, except that—

“(i) the total amount requisitioned under this subsection during the 30-day period which begins on the date of the first requisition made under this subsection may not exceed  $33\frac{1}{3}$  percent of the fiscal year 1995 limit;

“(ii) the total amount requisitioned under this subsection during the 60-day period which begins on the date of the first requisition made under this subsection may not exceed  $66\frac{2}{3}$  percent of the fiscal year 1995 limit; and

“(iii) the total amount requisitioned under this subsection after the expiration of the 60-day period which begins on the date of the first requisition made under this subsection may not exceed 100 percent of the fiscal year 1995 limit.

“(B) CONDITIONS APPLICABLE TO DESIGNATED AMOUNT.—Subparagraph (A) applies if the Mayor determines that the amount designated in the Mayor’s requisition for such advance is needed to accomplish the purpose described in paragraph (1), and (except during the 45-day period beginning on the date of the appointment of the members of the Authority) the Authority approves such amount.

“(C) AGGREGATE MAXIMUM AMOUNT OUTSTANDING.—The sum of the anticipated principal and interest requirements of all advances made under this subsection may not be greater than the fiscal year 1995 limit.

“(D) FISCAL YEAR 1995 LIMIT DESCRIBED.—In this paragraph, the ‘fiscal year 1995 limit’ means the amount authorized to be appropriated to the District of Columbia as the annual Federal payment to the District of Columbia under title V of the District of Columbia Self-Government and Governmental Reorganization Act for the fiscal year ending September 30, 1995.

“(4) MATURITY OF ANY TRANSITIONAL SHORT-TERM ADVANCE MADE BEFORE OCTOBER 1, 1995.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), each advance made under this subsection shall

mature on the date designated by the Mayor in the Mayor's requisition for such advance.

"(B) LATEST PERMISSIBLE MATURITY DATE.—Notwithstanding subparagraph (A), the maturity date for any advance made under this subsection shall not be later than October 1, 1995.

"(5) INTEREST RATE.—Each advance made under this subsection shall bear interest at an annual rate equal to the rate determined by the Secretary at the time that the Secretary makes such advance taking into consideration the prevailing yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the maturity of such advance, plus  $\frac{1}{8}$  of 1 percent.

"(6) DEPOSIT OF ADVANCES.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), each advance made under this subsection for the account of the District government shall be deposited by the Secretary into such account as is designated by the Mayor in the Mayor's requisition for such advance.

"(B) EXCEPTION.—Notwithstanding subparagraph (A), if (in accordance with section 204(b)(2) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995) the Authority delivers a letter requesting the Secretary to deposit all advances made under this subsection for the account of the District government in an escrow account held by the Authority, each advance made under this subsection for the account of the District government after the date of such letter shall be deposited by the Secretary into the escrow account specified by the Authority in such letter.

"(b) TRANSITIONAL SHORT-TERM ADVANCES MADE ON OR AFTER OCTOBER 1, 1995 AND BEFORE FEBRUARY 1, 1996.—

"(1) IN GENERAL.—If the conditions in paragraph (2) are satisfied, the Secretary shall make an advance of funds from time to time, out of any money in the Treasury not otherwise appropriated, for the same purpose as advances are made under subsection (a).

"(2) TERMS AND CONDITIONS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), paragraphs (2), (4), and (5) of subsection (a) (other than subparagraph (F) of paragraph (2)) shall apply to any advance made under this subsection.

"(B) EXCEPTIONS.—

"(i) NEW CONDITIONS PRECEDENT TO MAKING ADVANCES.—The conditions described in subsection (a)(2) shall apply with respect to making advances on or after October 1, 1995, in the same manner as such conditions apply with respect to making advances before October 1, 1995, except that—

"(I) subparagraph (C) (relating to the last day on which advances may be made) shall be applied as if the reference to 'September 30, 1995' were a reference to 'January 31, 1996';

"(II) subparagraph (E) (relating to the Secretary's determination of reasonable assurance of

reimbursement from the annual Federal payment appropriated to the District of Columbia) shall be applied as if the reference to 'September 30, 1996' were a reference to 'September 30, 1997';

"(III) the Secretary may not make an advance under this subsection unless all advances made under subsection (a) are fully reimbursed by withholding from the annual Federal payment appropriated to the District of Columbia for the fiscal year ending September 30, 1996, under title V of the District of Columbia Self-Government and Governmental Reorganization Act, and applying toward reimbursement for such advances an amount equal to the amount needed to fully reimburse the Treasury for such advances; and

"(IV) the Secretary may not make an advance under this subsection unless the Authority has provided the Secretary with the prior certification described in section 204(a)(1) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995.

"(ii) NEW LATEST PERMISSIBLE MATURITY DATE.—The provisions of subsection (a)(4) shall apply with respect to the maturity of advances made after October 1, 1995, in the same manner as such provisions apply with respect to the maturity of advances made before October 1, 1995, except that subparagraph (B) of such subsection (relating to the latest permissible maturity date) shall apply as if the reference to 'October 1, 1995' were a reference to 'October 1, 1996'.

"(C) NEW MAXIMUM AMOUNT OUTSTANDING.—

"(i) IN GENERAL.—Except as provided in clause (iii), if the conditions described in clause (ii) are satisfied, each advance made under this subsection shall be in the amount designated by the Mayor in the Mayor's requisition for such advance.

"(ii) CONDITIONS APPLICABLE TO DESIGNATED AMOUNT.—Clause (i) applies if the Mayor determines that the amount designated in the Mayor's requisition for such advance is needed to accomplish the purpose described in paragraph (1), and the Authority approves such amount.

"(iii) AGGREGATE MAXIMUM AMOUNT OUTSTANDING.—The sum of the anticipated principal and interest requirements of all advances made under this paragraph may not be greater than 60 percent of the fiscal year 1996 limit.

"(D) DEPOSIT OF ADVANCES.—As provided in section 204(b) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, each advance made under this subsection for the account of the District shall be deposited by the Secretary into an escrow account held by the Authority.

"(E) FISCAL YEAR 1996 LIMIT DESCRIBED.—In this paragraph, the 'fiscal year 1996 limit' means the amount au-

thorized to be appropriated to the District of Columbia as the annual Federal payment to the District of Columbia under title V of the District of Columbia Self-Government and Governmental Reorganization Act for the fiscal year ending September 30, 1996.

“(c) TRANSITIONAL SHORT-TERM ADVANCES MADE ON OR AFTER FEBRUARY 1, 1996, AND BEFORE OCTOBER 1, 1996.—

“(1) IN GENERAL.—If the conditions in paragraph (2) are satisfied, the Secretary shall make an advance of funds from time to time, out of any money in the Treasury not otherwise appropriated, for the same purpose as advances are made under subsection (a).

“(2) TERMS AND CONDITIONS.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), subsection (b)(2) shall apply to any advance made under this subsection.

“(B) EXCEPTIONS.—The conditions applicable under subsection (b)(2) (other than paragraph (2)(B) of subsection (a)) shall apply with respect to making advances on or after February 1, 1996, and before October 1, 1996, in the same manner as such conditions apply to making advances under such subsection, except that—

“(i) in applying subparagraph (C) of subsection (a)(2) (as described in subsection (b)(2)(B)(i)(I)), the reference to ‘October 1, 1995’ shall be deemed to be a reference to ‘September 30, 1996’;

“(ii) subparagraph (C)(iii) of subsection (b)(2) shall apply as if the reference to ‘60 percent’ were a reference to ‘40 percent’; and

“(iii) no advance may be made unless the Secretary has been provided the certifications and information described in paragraphs (3) through (6) of section 602(b).

“(d) TRANSITIONAL SHORT-TERM ADVANCES MADE ON OR AFTER OCTOBER 1, 1996, AND BEFORE OCTOBER 1, 1997.—

“(1) IN GENERAL.—If the conditions in paragraph (2) are satisfied, the Secretary shall make an advance of funds from time to time, out of any money in the Treasury not otherwise appropriated, for the same purpose as advances are made under subsection (a).

“(2) TERMS AND CONDITIONS.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), paragraphs (2), (4), and (5) of subsection (a) (other than subparagraphs (B) and (F) of paragraph (2)) shall apply to any advance made under this subsection.

“(B) EXCEPTIONS.—

“(i) NEW CONDITIONS PRECEDENT TO MAKING ADVANCES.—The conditions described in subsection (a)(2) shall apply with respect to making advances on or after October 1, 1996, and before October 1, 1997, in the same manner as such conditions apply with respect to making advances before October 1, 1995, except that—

“(I) subparagraph (C) (relating to the last day on which advances may be made) shall be applied

as if the reference to 'September 30, 1995' were a reference to 'September 30, 1997';

"(II) subparagraph (E) (relating to the Secretary's determination of reasonable assurance of reimbursement from the annual Federal payment appropriated to the District of Columbia) shall be applied as if the reference to 'September 30, 1996' were a reference to 'September 30, 1997';

"(III) the Secretary may not make an advance under this subsection unless all advances made under subsections (b) and (c) are fully reimbursed by withholding from the annual Federal payment appropriated to the District of Columbia for the fiscal year ending September 30, 1997, under title V of the District of Columbia Self-Government and Governmental Reorganization Act, and applying toward reimbursement for such advances an amount equal to the amount needed to fully reimburse the Treasury for such advances; and

"(IV) the Secretary may not make an advance under this subsection unless the Secretary has been provided the certifications and information described in paragraphs (3) through (6) of section 602(b).

"(ii) NEW LATEST PERMISSIBLE MATURITY DATE.—

The provisions of subsection (a)(4) shall apply with respect to the maturity of advances made under this subsection, in the same manner as such provisions apply with respect to the maturity of advances made before October 1, 1995, except that subparagraph (B) of such subsection (relating to the latest permissible maturity date) shall apply as if the reference to 'September 30, 1995' were a reference to 'September 30, 1997'.

"(C) NEW MAXIMUM AMOUNT OUTSTANDING.—

"(i) IN GENERAL.—Except as provided in clause (iii), if the conditions described in clause (ii) are satisfied, each advance made under this subsection shall be in the amount designated by the Mayor in the Mayor's requisition for such advance.

"(ii) CONDITIONS APPLICABLE TO DESIGNATED AMOUNT.— Clause (i) applies if the Mayor determines that the amount designated in the Mayor's requisition for such advance is needed to accomplish the purpose described in paragraph (1), and the Authority approves such amount.

"(iii) AGGREGATE MAXIMUM AMOUNT OUTSTANDING.—The sum of the anticipated principal and interest requirements of all advances made under this paragraph may not be greater than 100 percent of the fiscal year 1997 limit.

"(iv) FISCAL YEAR 1997 LIMIT DESCRIBED.—In this subparagraph, the 'fiscal year 1997 limit' means the amount authorized to be appropriated to the District of Columbia as the annual Federal payment to the

District of Columbia under title V of the District of Columbia Self-Government and Governmental Reorganization Act for the fiscal year ending September 30, 1997.

“(D) DEPOSIT OF ADVANCES.—As provided in section 204(b) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, each advance made under this subsection for the account of the District shall be deposited by the Secretary into an escrow account held by the Authority.

**“SEC. 602. SHORT-TERM ADVANCES FOR SEASONAL CASH-FLOW MANAGEMENT.**

“(a) IN GENERAL.—If the conditions in subsection (b) are satisfied, the Secretary shall make an advance of funds from time to time, out of any money in the Treasury not otherwise appropriated, for the purpose of assisting the District government in meeting its general expenditures, as authorized by Congress, at times of seasonal cash-flow deficiencies.

“(b) CONDITIONS TO MAKING ANY SHORT-TERM ADVANCE.—The Secretary shall make an advance under this section if—

“(1) the Mayor delivers to the Secretary a requisition for an advance under this section;

“(2) the date on which the requisitioned advance is to be made is in a control period;

“(3) the Authority certifies to the Secretary that—

“(A) the District government has prepared and submitted a financial plan and budget for the District government;

“(B) there is an approved financial plan and budget in effect under the District of Columbia Financial Responsibility and Management Assistance Act of 1995 for the fiscal year for which the requisition is to be made;

“(C) at the time of the Mayor’s requisition for an advance, the District government is in compliance with the financial plan and budget;

“(D) both the receipt of funds from such advance and the reimbursement of the Treasury for such advance are consistent with the financial plan and budget for the year; and

“(E) such advance will not adversely affect the financial stability of the District government;

“(4) the Authority certifies to the Secretary, at the time of the Mayor’s requisition for an advance, that the District government is effectively unable to obtain credit in the public credit markets or elsewhere in sufficient amounts and on sufficiently reasonable terms to meet the District government’s financing needs;

“(5) the Inspector General of the District of Columbia certifies to the Secretary the information described in paragraph (3) by providing the Secretary with a certification conducted by an outside auditor under a contract entered into pursuant to section 208(a)(4) of the District of Columbia Procurement Practices Act of 1985;

“(6) the Secretary receives such additional certifications and opinions relating to the financial position of the District

government as the Secretary determines to be appropriate from such other Federal agencies and instrumentalities as the Secretary determines to be appropriate; and

“(7) the Secretary determines that there is reasonable assurance of reimbursement for the advance from the amount authorized to be appropriated as the annual Federal payment to the District of Columbia under title V of the District of Columbia Self-Government and Governmental Reorganization Act for the fiscal year following the fiscal year in which such advance is made.

“(c) AMOUNT OF ANY SHORT-TERM ADVANCE.—

“(1) IN GENERAL.—Except as provided in paragraph (3), if the conditions in paragraph (2) are satisfied, each advance made under this section shall be in the amount designated by the Mayor in the Mayor’s requisition for such advance.

“(2) CONDITIONS APPLICABLE TO DESIGNATED AMOUNT.—Paragraph (1) applies if—

“(A) the Mayor determines that the amount designated in the Mayor’s requisition for such advance is needed to accomplish the purpose described in subsection (a); and

“(B) the Authority—

“(i) concurs in the Mayor’s determination under subparagraph (A); and

“(ii) determines that the reimbursement obligation of the District government for an advance made under this section in the amount designated in the Mayor’s requisition is consistent with the financial plan for the year.

“(3) MAXIMUM AMOUNT OUTSTANDING.—

“(A) IN GENERAL.—Notwithstanding paragraph (1), the unpaid principal balance of all advances made under this section in any fiscal year of the District government shall not at any time be greater than 100 percent of applicable limit.

“(B) SPECIAL RULE FOR FISCAL YEAR 1997.—The unpaid principal balance of all advances made under this section in fiscal year 1997 of the District government shall not at any time be greater than the difference between—

“(i) 150 percent of the applicable limit for such fiscal year; and

“(ii) the unpaid principal balance of any advances made under section 601(d).

“(C) APPLICABLE LIMIT DEFINED.—In this paragraph, the ‘applicable limit’ for a fiscal year is the amount authorized under title V of the District of Columbia Self-Government and Governmental Reorganization Act for appropriation as the Federal payment to the District of Columbia for the fiscal year following the fiscal year in which the advance is made.

“(d) MATURITY OF ANY SHORT-TERM ADVANCE.—

“(1) IN GENERAL.—Except as provided in paragraph (3), if the condition in paragraph (2) is satisfied, each advance made under this section shall mature on the date designated by the Mayor in the Mayor’s requisition for such advance.

“(2) CONDITION APPLICABLE TO DESIGNATED MATURITY.—Paragraph (1) applies if the Authority determines that the reimbursement obligation of the District government for an advance made under this section having the maturity date designated in the Mayor’s requisition is consistent with the financial plan for the year.

“(3) LATEST PERMISSIBLE MATURITY DATE.—Notwithstanding paragraph (1), the maturity date for any advance made under this section shall not be later than 11 months after the date on which such advance is made.

“(e) INTEREST RATE.—Each advance made under this section shall bear interest at an annual rate equal to a rate determined by the Secretary at the time that the Secretary makes such advance taking into consideration the prevailing yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the maturity of such advance, plus  $\frac{1}{8}$  of 1 percent.

“(f) 10-BUSINESS-DAY ZERO BALANCE REQUIREMENT.—After the expiration of the 12-month period beginning on the date on which the first advance is made under this section, the Secretary shall not make any new advance under this section unless the District government has—

“(1) reduced to zero at the same time the principal balance of all advances made under this section at least once during the previous 12-month period; and

“(2) not requisitioned any advance to be made under this section in any of the 10 business days following such reduction.

“(g) DEPOSIT OF ADVANCES.—As provided in section 204(b) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, advances made under this section for the account of the District government shall be deposited by the Secretary into an escrow account held by the Authority.

**“SEC. 603. SECURITY FOR ADVANCES.**

“(a) IN GENERAL.—The Secretary shall require the District government to provide such security for any advance made under this title as the Secretary determines to be appropriate.

“(b) AUTHORITY TO REQUIRE SPECIFIC SECURITY.—As security for any advance made under this title, the Secretary may require the District government to—

“(1) pledge to the Secretary specific taxes and revenue of the District government, if such pledging does not cause the District government to violate existing laws or contracts; and

“(2) establish a debt service reserve fund pledged to the Secretary.

**“SEC. 604. REIMBURSEMENT TO THE TREASURY.**

“(a) REIMBURSEMENT AMOUNT.—

“(1) IN GENERAL.—Except as provided in paragraph (2), on any date on which a reimbursement payment is due to the Treasury under the terms of any advance made under this title, the District shall pay to the Treasury the amount of such reimbursement payment out of taxes and revenue collected for the support of the District government.

“(2) EXCEPTIONS FOR TRANSITIONAL ADVANCES.—

“(A) ADVANCES MADE BEFORE OCTOBER 1, 1995.—

“(i) FINANCIAL PLAN AND BUDGET APPROVED.—If the Authority approves a financial plan for the District government before October 1, 1995, the District government may use the proceeds of any advance made under section 602 to discharge its obligation to reimburse the Treasury for any advance made under section 601(a).

“(ii) FINANCIAL PLAN AND BUDGET NOT APPROVED.—If the Authority has not approved a financial plan and budget for the District government by October 1, 1995, the annual Federal payment appropriated to the District government for the fiscal year ending September 30, 1996, shall be withheld and applied to discharge the District government’s obligation to reimburse the Treasury for any advance made under section 601(a).

“(B) ADVANCES MADE ON OR AFTER OCTOBER 1, 1995.—

“(i) FINANCIAL PLAN AND BUDGET APPROVED.—If the Authority approves a financial plan and budget for the District government during fiscal year 1996, the District may use the proceeds of any advance made under section 602 to discharge its obligation to reimburse the Treasury for any advance made under section 601(b).

“(ii) FINANCIAL PLAN AND BUDGET NOT APPROVED.—If the Authority has not approved a financial plan and budget for the District government by October 1, 1996, the annual Federal payment appropriated to the District government for the fiscal year ending September 30, 1997, shall be withheld and applied to discharge the District government’s obligation to reimburse the Treasury for any advance made under section 601(b).

“(b) REMEDIES FOR FAILURE TO REIMBURSE.—If, on any date on which a reimbursement payment is due to the Treasury under the terms of any advance made under this title, the District government does not make such reimbursement payment, the Secretary shall take the actions listed in this subsection.

“(1) WITHHOLD ANNUAL FEDERAL PAYMENT.—Notwithstanding any other law, before turning over to the Authority (on behalf of the District government under section 205 of the District of Columbia Financial Responsibility and Management Assistance Act of 1995) any annual Federal payment appropriated to the District government for any fiscal year under title V of the District of Columbia Self-Government and Governmental Reorganization Act (if any), the Secretary shall withhold from such annual Federal payment, and apply toward reimbursement for the payment not made, an amount equal to the amount needed to fully reimburse the Treasury for the payment not made.

“(2) WITHHOLD OTHER FEDERAL PAYMENTS.—If, after the Secretary takes the action described in paragraph (1), the Treasury is not fully reimbursed, the Secretary shall withhold from each grant, entitlement, loan, or other payment to the District government by the Federal Government not dedicated

to making entitlement or benefit payments to individuals, and apply toward reimbursement for the payment not made, an amount that, when added to the amount withheld from each other such grant, entitlement, loan, or other payment, will be equal to the amount needed to fully reimburse the Treasury for the payment not made.

“(3) ATTACH AVAILABLE DISTRICT REVENUES.—If, after the Secretary takes the actions described in paragraphs (1) and (2), the Treasury is not fully reimbursed, the Secretary shall attach any and all revenues of the District government which the Secretary may lawfully attach, and apply toward reimbursement for the payment not made, an amount equal to the amount needed to fully reimburse the Treasury for the payment not made.

“(4) TAKE OTHER ACTIONS.—If, after the Secretary takes the actions described in paragraphs (1) through (3), the Treasury is not fully reimbursed, the Secretary shall take any and all other actions permitted by law to recover from the District government the amount needed to fully reimburse the Treasury for the payment not made.

**“SEC. 605. DEFINITIONS.**

“For purposes of this title—

“(1) the term ‘Authority’ means the District of Columbia Financial Responsibility and Management Assistance Authority established under section 101(a) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995;

“(2) the term ‘control period’ has the meaning given such term under section 305(4) of such Act;

“(3) the term ‘District government’ has the meaning given such term under section 305(5) of such Act;

“(4) the term ‘financial plan and budget’ has the meaning given such term under section 305(6) of such Act; and

“(5) the term ‘Secretary’ means the Secretary of the Treasury.”.

(d) DEPOSIT OF BORROWED FUNDS WITH AUTHORITY.—If the District government borrows funds during a control year, the funds shall be deposited into an escrow account held by the Authority, to be allocated by the Authority to the Mayor at such intervals and in accordance with such terms and conditions as it considers appropriate, consistent with the financial plan and budget for the year and with any other withholding of funds by the Authority pursuant to this Act.

(e) EXPENDITURE OF FUNDS FROM ACCOUNT IN ACCORDANCE WITH AUTHORITY INSTRUCTIONS.—Any funds allocated by the Authority to the Mayor from the escrow account described in subsection (b)(1) or the escrow account described in subsection (d) may be expended by the Mayor only in accordance with the terms and conditions established by the Authority at the time the funds are allocated.

(f) PROHIBITION AGAINST BORROWING WHILE SUIT PENDING.—The Mayor may not requisition advances from the Treasury pursuant to title VI of the District of Columbia Revenue Act of 1939 if there is an action filed by the Mayor or the Council which is pend-

ing against the Authority challenging the establishment of or any action taken by the Authority.

**[SEC. 205. REPEALED.<sup>4</sup>]**

**SEC. 206. EFFECT OF FINDING OF NON-COMPLIANCE WITH FINANCIAL PLAN AND BUDGET.**

(a) **SUBMISSION OF REPORTS.**—Not later than 30 days after the expiration of each quarter of each fiscal year (beginning with fiscal year 1996), the Mayor shall submit reports to the Authority describing the actual revenues obtained and expenditures made by the District government during the quarter with its cash flows during the quarter, and comparing such actual revenues, expenditures, and cash flows with the most recent projections for these items.

(b) **DEMAND FOR ADDITIONAL INFORMATION.**—If the Authority determines, based on reports submitted by the Mayor under subsection (a), independent audits, or such other information as the Authority may obtain, that the revenues or expenditures of the District government during a control year are not consistent with the financial plan and budget for the year, the Authority shall require the Mayor to provide such additional information as the Authority determines to be necessary to explain the inconsistency.

(c) **CERTIFICATION OF VARIANCE.**—

(1) **IN GENERAL.**—After requiring the Mayor to provide additional information under subsection (b), the Authority shall certify to the Council, the President, the Secretary of the Treasury, and Congress that the District government is at variance with the financial plan and budget unless—

(A)(i) the additional information provides an explanation for the inconsistency which the Authority finds reasonable and appropriate, or

(ii) the District government adopts or implements remedial action (including revising the financial plan and budget pursuant to section 202(e)) to correct the inconsistency which the Authority finds reasonable and appropriate, taking into account the terms of the financial plan and budget; and

(B) the Mayor agrees to submit the reports described in subsection (a) on a monthly basis for such period as the Authority may require.

(2) **SPECIAL RULE FOR INCONSISTENCIES ATTRIBUTABLE TO ACTS OF CONGRESS.**—

(A) **DETERMINATION BY AUTHORITY.**—If the Authority determines that the revenues or expenditures of the District government during a control year are not consistent with the financial plan and budget for the year as approved by the Authority under section 202 as a result of the terms and conditions of the budget of the District government for the year as enacted by Congress or as a result of any other law enacted by Congress which affects the District of Columbia, the Authority shall so notify the Mayor.

(B) **CERTIFICATION.**—In the case of an inconsistency described in subparagraph (A), the Authority shall certify

<sup>4</sup>Section 11601(b)(2)(A) of Public Law 105-33 repealed section 205 (relating to the deposit of the annual Federal contribution with the Authority), effective October 1, 1997.

to the Council, the President, the Secretary of the Treasury, and Congress that the District government is at variance with the financial plan and budget unless the District government adopts or implements remedial action (including revising the financial plan and budget pursuant to section 202(e)) to correct the inconsistency which the Authority finds reasonable and appropriate, taking into account the terms of the financial plan and budget.

(d) **EFFECT OF CERTIFICATION.**—If the Authority certifies to the Secretary of the Treasury that a variance exists—

(1) the Authority may withhold any funds deposited with the Authority under section 204(b), section 204(d), or section 205(a) which would otherwise be expended on behalf of the District government; and

(2) the Secretary shall withhold funds otherwise payable to the District of Columbia under such Federal programs as the Authority may specify (other than funds dedicated to making entitlement or benefit payments to individuals), in such amounts and under such other conditions as the Authority may specify.

**SEC. 207. RECOMMENDATIONS ON FINANCIAL STABILITY AND MANAGEMENT RESPONSIBILITY.**

(a) **IN GENERAL.**—The Authority may at any time submit recommendations to the Mayor, the Council, the President, and Congress on actions the District government or the Federal Government may take to ensure compliance by the District government with a financial plan and budget or to otherwise promote the financial stability, management responsibility, and service delivery efficiency of the District government, including recommendations relating to—

(1) the management of the District government's financial affairs, including cash forecasting, information technology, placing controls on expenditures for personnel, reducing benefit costs, reforming procurement practices, and placing other controls on expenditures;

(2) the relationship between the District government and the Federal Government;

(3) the structural relationship of departments, agencies, and independent agencies within the District government;

(4) the modification of existing revenue structures, or the establishment of additional revenue structures;

(5) the establishment of alternatives for meeting obligations to pay for the pensions of former District government employees;

(6) modifications or transfers of the types of services which are the responsibility of and are delivered by the District government;

(7) modifications of the types of services which are delivered by entities other than the District government under alternative service delivery mechanisms (including privatization and commercialization);

(8) the effects of District of Columbia laws and court orders on the operations of the District government;

(9) the establishment of a personnel system for employees of the District government which is based upon employee performance standards; and

(10) the improvement of personnel training and proficiency, the adjustment of staffing levels, and the improvement of training and performance of management and supervisory personnel.

(b) RESPONSE TO RECOMMENDATIONS FOR ACTIONS WITHIN AUTHORITY OF DISTRICT GOVERNMENT.—

(1) IN GENERAL.—In the case of any recommendations submitted under subsection (a) during a control year which are within the authority of the District government to adopt, not later than 90 days after receiving the recommendations, the Mayor or the Council (whichever has the authority to adopt the recommendation) shall submit a statement to the Authority, the President, and Congress which provides notice as to whether the District government will adopt the recommendations.

(2) IMPLEMENTATION PLAN REQUIRED FOR ADOPTED RECOMMENDATIONS.—If the Mayor or the Council (whichever is applicable) notifies the Authority and Congress under paragraph (1) that the District government will adopt any of the recommendations submitted under subsection (a), the Mayor or the Council (whichever is applicable) shall include in the statement a written plan to implement the recommendation which includes—

(A) specific performance measures to determine the extent to which the District government has adopted the recommendation; and

(B) a schedule for auditing the District government's compliance with the plan.

(3) EXPLANATIONS REQUIRED FOR RECOMMENDATIONS NOT ADOPTED.—If the Mayor or the Council (whichever is applicable) notifies the Authority, the President, and Congress under paragraph (1) that the District government will not adopt any recommendation submitted under subsection (a) which the District government has authority to adopt, the Mayor or the Council shall include in the statement explanations for the rejection of the recommendations.

(c) IMPLEMENTATION OF REJECTED RECOMMENDATIONS BY AUTHORITY.—

(1) IN GENERAL.—If the Mayor or the Council (whichever is applicable) notifies the Authority, the President, and Congress under subsection (b)(1) that the District government will not adopt any recommendation submitted under subsection (a) which the District government has authority to adopt, the Authority may by a majority vote of its members take such action concerning the recommendation as it deems appropriate, after consulting with the Committee on Government Reform and Oversight of the House of Representatives and the Committee on Governmental Affairs of the Senate.

(2) EFFECTIVE DATE.—This subsection shall apply with respect to recommendations of the Authority made after the expiration of the 6-month period which begins on the date of the enactment of this Act.

(d) **ADDITIONAL POWER TO ISSUE ORDERS, RULES, AND REGULATIONS.**—

(1) **IN GENERAL.**—In addition to the authority described in subsection (c), the Authority may at any time issue such orders, rules, or regulations as it considers appropriate to carry out the purposes of this Act and the amendments made by this Act, to the extent that the issuance of such an order, rule, or regulation is within the authority of the Mayor or the head of any department or agency of the District government, and any such order, rule, or regulation shall be legally binding to the same extent as if issued by the Mayor or the head of any such department or agency.

(2) **NOTIFICATION.**—Upon issuing an order, rule, or regulation pursuant to this subsection, the Authority shall notify the Mayor, the Council, the President, and Congress.

(3) **NO JUDICIAL REVIEW OF DECISION TO ISSUE ORDER.**—The decision by the Authority to issue an order, rule, or regulation pursuant to this subsection shall be final and shall not be subject to judicial review.

**SEC. 208. SPECIAL RULES FOR FISCAL YEAR 1996.**

(a) **ADOPTION OF TRANSITION BUDGET.**—Notwithstanding any provision of section 202 to the contrary, in the case of fiscal year 1996, the following rules shall apply:

(1) Not later than 45 days after the appointment of its members, the Authority shall review the proposed budget for the District of Columbia for such fiscal year submitted to Congress under section 446 of the District of Columbia Self-Government and Governmental Reorganization Act (taking into account any items or provisions disapproved by the Mayor or disapproved by the Mayor and reenacted by the Council under section 404(f) of the District of Columbia Self-Government and Governmental Reorganization Act, as amended by section 202(f)(2)) and the multiyear plan for the District of Columbia prepared pursuant to section 443 of the District of Columbia Self-Government and Governmental Reorganization Act, and shall submit any recommendations for modifications to such financial plan and budget to promote the financial stability of the District government to the Mayor, the Council, the President, and Congress.

(2) Not later than 15 days after receiving the recommendations of the Authority submitted under paragraph (1), the Council (in consultation with the Mayor) shall promptly adopt a revised budget for the fiscal year (in this section referred to as the “transition budget”), and shall submit the transition budget to the Authority, the President, and Congress.

(3) Not later than 15 days after receiving the transition budget from the Council under paragraph (2), the Authority shall submit a report to the Mayor, the Council, the President, and Congress analyzing the budget (taking into account any items or provisions disapproved by the Mayor or disapproved by the Mayor and reenacted by the Council under section 404(f) of the District of Columbia Self-Government and Governmental Reorganization Act, as amended by section 202(f)(2)), and shall include in the report such recommendations for revi-

sions to the transition budget as the Authority considers appropriate to promote the financial stability of the District government during the fiscal year.

(b) FINANCIAL PLAN AND BUDGET.—

(1) DEADLINE FOR SUBMISSION.—For purposes of section 202, the Mayor shall submit the financial plan and budget for fiscal year 1996 as soon as practicable after the date of the enactment of this Act (in accordance with guidelines established by the Authority).

(2) ADOPTION BY COUNCIL.—In accordance with the procedures applicable under section 202 (including procedures providing for review by the Authority)—

(A) the Council shall adopt the financial plan and budget for the fiscal year (including the supplemental budget incorporated in the financial plan and budget) prior to the submission by the Mayor of the financial plan and budget for fiscal year 1997 under section 202(a); and

(B) the financial plan and budget adopted by the Council (and, in the case of a financial plan and budget disapproved by the Authority, together with the financial plan and budget approved and recommended by the Authority) shall be submitted to Congress (in accordance with the procedures applicable under such section) as a supplemental budget request for fiscal year 1996 (in accordance with section 446 of the District of Columbia Self-Government and Governmental Reorganization Act).

(3) TRANSITION BUDGET AS TEMPORARY FINANCIAL PLAN AND BUDGET.—Until the approval of the financial plan and budget for fiscal year 1996 by the Authority under this subsection, the transition budget established under subsection (a) (as enacted by Congress) shall serve as the financial plan and budget adopted under this subtitle for purposes of this Act (and any provision of law amended by this Act) for fiscal year 1996.

(c) RESTRICTIONS ON ADVANCES FROM TREASURY.—

(1) MONTHLY DETERMINATION OF PROGRESS TOWARD FINANCIAL PLAN AND BUDGET.—During each month of fiscal year 1996 prior to the adoption of the financial plan and budget, the Authority shall determine whether the District government is making appropriate progress in preparing and adopting a financial plan and budget for the fiscal year under this subtitle.

(2) CERTIFICATION.—The Authority shall provide the President and Congress with a certification if the Authority finds that the District government is not making appropriate progress in developing the financial plan and budget for a month, and shall notify the President and Congress that the certification is no longer in effect if the Authority finds that the District government is making such progress after the certification is provided.

(3) PROHIBITION AGAINST ALLOCATION OF ADVANCES IF CERTIFICATION IN EFFECT.—At any time during which a certification under paragraph (2) is in effect, the Authority may not allocate any funds obtained through advances to the Mayor under title VI of the District of Columbia Revenue Act of 1939 from the escrow account in which the funds are held.

**SEC. 209. CONTROL PERIODS DESCRIBED.**

(a) INITIATION.—For purposes of this Act, a “control period” is initiated upon the occurrence of any of the following events (as determined by the Authority based upon information obtained through the Mayor, the Inspector General of the District of Columbia, or such other sources as the Authority considers appropriate):

(1) The requisitioning by the Mayor of advances from the Treasury of the United States under title VI of the District of Columbia Revenue Act of 1939 (sec. 47–3401, D.C. Code), or the existence of any unreimbursed amounts obtained pursuant to such authority.

(2) The failure of the District government to provide sufficient revenue to a debt service reserve fund of the Authority under subtitle B.

(3) The default by the District government with respect to any loans, bonds, notes, or other form of borrowing.

(4) The failure of the District government to meet its payroll for any pay period.

(5) The existence of a cash deficit of the District government at the end of any quarter of the fiscal year in excess of the difference between the estimated revenues of the District government and the estimated expenditures of the District government (including repayments of temporary borrowings) during the remainder of the fiscal year or the remainder of the fiscal year together with the first 6 months of the succeeding fiscal year (as determined by the Authority in consultation with the Chief Financial Officer of the District of Columbia).

(6) The failure of the District government to make required payments relating to pensions and benefits for current and former employees of the District government.

(7) The failure of the District government to make required payments to any entity established under an interstate compact to which the District of Columbia is a signatory.

(b) TERMINATION.—

(1) IN GENERAL.—A control period terminates upon the certification by the Authority that—

(A) the District government has adequate access to both short-term and long-term credit markets at reasonable interest rates to meet its borrowing needs; and

(B) for 4 consecutive fiscal years (occurring after the date of the enactment of this Act) the expenditures made by the District government during each of the years did not exceed the revenues of the District government during such years (as determined in accordance with generally accepted accounting principles, as contained in the comprehensive annual financial report for the District of Columbia under section 448(a)(4) of the District of Columbia Self-Government and Governmental Reorganization Act).

(2) CONSULTATION WITH INSPECTOR GENERAL.—In making the determination under this subsection, the Authority shall consult with the Inspector General of the District of Columbia.

(c) CONTROL PERIOD DEEMED TO EXIST UPON ENACTMENT.—

For purposes of this subtitle, a control period is deemed to exist upon the enactment of this Act.

## Subtitle B—Issuance of Bonds

### SEC. 211. AUTHORITY TO ISSUE BONDS.

#### (a) IN GENERAL.—

(1) REQUEST OF MAYOR.—Subject to the requirements of this subtitle, the Authority may at the request of the Mayor pursuant to an Act of the Council issue bonds, notes, or other obligations to borrow funds to obtain funds for the use of the District government, in such amounts and in such manner as the Authority considers appropriate.

(2) SPECIAL RULE FOR INSTRUMENTALITIES WITH INDEPENDENT BORROWING AUTHORITY.—In the case of an agency or instrumentality of the District government which under law has the authority to issue bonds, notes, or obligations to borrow funds without the enactment of an Act of the Council, the Authority may issue bonds, notes, or other obligations to borrow funds for the use or functions of such agency or instrumentality at the request of the head of the agency or instrumentality.

(b) DEPOSIT OF FUNDS OBTAINED THROUGH BORROWING WITH AUTHORITY.—Any funds obtained by the District government through borrowing by the Authority pursuant to this subtitle shall be deposited into an escrow account held by the Authority, which shall allocate such funds to the District government in such amounts and at such times as the Authority considers appropriate, consistent with the specified purposes of such funds and the applicable financial plan and budget under subtitle A.

(c) USES OF FUNDS OBTAINED THROUGH BONDS.—Any funds obtained through the issuance of bonds, notes, or other obligations pursuant to this subtitle may be used for any purpose (consistent with the applicable financial plan and budget) under subtitle A for which the District government may use borrowed funds under the District of Columbia Self-Government and Governmental Reorganization Act and for any other purpose which the Authority considers appropriate.

### SEC. 212. PLEDGE OF SECURITY INTEREST IN REVENUES OF DISTRICT GOVERNMENT.

(a) IN GENERAL.—The Authority may pledge or grant a security interest in revenues to individuals or entities purchasing bonds, notes, or other obligations issued pursuant to this subtitle.

(b) DEDICATION OF REVENUE STREAM FROM DISTRICT GOVERNMENT.—The Authority shall require the Mayor—

(1) to pledge or direct taxes or other revenues otherwise payable to the District government (which are not otherwise pledged or committed), including payments from the Federal Government, to the Authority for purposes of securing repayment of bonds, notes, or other obligations issued pursuant to this subtitle; and

(2) to transfer the proceeds of any tax levied for purposes of securing such bonds, notes, or other obligations to the Authority immediately upon collection.

### SEC. 213. ESTABLISHMENT OF DEBT SERVICE RESERVE FUND.

(a) IN GENERAL.—As a condition for the issuance of bonds, notes, or other obligations pursuant to this subtitle, the Authority

shall establish a debt service reserve fund in accordance with this section.

(b) **REQUIREMENTS FOR FUND.—**

(1) **FUND DESCRIBED.—**A debt service reserve fund established by the Authority pursuant to this subsection shall consist of such funds as the Authority may make available, and shall be a trust fund held for the benefit and security of the obligees of the Authority whose bonds, notes, or other obligations are secured by such fund.

(2) **USES OF FUNDS.—**Amounts in a debt service reserve fund may be used solely for the payment of the principal of bonds secured in whole or in part by such fund, the purchase or redemption of such bonds, the payment of interest on such bonds, or the payment of any redemption premium required to be paid when such bonds and notes are redeemed prior to maturity.

(3) **RESTRICTIONS ON WITHDRAWALS.—**

(A) **IN GENERAL.—**Amounts in a debt service reserve fund may not be withdrawn from the fund at any time in an amount that would reduce the amount of the fund to less than the minimum reserve fund requirement established for such fund in the resolution of the Authority creating such fund, except for withdrawals for the purpose of making payments when due of principal, interest, redemption premiums and sinking fund payments, if any, with respect to such bonds for the payment of which other moneys of the Authority are not available, and for the purpose of funding the operations of the Authority for a fiscal year (in such amounts and under such conditions as are established under the budget of the Authority for the fiscal year under section 106(a)).

(B) **USE OF EXCESS FUNDS.—**Nothing in subparagraph (A) may be construed to prohibit the Authority from transferring any income or interest earned by, or increments to, any debt service reserve fund due to the investment thereof to other funds or accounts of the Authority (to the extent such transfer does not reduce the amount of the debt service reserve fund below the minimum reserve fund requirement established for such fund) for such purposes as the Authority considers appropriate to promote the financial stability and management efficiency of the District government.

**SEC. 214. OTHER REQUIREMENTS FOR ISSUANCE OF BONDS.—**

(a) **MINIMUM DEBT SERVICE RESERVE FUND REQUIREMENT.—**The Authority may not at any time issue bonds, notes, or other obligations pursuant to this subtitle which are secured in whole or in part by a debt service reserve fund under section 213 if issuance of such bonds would cause the amount in the debt reserve fund to fall below the minimum reserve requirement for such fund, unless the Authority at the time of issuance of such bonds shall deposit in the fund an amount (from the proceeds of the bonds to be issued or from other sources) which when added to the amount already in such fund will cause the total amount on deposit in such fund to

equal or exceed the minimum reserve fund requirement established by the Authority at the time of the establishment of the fund.

(b) AMOUNTS INCLUDED IN AGGREGATE LIMIT ON DISTRICT BORROWING.—Any amounts provided to the District government through the issuance of bonds, notes, or other obligations to borrow funds pursuant to this subtitle shall be taken into account in determining whether the amount of funds borrowed by the District of Columbia during a fiscal year exceeds the limitation on such amount provided under section 603(b) of the District of Columbia Self-Government and Governmental Reorganization Act.

**SEC. 215. NO FULL FAITH AND CREDIT OF THE UNITED STATES.**

The full faith and credit of the United States is not pledged for the payment of any principal of or interest on any bond, note, or other obligation issued by the Authority pursuant to this subtitle. The United States is not responsible or liable for the payment of any principal of or interest on any bond, note, or other obligation issued by the Authority pursuant to this subtitle.

## Subtitle C—Other Duties of Authority

**SEC. 221. DUTIES OF AUTHORITY DURING YEAR OTHER THAN CONTROL YEAR.**

(a) IN GENERAL.—During the period beginning upon the termination of a control period pursuant to section 209(b) and ending with the suspension of its activities pursuant to section 107(a), the Authority shall conduct the following activities:

(1) The Authority shall review the budgets of the District government adopted by the Council under section 446 of the District of Columbia Self-Government and Governmental Reorganization Act for each fiscal year occurring during such period.

(2) At such time prior to the enactment of such budget by Congress as the Authority considers appropriate, the Authority shall prepare a report analyzing the budget and submit the report to the Mayor, the Council, the President, and Congress.

(3) The Authority shall monitor the financial status of the District government and shall submit reports to the Mayor, the Council, the President, and Congress if the Authority determines that a risk exists that a control period may be initiated pursuant to section 209(a).

(4) The Authority shall carry out activities under subtitle B with respect to bonds, notes, or other obligations of the Authority outstanding during such period.

(b) REQUIRING MAYOR TO SUBMIT BUDGETS TO AUTHORITY.—With respect to the budget for each fiscal year occurring during the period described in subsection (a), at the time the Mayor submits the budget of the District government adopted by the Council to the President under section 446 of the District of Columbia Self-Government and Governmental Reorganization Act, the Mayor shall submit such budget to the Authority.

**SEC. 222. GENERAL ASSISTANCE IN ACHIEVING FINANCIAL STABILITY AND MANAGEMENT EFFICIENCY.**

In addition to any other actions described in this title, the Authority may undertake cooperative efforts to assist the District gov-

ernment in achieving financial stability and management efficiency, including—

(1) assisting the District government in avoiding defaults, eliminating and liquidating deficits, maintaining sound budgetary practices, and avoiding interruptions in the delivery of services;

(2) assisting the District government in improving the delivery of municipal services, the training and effectiveness of personnel of the District government, and the efficiency of management and supervision; and

(3) making recommendations to the President for transmission to Congress on changes to this Act or other Federal laws, or other actions of the Federal Government, which would assist the District government in complying with an approved financial plan and budget under subtitle A.

**SEC. 223. OBTAINING REPORTS.**

The Authority may require the Mayor, the Chair of the Council, the Chief Financial Officer of the District of Columbia, and the Inspector General of the District of Columbia, to prepare and submit such reports as the Authority considers appropriate to assist it in carrying out its responsibilities under this Act, including submitting copies of any reports regarding revenues, expenditures, budgets, costs, plans, operations, estimates, and other financial or budgetary matters of the District government.

**SEC. 224. REPORTS AND COMMENTS.**

(a) ANNUAL REPORTS TO CONGRESS.—Not later than 30 days after the last day of each fiscal year which is a control year, the Authority shall submit a report to Congress describing—

(1) the progress made by the District government in meeting the objectives of this Act during the fiscal year;

(2) the assistance provided by the Authority to the District government in meeting the purposes of this Act for the fiscal year; and

(3) any other activities of the Authority during the fiscal year.

(b) REVIEW AND ANALYSIS OF PERFORMANCE AND FINANCIAL ACCOUNTABILITY REPORTS.—

(1) IN GENERAL.—The Authority shall review each report prepared and submitted by the Mayor under section 456 of the District of Columbia Self-Government and Governmental Reorganization Act (as added by section 3(a) of the Federal Payment Reauthorization Act of 1994), and shall submit a report to Congress analyzing the completeness and accuracy of such reports.

(2) SUBMISSION OF REPORTS BY MAYOR.—Section 456 of the District of Columbia Self-Government and Governmental Reorganization Act, as added by section 3(a) of the Federal Payment Reauthorization Act of 1994, is amended by adding at the end the following new subsection:

“(e) SUBMISSION OF REPORTS TO DISTRICT OF COLUMBIA FINANCIAL RESPONSIBILITY AND MANAGEMENT ASSISTANCE AUTHORITY.—In the case of any report submitted by the Mayor under this section for a fiscal year (or any quarter of a fiscal year) which is a control year under the District of Columbia Financial Responsibility

and Management Assistance Act of 1995, the Mayor shall submit the report to the District of Columbia Financial Responsibility and Management Assistance Authority established under section 101(a) of such Act in addition to any other individual to whom the Mayor is required to submit the report under this section.”

(c) **COMMENTS REGARDING ACTIVITIES OF DISTRICT GOVERNMENT.**—At any time during a control year, the Authority may submit a report to Congress describing any action taken by the District government (or any failure to act by the District government) which the Authority determines will adversely affect the District government’s ability to comply with an approved financial plan and budget under subtitle A or will otherwise have a significant adverse impact on the best interests of the District of Columbia.

(d) **REPORTS ON EFFECT OF FEDERAL LAWS ON DISTRICT GOVERNMENT.**—At any time during any year, the Authority may submit a report to the Mayor, the Council, the President, and Congress on the effect of laws enacted by Congress on the financial plan and budget for the year and on the financial stability and management efficiency of the District government in general.

(e) **MAKING REPORTS PUBLICLY AVAILABLE.**—The Authority shall make any report submitted under this section available to the public, except to the extent that the Authority determines that the report contains confidential material.

**SEC. 225. DISPOSITION OF CERTAIN SCHOOL PROPERTY.**

(a) **POWER TO DISPOSE.**—Notwithstanding any other provision of law relating to the disposition of a facility or property described in subsection (d), the Authority may dispose (by sale, lease, or otherwise) of any facility or property described in subsection (d).

(b) **PREFERENCE FOR PUBLIC CHARTER SCHOOL.**—In disposing of a facility or property under this section, the Authority shall give preference to an eligible applicant (as defined in section 2002 of the District of Columbia School Reform Act of 1995) whose petition to establish a public charter school has been conditionally approved under section 2203(d)(2) of such Act, or a Board of Trustees (as defined in section 2002 of such Act) of such a public charter school, if doing so will not result in a significant loss of revenue that might be obtained from other dispositions or uses of the facility or property.

(c) **USE OF PROCEEDS FROM DISPOSITION FOR SCHOOL REPAIR AND MAINTENANCE.**—

(1) **IN GENERAL.**—The Authority shall deposit any proceeds of the disposition of a facility or property under this section in the Board of Education Real Property Maintenance and Improvement Fund (as established by the Real Property Disposal Act of 1990), to be used for the construction, maintenance, improvement, rehabilitation, or repair of buildings and grounds which are used for educational purposes for public and public charter school students in the District of Columbia.

(2) **CONSULTATION.**—In disposing of a facility or property under this section, the Authority shall consult with the Superintendent of Schools of the District of Columbia, the Mayor, the Council, the Administrator of General Services, and education and community leaders involved in planning for an agency or authority that will design and administer a comprehensive

long-term program for repair and improvement of District of Columbia public school facilities (as described in section 2552(a) of the District of Columbia School Reform Act of 1995).

(3) **LEGAL EFFECT OF SALE.**—The Authority may dispose of a facility or property under this section by executing a proper deed and any other legal instrument for conveyance of title to the facility or property, and such deed shall convey good and valid title to the purchaser of the facility or property.

(d) **FACILITY OR PROPERTY DESCRIBED.**—A facility or property described in this subsection is a facility or property which is described in section 2209(b)(1)(B) of the District of Columbia School Reform Act of 1995 and with respect to which the Authority has made the following determinations:

(1) The property is no longer needed for purposes of operating a District of Columbia public school (as defined in section 2002 of the District of Columbia School Reform Act of 1995).

(2) The disposition of the property is in the best interests of education in the District of Columbia.

(3) The Mayor (or any other department or agency of the District government) has failed to make substantial progress toward disposing the property during the 90-day period which begins on the date the Board of Education transfers jurisdiction over the property to the Mayor (or, in the case of property which is described in section 2209(b)(1)(B) of such Act as of the date of the enactment of this section, during the 90-day period which begins on the date of the enactment of this section).

## **TITLE III—MISCELLANEOUS PROVISIONS**

### **SEC. 301. OTHER DISTRICT BUDGET REFORMS.**

(a) **INCLUSION OF ALL FUNDS OF DISTRICT IN BUDGET OF DISTRICT GOVERNMENT.**—

(1) **IN GENERAL.**—Section 103 of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 1-202, D.C. Code) is amended—

(A) by amending paragraph (10) to read as follows:

“(10) The term ‘District revenues’ means all funds derived from taxes, fees, charges, miscellaneous receipts, the annual Federal payment to the District authorized under title V, grants and other forms of financial assistance, or the sale of bonds, notes, or other obligations, and any funds administered by the District government under cost sharing arrangements.”;

(B) by amending paragraph (14) to read as follows:

“(14) The term ‘resources’ means revenues, balances, enterprise or other revolving funds, and funds realized from borrowing.”; and

(C) by amending paragraph (15) to read as follows:

“(15) The term ‘budget’ means the entire request for appropriations or loan or spending authority for all activities of all departments or agencies of the District of Columbia financed from all existing, proposed or anticipated resources, and shall include both operating and capital expenditures.”.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply with respect to revenues, resources, and budgets of the District of Columbia for fiscal years beginning with fiscal year 1996.

(b) RESTRICTIONS ON REPROGRAMMING OF FUNDS.—

(1) IN GENERAL.—Section 446 of such Act (sec. 47-304, D.C. Code) is amended by adding at the end the following: “After the adoption of the annual budget for a fiscal year (beginning with the annual budget for fiscal year 1995), no reprogramming of amounts in the budget may occur unless the Mayor submits to the Council a request for such reprogramming and the Council approves the request, but only if any additional expenditures provided under such request for an activity are offset by reductions in expenditures for another activity.”.

(2) CONFORMING AMENDMENT.—Section 5 of D.C. Law 3-100 (sec. 47-364, D.C. Code) is hereby repealed.

(c) PERMITTING COUNCIL TO REQUEST BUDGET ADJUSTMENTS FROM MAYOR.—Section 442 of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 47-301, D.C. Code) is amended by adding at the end the following new subsection:

“(d) The Mayor shall prepare and submit to the Council a proposed supplemental or deficiency budget recommendation under subsection (c) if the Council by resolution requests the Mayor to submit such a recommendation.”.

(d) REQUIRING BUDGETARY IMPACT STATEMENTS TO ACCOMPANY ACTS OF COUNCIL.—

(1) IN GENERAL.—Section 602(c) of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 1-233(c), D.C. Code) is amended by adding at the end the following new paragraph:

“(3) The Council shall submit with each Act transmitted under this subsection an estimate of the costs which will be incurred by the District of Columbia as a result of the enactment of the Act in each of the first 4 fiscal years for which the Act is in effect, together with a statement of the basis for such estimate.”.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to Acts of the Council transmitted on or after October 1, 1995.

(e) EXTENSION OF AUTHORIZATION OF ANNUAL FEDERAL PAYMENT.—Section 503(c) of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 47-3406.1(c), D.C. Code), as added by section 2 of the Federal Payment Reauthorization Act of 1994, is amended by striking “fiscal year 1996” and inserting “each of the fiscal years 1996, 1997, 1998, and 1999”.

**SEC. 302. ESTABLISHMENT OF CHIEF FINANCIAL OFFICER OF DISTRICT OF COLUMBIA.**

(a) IN GENERAL.—Part B of title IV of the District of Columbia Self-Government and Governmental Reorganization Act is amended by adding at the end the following new section:

“CHIEF FINANCIAL OFFICER OF THE DISTRICT OF COLUMBIA

“SEC. 424. (a) ESTABLISHMENT OF OFFICE.—

“(1) IN GENERAL.—There is hereby established within the executive branch of the government of the District of Columbia an Office of the Chief Financial Officer of the District of Columbia (hereafter referred to as the ‘Office’), which shall be headed by the Chief Financial Officer of the District of Columbia (hereafter referred to as the ‘Chief Financial Officer’).

“(2) OFFICE OF THE TREASURER.—The Office shall include the Office of the Treasurer, which shall be headed by the Treasurer of the District of Columbia, who shall be appointed by the Chief Financial Officer and subject to the Chief Financial Officer’s direction and control.

“(3) TRANSFER OF OTHER OFFICES.—Effective with the appointment of the first Chief Financial Officer under subsection (b), the functions and personnel of the following offices are transferred to the Office:

“(A) The Controller of the District of Columbia.

“(B) The Office of the Budget.

“(C) The Office of Financial Information Services.

“(D) The Department of Finance and Revenue.

“(4) SERVICE OF HEADS OF OTHER OFFICES.—

“(A) OFFICE HEADS APPOINTED BY MAYOR.—With respect to the head of the Office of the Budget and the head of the Department of Finance and Revenue—

“(i) the Mayor shall appoint such individuals with the advice and consent of the Council, subject to the approval of the Authority during a control year; and

“(ii) during a control year, the Authority may remove such individuals from office for cause, after consultation with the Mayor.

“(B) OFFICE HEADS APPOINTED BY CHIEF FINANCIAL OFFICER.—With respect to the Controller of the District of Columbia and the head of the Office of Financial Information Services—

“(i) the Chief Financial Officer shall appoint such individuals subject to the approval of the Mayor; and

“(ii) the Chief Financial Officer may remove such individuals from office for cause, after consultation with the Mayor.

“(b) APPOINTMENT.—

“(1) IN GENERAL.—

“(A) CONTROL YEAR.—During a control year, the Chief Financial Officer shall be appointed by the Mayor as follows:

“(i) Prior to the appointment of the Chief Financial Officer, the Authority may submit recommendations for the appointment to the Mayor.

“(ii) In consultation with the Authority and the Council, the Mayor shall nominate an individual for appointment and notify the Council of the nomination.

“(iii) After the expiration of the 7-day period which begins on the date the Mayor notifies the Council of the nomination under clause (ii), the Mayor shall notify the Authority of the nomination.

“(iv) The nomination shall be effective subject to approval by a majority vote of the Authority.

“(B) OTHER YEARS.—During a year other than a control year, the Chief Financial Officer shall be appointed by the Mayor with the advice and consent of the Council. Prior to appointment, the Authority may submit recommendations for the appointment.

“(2) REMOVAL.—

“(A) CONTROL YEAR.—During a control year, the Chief Financial Officer may be removed for cause by the Authority or by the Mayor with the approval of the Authority.

“(B) OTHER YEARS.—During a year other than a control year, the Chief Financial Officer shall serve at the pleasure of the Mayor, except that the Chief Financial Officer may only be removed for cause.

“(3) SALARY.—The Chief Financial Officer shall be paid at an annual rate determined by the Mayor, except that such rate may not exceed the rate of basic pay payable for level IV of the Executive Schedule.

“(c) FUNCTIONS DURING CONTROL YEAR.—During a control year, the Chief Financial Officer shall have the following duties:

“(1) Preparing the financial plan and budget for the use of the Mayor for purposes of subtitle A of title II of the District of Columbia Financial Responsibility and Management Assistance Act of 1995.

“(2) Preparing the budgets of the District of Columbia for the year for the use of the Mayor for purposes of part D.

“(3) Assuring that all financial information presented by the Mayor is presented in a manner, and is otherwise consistent with, the requirements of the District of Columbia Financial Responsibility and Management Assistance Act of 1995.

“(4) Implementing appropriate procedures and instituting such programs, systems, and personnel policies within the Officer’s authority, to ensure that budget, accounting and personnel control systems and structures are synchronized for budgeting and control purposes on a continuing basis.

“(5) With the approval of the Authority, preparing and submitting to the Mayor and the Council—

“(A) annual estimates of all revenues of the District of Columbia (without regard to the source of such revenues), including proposed revenues, which shall be binding on the Mayor and the Council for purposes of preparing and submitting the budget of the District government for the year under part D, except that the Mayor and the Council may prepare the budget based on estimates of revenues which are lower than those prepared by the Chief Financial Officer; and

“(B) quarterly re-estimates of the revenues of the District of Columbia during the year.

“(6) Supervising and assuming responsibility for financial transactions to ensure adequate control of revenues and resources, and to ensure that appropriations are not exceeded.

“(7) Maintaining systems of accounting and internal control designed to provide—

“(A) full disclosure of the financial impact of the activities of the District government;

- “(B) adequate financial information needed by the District government for management purposes;
- “(C) effective control over, and accountability for, all funds, property, and other assets of the District of Columbia; and
- “(D) reliable accounting results to serve as the basis for preparing and supporting agency budget requests and controlling the execution of the budget.
- “(8) Submitting to the Council a financial statement of the District government, containing such details and at such times as the Council may specify.
- “(9) Supervising and assuming responsibility for the assessment of all property subject to assessment and special assessments within the corporate limits of the District of Columbia for taxation, preparing tax maps, and providing such notice of taxes and special assessments (as may be required by law).
- “(10) Supervising and assuming responsibility for the levying and collection of all taxes, special assessments, licensing fees, and other revenues of the District of Columbia (as may be required by law), and receiving all amounts paid to the District of Columbia from any source (including the Authority).
- “(11) Maintaining custody of all public funds belonging to or under the control of the District government (or any department or agency of the District government), and depositing all amounts paid in such depositories and under such terms and conditions as may be designated by the Council or the Authority.
- “(12) Maintaining custody of all investment and invested funds of the District government or in possession of the District government in a fiduciary capacity, and maintaining the safekeeping of all bonds and notes of the District government and the receipt and delivery of District government bonds and notes for transfer, registration, or exchange.
- “(13) Apportioning the total of all appropriations and funds made available during the year for obligation so as to prevent obligation or expenditure in a manner which would result in a deficiency or a need for supplemental appropriations during the year, and (with respect to appropriations and funds available for an indefinite period and all authorizations to create obligations by contract in advance of appropriations) apportioning the total of such appropriations, funds, or authorizations in the most effective and economical manner.
- “(14) Certifying all contracts (whether directly or through delegation) prior to execution as to the availability of funds to meet the obligations expected to be incurred by the District government under such contracts during the year.
- “(15) Prescribing the forms of receipts, vouchers, bills, and claims to be used by all agencies, offices, and instrumentalities of the District government.
- “(16) Certifying and approving prior to payment all bills, invoices, payrolls, and other evidences of claims, demands, or charges against the District government, and determining the regularity, legality, and correctness of such bills, invoices, payrolls, claims, demands, or charges.

“(17) In coordination with the Inspector General of the District of Columbia, performing internal audits of accounts and operations and records of the District government, including the examination of any accounts or records of financial transactions, giving due consideration to the effectiveness of accounting systems, internal control, and related administrative practices of the departments and agencies of the District government.

“(d) FUNCTIONS DURING ALL YEARS.—At all times, the Chief Financial Officer shall have the following duties:

“(1) Exercising responsibility for the administration and supervision of the District of Columbia Treasurer (except that the Chief Financial Officer may delegate any portion of such responsibility as the Chief Financial Officer considers appropriate and consistent with efficiency).

“(2) Administering all borrowing programs of the District government for the issuance of long-term and short-term indebtedness.

“(3) Administering the cash management program of the District government, including the investment of surplus funds in governmental and non-governmental interest-bearing securities and accounts.

“(4) Administering the centralized District government payroll and retirement systems.

“(5) Governing the accounting policies and systems applicable to the District government.

“(6) Preparing appropriate annual, quarterly, and monthly financial reports of the accounting and financial operations of the District government.

“(7) Not later than 120 days after the end of each fiscal year (beginning with fiscal year 1995), preparing the complete financial statement and report on the activities of the District government for such fiscal year, for the use of the Mayor under section 448(a)(4) of the District of Columbia Self-Government and Governmental Reorganization Act.

“(e) FUNCTIONS OF TREASURER.—At all times, the Treasurer shall have the following duties:

“(1) Assisting the Chief Financial Officer in reporting revenues received by the District government, including submitting annual and quarterly reports concerning the cash position of the District government not later than 60 days after the last day of the quarter (or year) involved. Such reports shall include:

“(A) Comparative reports of revenue and other receipts by source, including tax, nontax, and Federal revenues, grants and reimbursements, capital program loans, and advances. Each source shall be broken down into specific components.

“(B) Statements of the cash flow of the District government for the preceding quarter or year, including receipts, disbursements, net changes in cash inclusive of the beginning balance, cash and investment, and the ending balance, inclusive of cash and investment. Such statements shall reflect the actual, planned, better or worse dollar

amounts and the percentage change with respect to the current quarter, year-to-date, and fiscal year.

“(C) Quarterly cash flow forecast for the quarter or year involved, reflecting receipts, disbursements, net change in cash inclusive of the beginning balance, cash and investment, and the ending balance, inclusive of cash and investment with respect to the actual dollar amounts for the quarter or year, and projected dollar amounts for each of the 3 succeeding quarters.

“(D) Monthly reports reflecting a detailed summary analysis of all District of Columbia government investments, including, but not limited to—

“(i) the total of long-term and short-term investments;

“(ii) a detailed summary analysis of investments by type and amount, including purchases, sales (maturities), and interest;

“(iii) an analysis of investment portfolio mix by type and amount, including liquidity, quality/risk of each security, and similar information;

“(iv) an analysis of investment strategy, including near-term strategic plans and projects of investment activity, as well as forecasts of future investment strategies based on anticipated market conditions, and similar information;

“(v) an analysis of cash utilization, including—

“(I) comparisons of budgeted percentages of total cash to be invested with actual percentages of cash invested and the dollar amounts;

“(II) comparisons of the next return on invested cash expressed in percentages (yield) with comparable market indicators and established District of Columbia government yield objectives; and

“(III) comparisons of estimated dollar return against actual dollar yield.

“(E) Monthly reports reflecting a detailed summary analysis of long-term and short-term borrowings inclusive of debt as authorized by section 603, in the current fiscal year and the amount of debt for each succeeding fiscal year not to exceed 5 years. All such reports shall reflect—

“(i) the amount of debt outstanding by type of instrument;

“(ii) the amount of authorized and unissued debt, including availability of short-term lines of credit, United States Treasury borrowings, and similar information;

“(iii) a maturity schedule of the debt;

“(iv) the rate of interest payable upon the debt; and

“(v) the amount of debt service requirements and related debt service reserves.

“(2) Such other functions assigned to the Chief Financial Officer under subsection (c) or subsection (d) as the Chief Financial Officer may delegate.

“(f) DEFINITIONS.—In this section—

“(1) the term ‘Authority’ means the District of Columbia Financial Responsibility and Management Assistance Authority established under section 101(a) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995;

“(2) the term ‘control year’ has the meaning given such term under section 305(4) of such Act; and

“(3) the term ‘District government’ has the meaning given such term under section 305(5) of such Act.”

(b) PROHIBITING DELEGATION OF CHIEF FINANCIAL OFFICER’S AUTHORITY.—Section 422(6) of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 1–242(6), D.C. Code) is amended by adding at the end the following: “Nothing in the previous sentence may be construed to permit the Mayor to delegate any functions assigned to the Chief Financial Officer of the District of Columbia under section 424, without regard to whether such functions are assigned to the Chief Financial Officer under such section during a control year (as defined in section 305(4) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995) or during any other year.”

(c) CONFORMING AMENDMENT.—Effective upon the appointment of the Chief Financial Officer of the District of Columbia under section 424(b) of the District of Columbia Self-Government and Governmental Reorganization Act (as added by subsection (a)), D.C. Law 3–138 (sec. 47–314 et seq., D.C. Code) is repealed.

(d) CLERICAL AMENDMENT.—The table of contents of part B of title IV of the District of Columbia Self-Government and Governmental Reorganization Act is amended by adding at the end the following new item:

“Sec. 424. Chief Financial Officer of the District of Columbia.”

**SEC. 303. REVISIONS TO POWERS AND DUTIES OF INSPECTOR GENERAL OF DISTRICT OF COLUMBIA.**

(a) APPOINTMENT AND TERM OF SERVICE; INDEPENDENCE OF BUDGET.—Section 208(a) of the District of Columbia Procurement Practices Act of 1985 (sec. 1–1182.8(a), D.C. Code) is amended by striking paragraphs (1) and (2) and inserting the following:

“(1)(A) There is created within the executive branch of the government of the District of Columbia the Office of the Inspector General. The Office shall be headed by an Inspector General appointed pursuant to subparagraph (B), who shall serve for a term of 6 years and shall be subject to removal only for cause by the Mayor (with the approval of the District of Columbia Financial Responsibility and Management Assistance Authority in a control year) or (in the case of a control year) by the Authority. The Inspector General may be reappointed for additional terms.

“(B) During a control year, the Inspector General shall be appointed by the Mayor as follows:

“(i) Prior to the appointment of the Inspector General, the Authority may submit recommendations for the appointment to the Mayor.

“(ii) In consultation with the Authority and the Council, the Mayor shall nominate an individual for appointment and notify the Council of the nomination.

“(iii) After the expiration of the 7-day period which begins on the date the Mayor notifies the Council of the nomination under clause (ii), the Mayor shall notify the Authority of the nomination.

“(iv) The nomination shall be effective subject to approval by a majority vote of the Authority.

“(C) During a year which is not a control year, the Inspector General shall be appointed by the Mayor with the advice and consent of the Council. Prior to appointment, the Authority may submit recommendations for the appointment.

“(D) The Inspector General shall be appointed without regard to party affiliation and solely on the basis of integrity and demonstrated ability in accounting, auditing, financial management analysis, public administration, or investigations.

“(E) The Inspector General shall be paid at an annual rate determined by the Mayor, except that such rate may not exceed the rate of basic pay payable for level IV of the Executive Schedule.

“(2) The annual budget for the Office shall be adopted as follows:

“(A) The Inspector General shall prepare and submit to the Mayor, for inclusion in the annual budget of the District of Columbia under part D of title IV of the District of Columbia Self-Government and Governmental Reorganization Act for the year, annual estimates of the expenditures and appropriations necessary for the operation of the Office for the year. All such estimates shall be forwarded by the Mayor to the Council of the District of Columbia for its action pursuant to sections 446 and 603(c) of such Act, without revision but subject to recommendations. Notwithstanding any other provision of such Act, the Council may comment or make recommendations concerning such estimates, but shall have no authority to revise such estimates.

“(B) Upon receipt of the annual Federal payment for the District of Columbia authorized under title V of the District of Columbia Self-Government and Governmental Reorganization Act, the Mayor shall deposit a portion of the payment (equal to the estimate of necessary appropriations described in subparagraph (A)) into a dedicated fund within the government of the District of Columbia.

“(C) Amounts deposited in the dedicated fund described in subparagraph (B) shall be available solely for the operation of the Office, and shall be paid to the Inspector General by the Mayor (acting through the Chief Financial Officer of the District of Columbia) in such installments and at such times as the Inspector General requires.”.

(b) ADDITIONAL POWERS AND DUTIES.—

(1) IN GENERAL.—Section 208(a)(3) of the District of Columbia Procurement Practices Act of 1985 (sec. 1-1182.8(a)(3), D.C. Code) is amended—

(A) by striking “and” at the end of subparagraph (E);

(B) by striking the period at the end of subparagraph (F) and inserting a semicolon; and

(C) by adding at the end the following new subparagraphs:

“(G) Pursuant to a contract described in paragraph (4), provide certifications under section 602(b)(5) of title VI of the District of Columbia Revenue Act of 1939;

“(H) Pursuant to a contract described in paragraph (4), audit the complete financial statement and report on the activities of the District government for such fiscal year, for the use of the Mayor under section 448(a)(4) of the District of Columbia Self-Government and Governmental Reorganization Act; and

“(I) Not later than 30 days before the beginning of each fiscal year (beginning with fiscal year 1996) and in consultation with the Mayor, the Council, and the Authority, establish an annual plan for audits to be conducted under this paragraph during the fiscal year under which the Inspector General shall report only those variances which are in an amount equal to or greater than \$1,000,000 or 1 percent of the applicable annual budget for the program in which the variance is found (whichever is lesser).”

(2) LIMITATION ON CONTRACT WITH OUTSIDE AUDITOR.—Section 208(a) of such Act (sec. 1-1182.8(a), D.C. Code) is amended by adding at the end the following new paragraph:

“(4) The Inspector General shall enter into a contract with an auditor who is not an officer or employee of the Office to—

“(A) audit the financial statement and report described in paragraph (3)(H) for a fiscal year, except that the financial statement and report may not be audited by the same auditor (or an auditor employed by or affiliated with the same auditor) for more than 3 consecutive fiscal years; and

“(B) audit the certification described in paragraph (3)(G).”

(3) SUBPOENA POWER.—Section 208(c) of such Act (sec. 1-1182.8(c), D.C. Code) is amended—

(A) by striking “(c)” and inserting “(c)(1)”; and

(B) by adding at the end the following new paragraph:

“(2)(A) The Inspector General may issue subpoenas requiring the attendance and testimony of witnesses and the production of any evidence relating to any matter under investigation by the Inspector General.

“(B) If a person refuses to obey a subpoena issued under subparagraph (A), the Inspector General may apply to the Superior Court of the District of Columbia for an order requiring that person to appear before the Inspector General to give testimony, produce evidence, or both, relating to the matter under investigation. Any failure to obey the order of the court may be punished by the Superior Court as civil contempt.”

(4) REFERRAL OF FINDINGS OF CRIMINAL ACTIVITY TO ATTORNEY GENERAL.—Section 208 of such Act (sec. 1-1182.8, D.C. Code) is amended by adding at the end the following new subsection:

“(f) In carrying out the duties and responsibilities established under this section, the Inspector General shall report expeditiously to the Attorney General whenever the Inspector General has reasonable grounds to believe there has been a violation of Federal or District criminal law.”

(c) REVISION OF CURRENT POWERS AND DUTIES.—

(1) LIAISON REPRESENTATIVE FOR ALL EXTERNAL AUDITS OF DISTRICT GOVERNMENT.—Section 208(a)(3)(B) of such Act (sec. 1–1182.8(a)(3)(B), D.C. Code) is amended by striking “executive branch”.

(2) APPLICATION OF GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.—Section 208(b) of such Act (sec. 1–1182.8(b), D.C. Code) is amended by inserting “accounting and” after “accepted”.

(3) ACCESS TO ALL NECESSARY RECORDS.—Section 208(c)(1) of such Act (sec. 1–1182.8(c), D.C. Code), as amended by subsection (b)(3), is amended by striking “relating to contracts and procurement”.

(4) SUBMISSION OF REPORTS TO AUTHORITY DURING CONTROL YEAR.—Section 208(d) of such Act (sec. 1–1182.8(d), D.C. Code) is amended—

(A) in paragraph (1), by striking “the Mayor and the Council” and inserting “the Authority (or, with respect to a fiscal year which is not a control year, the Mayor and the Council)”; and

(B) in paragraph (2), by striking “the Mayor” and inserting “the Authority, the Mayor,”.

(5) MAKING REPORTS PUBLICLY AVAILABLE.—Section 208(d) of such Act (sec. 1–1182.8(d), D.C. Code) is amended by adding at the end the following new paragraph:

“(4) The Inspector General shall make each report submitted under this subsection available to the public, except to the extent that the report contains information determined by the Inspector General to be privileged.”

(6) RESPONDING TO REQUESTS OF AUTHORITY.—Section 208(e) of such Act (sec. 1–1182.8(e), D.C. Code) is amended by striking “the Director” and inserting “the Authority”.

(d) DEFINITIONS.—Section 208 of such Act (sec. 1–1182.8, D.C. Code), as amended by subsection (b)(4), is amended by adding at the end the following new subsection:

“(g) In this section—

“(1) the term ‘Authority’ means the District of Columbia Financial Responsibility and Management Assistance Authority established under section 101(a) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995;

“(2) the term ‘control year’ has the meaning given such term under section 305(4) of such Act; and

“(3) the term ‘District government’ has the meaning given such term under section 305(5) of such Act.”.

(e) DEADLINE FOR APPOINTMENT.—

(1) IN GENERAL.—Not later than 30 days after its members are appointed, the Mayor shall appoint the Inspector General of the District of Columbia pursuant to section 208(a)(1) of the District of Columbia Procurement Practices Act of 1985 (as amended by subsection (a)).

(2) TRANSITION RULE.—The term of service of the individual serving as the Inspector General under section 208(a) of the District of Columbia Procurement Practices Act of 1985 prior to the appointment of the Inspector General by the Authority under section 208(a)(1) of such Act (as amended by sub-

section (a)) shall expire upon the appointment of the Inspector General by the Authority.

**SEC. 304. COUNCIL APPROVAL OF CERTAIN CONTRACTS.**

(a) IN GENERAL.—Section 451 of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 1-1130, D.C. Code) is amended—

(1) by amending the heading to read as follows: “SPECIAL RULES REGARDING CERTAIN CONTRACTS”;

(2) by striking “No contract” and inserting “(a) CONTRACTS EXTENDING BEYOND ONE YEAR.—No contract”; and

(3) by adding at the end the following new subsection:

“(b) CONTRACTS EXCEEDING CERTAIN AMOUNT.—

“(1) IN GENERAL.—No contract involving expenditures in excess of \$1,000,000 during a 12-month period may be made unless the Mayor submits the contract to the Council for its approval and the Council approves the contract (in accordance with criteria established by act of the Council).

“(2) DEEMED APPROVAL.—For purposes of paragraph (1), the Council shall be deemed to approve a contract if—

“(A) during the 10-day period beginning on the date the Mayor submits the contract to the Council, no member of the Council introduces a resolution approving or disapproving the contract; or

“(B) during the 45-calendar day period beginning on the date the Mayor submits the contract to the Council, the Council does not disapprove the contract.”.

(b) CLERICAL AMENDMENT.—The table of contents of the District of Columbia Self-Government and Governmental Reorganization Act is amended by amending the item relating to section 451 to read as follows:

“Sec. 451. Special rules regarding certain contracts.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contracts made on or after the date of the enactment of this Act.

**SEC. 305. DEFINITIONS.**

In this Act, the following definitions apply:

(1) The term “Authority” means the District of Columbia Financial Responsibility and Management Assistance Authority established under section 101(a).

(2) The term “Council” means the Council of the District of Columbia.

(3) The term “control period” has the meaning given such term in section 209.

(4) The term “control year” means any fiscal year for which a financial plan and budget approved by the Authority under section 202(b) is in effect, and includes fiscal year 1996.

(5) The term “District government” means the government of the District of Columbia, including any department, agency or instrumentality of the government of the District of Columbia; any independent agency of the District of Columbia established under part F of title IV of the District of Columbia Self-Government and Governmental Reorganization Act or any other agency, board, or commission established by the Mayor

or the Council; the Council of the District of Columbia; and any other agency, public authority, or public benefit corporation which has the authority to receive monies directly or indirectly from the District of Columbia (other than monies received from the sale of goods, the provision of services, or the loaning of funds to the District of Columbia), except that such term does not include the Authority.

(6) The term “financial plan and budget” means a financial plan and budget described in subtitle A of title II, and includes the budgets of the District government for the fiscal years which are subject to the financial plan and budget (as described in section 201(b)).

(7) The term “Mayor” means the Mayor of the District of Columbia.

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**DISTRICT OF COLUMBIA SCHOOL REFORM ACT OF 1995**

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## **DISTRICT OF COLUMBIA SCHOOL REFORM ACT OF 1995**

**Title II of the Act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1996, and for other purposes (104-134; 110 Stat. 1321-107)**

### **TITLE II—DISTRICT OF COLUMBIA SCHOOL REFORM**

#### **SEC. 2001. SHORT TITLE.**

This title may be cited as the “District of Columbia School Reform Act of 1995”.

#### **SEC. 2002. DEFINITIONS.**

Except as otherwise provided, for purposes of this title:

(1) **APPROPRIATE CONGRESSIONAL COMMITTEES.**—The term “appropriate congressional committees” means—

(A) the Committee on Appropriations of the House of Representatives and the Committee on Appropriations of the Senate;

(B) the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate; and

(C) the Committee on Government Reform and Oversight of the House of Representatives and the Committee on Governmental Affairs of the Senate.

(2) **AUTHORITY.**—The term “Authority” means the District of Columbia Financial Responsibility and Management Assistance Authority established under section 101(a) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995 (Public Law 104-8).

(3) **AVERAGE DAILY ATTENDANCE.**—The term “average daily attendance” means the aggregate attendance of students of the school during the period divided by the number of days during the period in which—

(A) the school is in session; and

(B) the students of the school are under the guidance and direction of teachers.

(4) **AVERAGE DAILY MEMBERSHIP.**—The term “average daily membership” means the aggregate enrollment of students of the school during the period divided by the number of days during the period in which—

(A) the school is in session; and

(B) the students of the school are under the guidance and direction of teachers.

(5) **BOARD OF EDUCATION.**—The term “Board of Education” means the Board of Education of the District of Columbia.

(6) BOARD OF TRUSTEES.—The term “Board of Trustees” means the governing board of a public charter school, the members of which are selected pursuant to the charter granted to the school and in a manner consistent with this title.

(7) CONSENSUS COMMISSION.—The term “Consensus Commission” means the Commission on Consensus Reform in the District of Columbia public schools established under subtitle H.

(8) CORE CURRICULUM.—The term “core curriculum” means the concepts, factual knowledge, and skills that students in the District of Columbia should learn in kindergarten through grade 12 in academic content areas, including, at a minimum, English, mathematics, science, and history.

(9) DISTRICT OF COLUMBIA COUNCIL.—The term “District of Columbia Council” means the Council of the District of Columbia established pursuant to section 401 of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, sec. 1–221).

(10) DISTRICT OF COLUMBIA GOVERNMENT.—

(A) IN GENERAL.—The term “District of Columbia Government” means the government of the District of Columbia, including—

(i) any department, agency, or instrumentality of the government of the District of Columbia;

(ii) any independent agency of the District of Columbia established under part F of title IV of the District of Columbia Self-Government and Governmental Reorganization Act;

(iii) any other agency, board, or commission established by the Mayor or the District of Columbia Council;

(iv) the courts of the District of Columbia;

(v) the District of Columbia Council; and

(vi) any other agency, public authority, or public nonprofit corporation that has the authority to receive moneys directly or indirectly from the District of Columbia (other than moneys received from the sale of goods, the provision of services, or the loaning of funds to the District of Columbia).

(B) EXCEPTION.—The term “District of Columbia Government” neither includes the Authority nor a public charter school.

(11) DISTRICT OF COLUMBIA GOVERNMENT RETIREMENT SYSTEM.—The term “District of Columbia Government retirement system” means the retirement programs authorized by the District of Columbia Council or the Congress for employees of the District of Columbia Government.

(12) DISTRICT OF COLUMBIA PUBLIC SCHOOL.—

(A) IN GENERAL.—The term “District of Columbia public school” means a public school in the District of Columbia that offers classes—

(i) at any of the grade levels from prekindergarten through grade 12; or

(ii) leading to a secondary school diploma, or its recognized equivalent.

(B) EXCEPTION.—The term “District of Columbia public school” does not include a public charter school.

(13) DISTRICTWIDE ASSESSMENTS.—The term “districtwide assessments” means a variety of assessment tools and strategies (including individual student assessments under subparagraph (E)(ii)) administered by the Superintendent to students enrolled in District of Columbia public schools and public charter schools that—

(A) are aligned with the District of Columbia’s content standards and core curriculum;

(B) provide coherent information about student attainment of such standards;

(C) are used for purposes for which such assessments are valid, reliable, and unbiased, and are consistent with relevant nationally recognized professional and technical standards for such assessments;

(D) involve multiple up-to-date measures of student performance, including measures that assess higher order thinking skills and understanding; and

(E) provide for—

(i) the participation in such assessments of all students;

(ii) individual student assessments for students that fail to reach minimum acceptable levels of performance;

(iii) the reasonable adaptations and accommodations for students with special needs (as defined in paragraph (32)) necessary to measure the achievement of such students relative to the District of Columbia’s content standards; and

(iv) the inclusion of limited-English proficient students, who shall be assessed, to the extent practicable, in the language and form most likely to yield accurate and reliable information regarding such students’ knowledge and abilities.

(14) ELECTRONIC DATA TRANSFER SYSTEM.—The term “electronic data transfer system” means a computer-based process for the maintenance and transfer of student records designed to permit the transfer of individual student records among District of Columbia public schools and public charter schools.

(15) ELEMENTARY SCHOOL.—The term “elementary school” means an institutional day or residential school that provides elementary education, as determined under District of Columbia law.

(16) ELIGIBLE APPLICANT.—The term “eligible applicant” means a person, including a private, public, or quasi-public entity, or an institution of higher education (as defined in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))), that seeks to establish a public charter school in the District of Columbia.

(17) ELIGIBLE CHARTERING AUTHORITY.—The term “eligible chartering authority” means any of the following:

(A) The Board of Education.

(B) The Public Charter School Board.

- (C) Any one entity designated as an eligible chartering authority by enactment of a bill by the District of Columbia Council after the date of the enactment of this Act.
- (18) FAMILY RESOURCE CENTER.—The term “family resource center” means an information desk—
- (A) located in a District of Columbia public school or a public charter school serving a majority of students whose family income is not greater than 185 percent of the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act applicable to a family of the size involved (42 U.S.C. 9902(3))); and
- (B) which links students and families to local resources and public and private entities involved in child care, adult education, health and social services, tutoring, mentoring, and job training.
- (19) INDIVIDUAL CAREER PATH.—The term “individual career path” means a program of study that provides a secondary school student the skills necessary to compete in the 21st century workforce.
- (20) LITERACY.—The term “literacy” means—
- (A) in the case of a minor student, such student’s ability to read, write, and speak in English, and compute and solve problems at levels of proficiency necessary to function in society, to achieve such student’s goals, and develop such student’s knowledge and potential; and
- (B) in the case of an adult, such adult’s ability to read, write, and speak in English, and compute and solve problems at levels of proficiency necessary to function on the job and in society, to achieve such adult’s goals, and develop such adult’s knowledge and potential.
- (21) LONG-TERM REFORM PLAN.—The term “long-term reform plan” means the plan submitted by the Superintendent under section 2101.
- (22) MAYOR.—The term “Mayor” means the Mayor of the District of Columbia.
- (23) METROBUS AND METRORAIL TRANSIT SYSTEM.—The term “Metrobus and Metrorail Transit System” means the bus and rail systems administered by the Washington Metropolitan Area Transit Authority.
- (24) MINOR STUDENT.—The term “minor student” means an individual who—
- (A) is enrolled in a District of Columbia public school or a public charter school; and
- (B) is not beyond the age of compulsory school attendance, as prescribed in section 1 of article I, and section 1 of article II, of the Act of February 4, 1925 (sections 31–401 and 31–402, D.C. Code).
- (25) NONRESIDENT STUDENT.—The term “nonresident student” means—
- (A) an individual under the age of 18 who is enrolled in a District of Columbia public school or a public charter school, and does not have a parent residing in the District of Columbia; or

(B) an individual who is age 18 or older and is enrolled in a District of Columbia public school or public charter school, and does not reside in the District of Columbia.

(26) PARENT.—The term “parent” means a person who has custody of a child, and who—

(A) is a natural parent of the child;

(B) is a stepparent of the child;

(C) has adopted the child; or

(D) is appointed as a guardian for the child by a court of competent jurisdiction.

(27) PETITION.—The term “petition” means a written application.

(28) PROMOTION GATE.—The term “promotion gate” means the criteria, developed by the Superintendent and approved by the Board of Education, that are used to determine student promotion at different grade levels. Such criteria shall include student achievement on districtwide assessments established under subtitle C.

(29) PUBLIC CHARTER SCHOOL.—The term “public charter school” means a publicly funded school in the District of Columbia that—

(A) is established pursuant to subtitle B; and

(B) except as provided under sections 2212(d)(5) and 2213(c)(5) is not a part of the District of Columbia public schools.

(30) PUBLIC CHARTER SCHOOL BOARD.—The term “Public Charter School Board” means the Public Charter School Board established under section 2214.

(31) SECONDARY SCHOOL.—The term “secondary school” means an institutional day or residential school that provides secondary education, as determined by District of Columbia law, except that such term does not include any education beyond grade 12.

(32) STUDENT WITH SPECIAL NEEDS.—The term “student with special needs” means a student who is a child with a disability as provided in section 602(a)(1) of the Individuals with Disabilities Education Act (20 U.S.C. 1401(a)(1)) or a student who is an individual with a disability as provided in section 7(8) of the Rehabilitation Act of 1973 (29 U.S.C. 706(8)).

(33) SUPERINTENDENT.—The term “Superintendent” means the Superintendent of the District of Columbia public schools.

(34) TEACHER.—The term “teacher” means any person employed as a teacher by the Board of Education or by a public charter school.

#### SEC. 2003. GENERAL EFFECTIVE DATE.

Except as otherwise provided in this title, this title shall be effective beginning on the date of enactment of this Act<sup>1</sup>

<sup>1</sup>The amendment made by section 155 of Public Law 106-113 (113 Stat. 1526) struck “and ending 5 years after such date.” The amendment did not put back the final period.

## Subtitle A—District of Columbia Reform Plan

### SEC. 2101. LONG-TERM REFORM PLAN.

#### (a) IN GENERAL.—

(1) PLAN.—The Superintendent, with the approval of the Board of Education, shall submit to the Mayor, the District of Columbia Council, the Authority, the Consensus Commission, and the appropriate congressional committees, a long-term reform plan, not later than 90 days after the date of enactment of this Act, and each February 15 thereafter. The long-term reform plan shall be consistent with the financial plan and budget for the District of Columbia for fiscal year 1996, and each financial plan and budget for a subsequent fiscal year, as the case may be, required under section 201 of the District of Columbia Financial Responsibility and Management Assistance Act of 1995.

#### (2) CONSULTATION.—

(A) IN GENERAL.—In developing the long-term reform plan, the Superintendent—

(i) shall consult with the Board of Education, the Mayor, the District of Columbia Council, the Authority, and the Consensus Commission; and

(ii) shall afford the public, interested organizations, and groups an opportunity to present their views and make recommendations regarding the long-term reform plan.

(B) SUMMARY OF RECOMMENDATIONS.—The Superintendent shall include in the long-term plan a summary of the recommendations made under subparagraph (A)(ii) and the response of the Superintendent to the recommendations.

#### (b) CONTENTS.—

(1) AREAS TO BE ADDRESSED.—The long-term reform plan shall describe how the District of Columbia public schools will become a world-class education system that prepares students for lifetime learning in the 21st century and which is on a par with the best education systems of other cities, States, and nations. The long-term reform plan shall include a description of how the District of Columbia public schools will accomplish the following:

(A) Achievement at nationally and internationally competitive levels by students attending District of Columbia public schools.

(B) The preparation of students for the workforce, including—

(i) providing special emphasis for students planning to obtain a postsecondary education; and

(ii) the development of individual career paths.

(C) The improvement of the health and safety of students in District of Columbia public schools.

(D) Local school governance, decentralization, autonomy, and parental choice among District of Columbia public schools.

(E) The implementation of a comprehensive and effective adult education and literacy program.

(F) The identification, beginning in grade 3, of each student who does not meet minimum standards of academic achievement in reading, writing, and mathematics in order to ensure that such student meets such standards prior to grade promotion.

(G) The achievement of literacy, and the possession of the knowledge and skills necessary to think critically, communicate effectively, and perform competently on district-wide assessments, by students attending District of Columbia public schools prior to such student's completion of grade 8.

(H) The establishment of after-school programs that promote self-confidence, self-discipline, self-respect, good citizenship, and respect for leaders, through such activities as arts classes, physical fitness programs, and community service.

(I) Steps necessary to establish an electronic data transfer system.

(J) Encourage parental involvement in all school activities, particularly parent teacher conferences.

(K) Development and implementation, through the Board of Education and the Superintendent, of a uniform dress code for the District of Columbia public schools, that—

(i) shall include a prohibition of gang membership symbols;

(ii) shall take into account the relative costs of any such code for each student; and

(iii) may include a requirement that students wear uniforms.

(L) The establishment of classes, beginning not later than grade 3, to teach students how to use computers effectively.

(M) The development of community schools that enable District of Columbia public schools to collaborate with other public and nonprofit agencies and organizations, local businesses, recreational, cultural, and other community and human service entities, for the purpose of meeting the needs and expanding the opportunities available to residents of the communities served by such schools.

(N) The establishment of programs which provide counseling, mentoring (especially peer mentoring), academic support, outreach, and supportive services to elementary, middle, and secondary school students who are at risk of dropping out of school.

(O) The establishment of a comprehensive remedial education program to assist students who do not meet basic literacy standards, or the criteria of promotion gates established in section 2321.

(P) The establishment of leadership development projects for middle school principals, which projects shall increase student learning and achievement and strengthen such principals as instructional school leaders.

(Q) The implementation of a policy for performance-based evaluation of principals and teachers, after consulta-

tion with the Superintendent and unions (including unions that represent teachers and unions that represent principals).

(R) The implementation of policies that require competitive appointments for all District of Columbia public school positions.

(S) The implementation of policies regarding alternative teacher certification requirements.

(T) The implementation of testing requirements for teacher licensing renewal.

(U) A review of the District of Columbia public school central office budget and staffing reductions for each fiscal year compared to the level of such budget and reductions at the end of fiscal year 1995.

(V) The implementation of the discipline policy for the District of Columbia public schools in order to ensure a safe, disciplined environment conducive to learning.

(2) OTHER INFORMATION.—For each of the items described in subparagraphs (A) through (V) of paragraph (1), the long-term reform plan shall include—

(A) a statement of measurable, objective performance goals;

(B) a description of the measures of performance to be used in determining whether the Superintendent and Board of Education have met the goals;

(C) dates by which the goals shall be met;

(D) plans for monitoring and reporting progress to District of Columbia residents, the Mayor, the District of Columbia Council, the Authority, the Consensus Commission, and the appropriate congressional committees regarding the carrying out of the long-term reform plan; and

(E) the title of the management employee of the District of Columbia public schools most directly responsible for the achievement of each goal and, with respect to each such employee, the title of the employee's immediate supervisor or superior.

(c) AMENDMENTS.—The Superintendent, with the approval of the Board of Education, shall submit any amendment to the long-term reform plan to the Mayor, the District of Columbia Council, the Authority, the Consensus Commission, and the appropriate congressional committees. Any amendment to the long-term reform plan shall be consistent with the financial plan and budget for fiscal year 1996, and each financial plan and budget for a subsequent fiscal year, as the case may be, for the District of Columbia required under section 201 of the District of Columbia Financial Responsibility and Management Assistance Act of 1995.

#### SEC. 2102. SUPERINTENDENT'S REPORT ON REFORMS.

Not later than December 1, 1996, the Superintendent shall submit to the appropriate congressional committees, the Board of Education, the Mayor, the Consensus Commission, and the District of Columbia Council a report regarding the progress of the District of Columbia public schools toward achieving the goals of the long-term reform plan.

**SEC. 2103. DISTRICT OF COLUMBIA COUNCIL REPORT.**

Not later than April 1, 1997, the Chairperson of the District of Columbia Council shall submit to the appropriate congressional committees a report describing legislative and other actions the District of Columbia Council has taken or will take to facilitate the implementation of the goals of the long-term reform plan.

**Subtitle B—Public Charter Schools****SEC. 2201. PROCESS FOR FILING CHARTER PETITIONS.**

(a) **EXISTING PUBLIC SCHOOL.**—An eligible applicant seeking to convert a District of Columbia public school into a public charter school—

(1) shall prepare a petition to establish a public charter school that meets the requirements of section 2202;

(2) shall provide a copy of the petition to—

(A) the parents of minor students attending the existing school;

(B) adult students attending the existing school; and

(C) employees of the existing school; and

(3) shall file the petition with an eligible chartering authority for approval after the petition—

(A) is signed by two-thirds of the sum of—

(i) the total number of parents of minor students attending the school; and

(ii) the total number of adult students attending the school; and

(B) is endorsed by at least two-thirds of full-time teachers employed in the school.

(b) **PRIVATE OR INDEPENDENT SCHOOL.**—An eligible applicant seeking to convert an existing private or independent school in the District of Columbia into a public charter school—

(1) shall prepare a petition to establish a public charter school that is approved by the Board of Trustees or authority responsible for the school and that meets the requirements of section 2202;

(2) shall provide a copy of the petition to—

(A) the parents of minor students attending the existing school;

(B) adult students attending the existing school; and

(C) employees of the existing school; and

(3) shall file the petition with an eligible chartering authority for approval after the petition—

(A) is signed by two-thirds of the sum of—

(i) the total number of parents of minor students attending the school; and

(ii) the total number of adult students attending the school; and

(B) is endorsed by at least two-thirds of full-time teachers employed in the school.

(c) **NEW SCHOOL.**—An eligible applicant seeking to establish in the District of Columbia a public charter school, but not seeking to convert a District of Columbia public school or a private or independent school into a public charter school, shall file with an eligi-

ble chartering authority for approval a petition to establish a public charter school that meets the requirements of section 2202.

(d) LIMITATIONS ON FILING.—

(1) MULTIPLE CHARTERING AUTHORITIES.—An eligible applicant may not file the same petition to establish a public charter school with more than 1 eligible chartering authority during a calendar year.

(2) MULTIPLE PETITIONS.—An eligible applicant may not file more than 1 petition to establish a public charter school during a calendar year.

**SEC. 2202. CONTENTS OF PETITION.**

A petition under section 2201 to establish a public charter school shall include the following:

(1) A statement defining the mission and goals of the proposed school and the manner in which the school will conduct any districtwide assessments.

(2) A statement of the need for the proposed school in the geographic area of the school site.

(3) A description of the proposed instructional goals and methods for the proposed school, which shall include, at a minimum—

(A) the area of focus of the proposed school, such as mathematics, science, or the arts, if the school will have such a focus;

(B) the methods that will be used, including classroom technology, to provide students with the knowledge, proficiency, and skills needed—

(i) to become nationally and internationally competitive students and educated individuals in the 21st century; and

(ii) to perform competitively on any districtwide assessments; and

(C) the methods that will be used to improve student self-motivation, classroom instruction, and learning for all students.

(4) A description of the scope and size of the proposed school's program that will enable students to successfully achieve the goals established by the school, including the grade levels to be served by the school and the projected and maximum enrollment of each grade level.

(5) A description of the plan for evaluating student academic achievement at the proposed school and the procedures for remedial action that will be used by the school when the academic achievement of a student falls below the expectations of the school.

(6) An operating budget for the first 2 years of the proposed school that is based on anticipated enrollment and contains—

(A) a description of the method for conducting annual audits of the financial, administrative, and programmatic operations of the school;

(B) either—

(i) an identification of a facility for the school, including a description of the site where the school

will be located, any buildings on the site, and any buildings proposed to be constructed on the site, and (II) information demonstrating that the eligible applicant has acquired title to, or otherwise secured the use of, the facility; or

(ii) a timetable by which an identification described in clause (i)(I) will be made, and the information described in clause (i)(II) will be submitted, to the eligible chartering authority;

(C) a description of any major contracts planned, with a value equal to or exceeding \$10,000, for equipment and services, leases, improvements, purchases of real property, or insurance; and

(D) a timetable for commencing operations as a public charter school.

(7) A description of the proposed rules and policies for governance and operation of the proposed school.

(8) Copies of the proposed articles of incorporation and by-laws of the proposed school.

(9) The names and addresses of the members of the proposed Board of Trustees and the procedures for selecting trustees.

(10) A description of the student enrollment, admission, suspension, expulsion, and other disciplinary policies and procedures of the proposed school, and the criteria for making decisions in such areas.

(11) A description of the procedures the proposed school plans to follow to ensure the health and safety of students, employees, and guests of the school and to comply with applicable health and safety laws, and all applicable civil rights statutes and regulations of the Federal Government and the District of Columbia.

(12) An explanation of the qualifications that will be required of employees of the proposed school.

(13) An identification, and a description, of the individuals and entities submitting the petition, including their names and addresses, and the names of the organizations or corporations of which such individuals are directors or officers.

(14) A description of how parents, teachers, and other members of the community have been involved in the design and will continue to be involved in the implementation of the proposed school.

(15) A description of how parents and teachers will be provided an orientation and other training to ensure their effective participation in the operation of the public charter school.

(16) An assurance the proposed school will seek, obtain, and maintain accreditation from at least one of the following:

(A) The Middle States Association of Colleges and Schools.

(B) The Association of Independent Maryland Schools.

(C) The Southern Association of Colleges and Schools.

(D) The Virginia Association of Independent Schools.

(E) American Montessori Internationale.

(F) The American Montessori Society.

(G) The National Academy of Early Childhood Programs.

(H) Any other accrediting body deemed appropriate by the eligible chartering authority that granted the charter to the school.

[(17) Repealed.]

(18) An explanation of the relationship that will exist between the public charter school and the school's employees.

(19) A statement of whether the proposed school elects to be treated as a local educational agency or a District of Columbia public school for purposes of part B of the Individuals With Disabilities Education Act (20 U.S.C. 1411 et seq.) and section 504 of the Rehabilitation Act of 1973 (20 U.S.C. 794), and notwithstanding any other provision of law the eligible chartering authority shall not have the authority to approve or disapprove such election.

**SEC. 2203. PROCESS FOR APPROVING OR DENYING PUBLIC CHARTER SCHOOL PETITIONS.**

(a) SCHEDULE.—An eligible chartering authority shall establish a schedule for receiving petitions to establish a public charter school and shall publish any such schedule in the District of Columbia Register and newspapers of general circulation.

(b) PUBLIC HEARING.—Not later than 45 days after a petition to establish a public charter school is filed with an eligible chartering authority, the eligible chartering authority shall hold a public hearing on the petition to gather the information that is necessary for the eligible chartering authority to make the decision to approve or deny the petition.

(c) NOTICE.—Not later than 10 days prior to the scheduled date of a public hearing on a petition to establish a public charter school, an eligible chartering authority—

(1) shall publish a notice of the hearing in the District of Columbia Register and newspapers of general circulation; and

(2) shall send a written notification of the hearing date to the eligible applicant who filed the petition.

(d) APPROVAL.—

(1) IN GENERAL.—Subject to subsection (i) and paragraph (2), an eligible chartering authority shall approve a petition to establish a public charter school, if—

(A) the eligible chartering authority determines that the petition satisfies the requirements of this subtitle;

(B) the eligible applicant who filed the petition agrees to satisfy any condition or requirement, consistent with this subtitle and other applicable law, that is set forth in writing by the eligible chartering authority as an amendment to the petition;

(C) the eligible chartering authority determines that the public charter school has the ability to meet the educational objectives outlined in the petition; and

(D) the approval will not cause the eligible chartering authority to exceed a limit under subsection (i).

(2) CONDITIONAL APPROVAL.—

(A) IN GENERAL.—In the case of a petition that does not contain the identification and information required under section 2202(6)(B)(i), but does contain the timetable

required under section 2202(6)(B)(ii), an eligible chartering authority may only approve the petition on a conditional basis, subject to the eligible applicant's submitting the identification and information described in section 2202(6)(B)(i) in accordance with such timetable, or any other timetable specified in writing by the eligible chartering authority in an amendment to the petition.

(B) EFFECT OF CONDITIONAL APPROVAL.—For purposes of subsections (e), (h), (i), and (j), a petition conditionally approved under this paragraph shall be treated the same as a petition approved under paragraph (1), except that on the date that such a conditionally approved petition ceases to be conditionally approved because the eligible applicant has not timely submitted the identification and information described in section 2202(6)(B)(i), the approval of the petition shall cease to be counted for purposes of subsection (i).

(e) TIMETABLE.—An eligible chartering authority shall approve or deny a petition to establish a public charter school not later than 45 days after the conclusion of the public hearing on the petition.

(f) EXTENSION.—An eligible chartering authority and an eligible applicant may agree to extend the 45-day time period referred to in subsection (e) by a period that shall not exceed 30 days.

(g) DENIAL EXPLANATION.—If an eligible chartering authority denies a petition or finds the petition to be incomplete, the eligible chartering authority shall specify in writing the reasons for its decision and indicate, when the eligible chartering authority determines appropriate, how the eligible applicant who filed the petition may revise the petition to satisfy the requirements for approval.

(h) APPROVED PETITION.—

(1) NOTICE.—Not later than 10 days after an eligible chartering authority approves a petition to establish a public charter school, the eligible chartering authority shall provide a written notice of the approval, including a copy of the approved petition and any conditions or requirements agreed to under subsection (d), to the eligible applicant and to the Chief Financial Officer of the District of Columbia. The eligible chartering authority shall publish a notice of the approval of the petition in the District of Columbia Register and newspapers of general circulation.

(2) CHARTER.—The provisions described in paragraphs (1), (7), (8), (11), (16), and (18) of section 2202 of a petition to establish a public charter school that are approved by an eligible chartering authority, together with any amendments to such provisions in the petition containing conditions or requirements agreed to by the eligible applicant under subsection (d), shall be considered a charter granted to the school by the eligible chartering authority.

(i) NUMBER OF PETITIONS.—

(1) FIRST YEAR.—During calendar year 1996, not more than 10 petitions to establish public charter schools may be approved under this subtitle.

(2) SUBSEQUENT YEARS.—

(A)<sup>2</sup> IN GENERAL.—

(i) ANNUAL LIMIT.—Subject to subparagraph (B) and clause (ii), during calendar year 1997, and during each subsequent calendar year, each eligible chartering authority shall not approve more than 10 petitions to establish a public charter school under this subtitle.

(ii) TIMETABLE.—Any petition approved under clause (i) shall be approved during an application approval period that terminates on April 1 of each year. Such an approval period may commence before or after January 1 of the calendar year in which it terminates, except that any petition approved at any time during such an approval period shall count, for purposes of clause (i), against the total number of petitions approved during the calendar year in which the approval period terminates.

(B) EXCEPTION.—If, by April 1 of any calendar year after 1996, an eligible chartering authority has approved fewer than 10 petitions during such calendar year, any other eligible chartering authority may approve more than 10 petitions during such calendar year, but only if—

(i) the eligible chartering authority completes the approval of any such additional petition before June 1 of the year; and

(ii) the approval of any such additional petition will not cause the total number of petitions approved by all eligible chartering authorities during the calendar year to exceed 20.

(j) AUTHORITY OF ELIGIBLE CHARTERING AUTHORITY.—

(1) IN GENERAL.—Except as provided in paragraph (2), and except for officers or employees of the eligible chartering authority with which a petition to establish a public charter school is filed, no governmental entity, elected official, or employee of the District of Columbia shall make, participate in making, or intervene in the making of, the decision to approve or deny such a petition.

(2) AVAILABILITY OF REVIEW.—A decision by an eligible chartering authority to deny a petition to establish a public charter school shall be subject to judicial review by an appropriate court of the District of Columbia.

**SEC. 2204. DUTIES, POWERS, AND OTHER REQUIREMENTS, OF PUBLIC CHARTER SCHOOLS.**

(a) DUTIES.—A public charter school shall comply with all of the terms and provisions of its charter.

(b) POWERS.—A public charter school shall have the following powers:

(1) To adopt a name and corporate seal, but only if the name selected includes the words “public charter school”.

(2) To acquire real property for use as the public charter school’s facilities, from public or private sources.

(3) To receive and disburse funds for public charter school purposes.

<sup>2</sup>The margins so in law. Probably should be moved two ems to the right.

(4) Subject to subsection (c)(1), to secure appropriate insurance and to make contracts and leases, including agreements to procure or purchase services, equipment, and supplies.

(5) To incur debt in reasonable anticipation of the receipt of funds from the general fund of the District of Columbia or the receipt of Federal or private funds.

(6) To solicit and accept any grants or gifts for public charter school purposes, if the public charter school—

(A) does not accept any grants or gifts subject to any condition contrary to law or contrary to its charter; and

(B) maintains for financial reporting purposes separate accounts for grants or gifts.

(7) To be responsible for the public charter school's operation, including preparation of a budget and personnel matters.

(8) To sue and be sued in the public charter school's own name.

(c) PROHIBITIONS AND OTHER REQUIREMENTS.—

(1) CONTRACTING AUTHORITY.—

(A) NOTICE REQUIREMENT FOR PROCUREMENT CONTRACTS.—

(i) IN GENERAL.—Except in the case of an emergency (as determined by the eligible chartering authority of a public charter school), with respect to any procurement contract proposed to be awarded by the public charter school and having a value equal to or exceeding \$25,000, the school shall publish a notice of a request for proposals in the District of Columbia Register and newspapers of general circulation not less than 7 days prior to the award of the contract.

(ii) EXCEPTION FOR CERTAIN CONTRACTS.—The notice requirement of clause (i) shall not apply with respect to any contract for the lease or purchase of real property by a public charter school, any employment contract for a staff member of a public charter school, or any management contract entered into by a public charter school and the management company designated in its charter or its petition for a revised charter.

(B) SUBMISSION TO THE ELIGIBLE CHARTERING AUTHORITY.—

(i) DEADLINE FOR SUBMISSION.—With respect to any contract described in subparagraph (A) that is awarded by a public charter school, the school shall submit to the eligible chartering authority, not later than 3 days after the date on which the award is made, all bids for the contract received by the school, the name of the contractor who is awarded the contract, and the rationale for the award of the contract.

(ii) EFFECTIVE DATE OF CONTRACT.—A contract described in subparagraph (A) shall become effective on the date that is 10 days after the date the school makes the submission under clause (i) with respect to the contract, or the effective date specified in the contract, whichever is later.

(2) TUITION, FEES, AND PAYMENTS.—

(A) PROHIBITION.—A public charter school may not, with respect to any student other than a nonresident student, charge tuition, impose fees, or otherwise require payment for participation in any program, educational offering, or activity that—

(i) enrolls students in any grade from kindergarten through grade 12; or

(ii) is funded in whole or part through an annual local appropriation.

(B) EXCEPTION.—A public charter school may impose fees or otherwise require payment, at rates established by the Board of Trustees of the school, for any program, educational offering, or activity not described in clause (i) or (ii) of subparagraph (A), including adult education programs, or for field trips or similar activities.

(3) CONTROL.—A public charter school—

(A) shall exercise exclusive control over its expenditures, administration, personnel, and instructional methods, within the limitations imposed in this subtitle; and

(B) shall be exempt from District of Columbia statutes, policies, rules, and regulations established for the District of Columbia public schools by the Superintendent, Board of Education, Mayor, District of Columbia Council, or Authority, except as otherwise provided in the school's charter or this subtitle.

(4) HEALTH AND SAFETY.—A public charter school shall maintain the health and safety of all students attending such school.

(5) CIVIL RIGHTS AND IDEA.—The Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.), and the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.), shall apply to a public charter school.

(6) GOVERNANCE.—A public charter school shall be governed by a Board of Trustees in a manner consistent with the charter granted to the school and the provisions of this subtitle.

(7) OTHER STAFF.—No employee of the District of Columbia public schools may be required to accept employment with, or be assigned to, a public charter school.

(8) OTHER STUDENTS.—No student enrolled in a District of Columbia public school may be required to attend a public charter school.

(9) TAXES OR BONDS.—A public charter school shall not levy taxes or issue bonds.

(10) CHARTER REVISION.—A public charter school seeking to revise its charter shall prepare a petition for approval of the revision and file the petition with the eligible chartering authority that granted the charter. The provisions of section 2203 shall apply to such a petition in the same manner as such provisions apply to a petition to establish a public charter school.

(11) ANNUAL REPORT.—

(A) IN GENERAL.—A public charter school shall submit an annual report to the eligible chartering authority that approved its charter. The school shall permit a member of the public to review any such report upon request.

(B) CONTENTS.—A report submitted under subparagraph (A) shall include the following data:

(i) A report on the extent to which the school is meeting its mission and goals as stated in the petition for the charter school.

(ii) Student performance on any districtwide assessments.

(iii) Grade advancement for students enrolled in the public charter school.

(iv) Graduation rates, college admission test scores, and college admission rates, if applicable.

(v) Types and amounts of parental involvement.

(vi) Official student enrollment.

(vii) Average daily attendance.

(viii) Average daily membership.

(ix) A financial statement audited by an independent certified public accountant in accordance with Government auditing standards for financial audits issued by the Comptroller General of the United States.

(x) A report on school staff indicating the qualifications and responsibilities of such staff.

(xi) A list of all donors and grantors that have contributed monetary or in-kind donations having a value equal to or exceeding \$500 during the year that is the subject of the report.

(C) NONIDENTIFYING DATA.—Data described in clauses (i) through (ix) of subparagraph (B) that are included in an annual report shall not identify the individuals to whom the data pertain.

(12) CENSUS.—A public charter school shall provide to the Board of Education student enrollment data necessary for the Board of Education to comply with section 3 of article II of the Act of February 4, 1925 (D.C. Code, sec. 31-404) (relating to census of minors).

(13) COMPLAINT RESOLUTION PROCESS.—A public charter school shall establish an informal complaint resolution process.

(14) PROGRAM OF EDUCATION.—A public charter school shall provide a program of education which shall include one or more of the following:

(A) Preschool.

(B) Prekindergarten.

(C) Any grade or grades from kindergarten through grade 12.

(D) Residential education.

(E) Adult, community, continuing, and vocational education programs.

(15) NONSECTARIAN NATURE OF SCHOOLS.—A public charter school shall be nonsectarian and shall not be affiliated with a sectarian school or religious institution.

(16) **NONPROFIT STATUS OF SCHOOL.**—A public charter school shall be organized under the District of Columbia Non-profit Corporation Act (D.C. Code, sec. 29–501 et seq.).

(17) **IMMUNITY FROM CIVIL LIABILITY.**—

(A) **IN GENERAL.**—A public charter school, and its incorporators, Board of Trustees, officers, employees, and volunteers, shall be immune from civil liability, both personally and professionally, for any act or omission within the scope of their official duties unless the act or omission—

- (i) constitutes gross negligence;
- (ii) constitutes an intentional tort; or
- (iii) is criminal in nature.

(B) **COMMON LAW IMMUNITY PRESERVED.**—Subparagraph (A) shall not be construed to abrogate any immunity under common law of a person described in such subparagraph.

(18) **LICENSING AS CHILD DEVELOPMENT CENTER.**—A public charter school which offers a preschool or prekindergarten program shall be subject to the same child care licensing requirements (if any) which apply to a District of Columbia public school which offers such a program.

**SEC. 2205. BOARD OF TRUSTEES OF A PUBLIC CHARTER SCHOOL.**

(a) **BOARD OF TRUSTEES.**—The members of a Board of Trustees of a public charter school shall be elected or selected pursuant to the charter granted to the school. Such Board of Trustees shall have an odd number of members that does not exceed 15, of which—

- (1) a majority shall be residents of the District of Columbia; and
- at least 2 shall be parents of a student attending the school.

(b) **ELIGIBILITY.**—An individual is eligible for election or selection to the Board of Trustees of a public charter school if the person—

- (1) is a teacher or staff member who is employed at the school;
- (2) is a parent of a student attending the school; or
- (3) meets the election or selection criteria set forth in the charter granted to the school.

(c) **ELECTION OR SELECTION OF PARENTS.**—In the case of the first Board of Trustees of a public charter school to be elected or selected after the date on which the school is granted a charter, the election or selection of the members under subsection (a)(2) shall occur on the earliest practicable date after classes at the school have commenced. Until such date, any other members who have been elected or selected shall serve as an interim Board of Trustees. Such an interim Board of Trustees may exercise all of the powers, and shall be subject to all of the duties, of a Board of Trustees.

(d) **FIDUCIARIES.**—The Board of Trustees of a public charter school shall be fiduciaries of the school and shall set overall policy for the school. The Board of Trustees may make final decisions on matters related to the operation of the school, consistent with the

charter granted to the school, this subtitle, and other applicable law.

**SEC. 2206. STUDENT ADMISSION, ENROLLMENT, AND WITHDRAWAL.**

(a) OPEN ENROLLMENT.—Enrollment in a public charter school shall be open to all students who are residents of the District of Columbia and, if space is available, to nonresident students who meet the tuition requirement in subsection (e).

(b) CRITERIA FOR ADMISSION.—A public charter school may not limit enrollment on the basis of a student's race, color, religion, national origin, language spoken, intellectual or athletic ability, measures of achievement or aptitude, or status as a student with special needs. A public charter school may limit enrollment to specific grade levels.

(c) RANDOM SELECTION.—If there are more applications to enroll in a public charter school from students who are residents of the District of Columbia than there are spaces available, students shall be admitted using a random selection process, except that a preference in admission may be given to an applicant who is a sibling of a student already attending or selected for admission to the public charter school in which the applicant is seeking enrollment.<sup>3</sup>

(d) ADMISSION TO AN EXISTING SCHOOL.—During the 5-year period beginning on the date that a petition, filed by an eligible applicant seeking to convert a District of Columbia public school or a private or independent school into a public charter school, is approved, the school may give priority in enrollment to—

(1) students enrolled in the school at the time the petition is granted;

(2) the siblings of students described in paragraph (1); and

(3) in the case of the conversion of a District of Columbia public school, students who reside within the attendance boundaries, if any, in which the school is located.

(e) NONRESIDENT STUDENTS.—Nonresident students shall pay tuition to attend a public charter school at the applicable rate established for District of Columbia public schools administered by the Board of Education for the type of program in which the student is enrolled.

(f) STUDENT WITHDRAWAL.—A student may withdraw from a public charter school at any time and, if otherwise eligible, enroll in a District of Columbia public school administered by the Board of Education.

(g) EXPULSION AND SUSPENSION.—The principal of a public charter school may expel or suspend a student from the school based on criteria set forth in the charter granted to the school.

**SEC. 2207. EMPLOYEES.**

(a) EXTENDED LEAVE OF ABSENCE WITHOUT PAY.—

(1) LEAVE OF ABSENCE FROM DISTRICT OF COLUMBIA PUBLIC SCHOOLS.—The Superintendent shall grant, upon request, an extended leave of absence, without pay, to an employee of the District of Columbia public schools for the purpose of permit-

<sup>3</sup>The amendment made by section 156 of Public Law 106-113 (113 Stat. 1526) added an extra period.

ting the employee to accept a position at a public charter school for a 2-year term.

(2) REQUEST FOR EXTENSION.—At the end of a 2-year term referred to in paragraph (1), an employee granted an extended leave of absence without pay under such paragraph may submit a request to the Superintendent for an extension of the leave of absence for an unlimited number of 2-year terms. The Superintendent may not unreasonably (as determined by the eligible chartering authority) withhold approval of the request.

(3) RIGHTS UPON TERMINATION OF LEAVE.—An employee granted an extended leave of absence without pay for the purpose described in paragraph (1) or (2) shall have the same rights and benefits under law upon termination of such leave of absence as an employee of the District of Columbia public schools who is granted an extended leave of absence without pay for any other purpose.

(b) RETIREMENT SYSTEM.—

(1) CREDITABLE SERVICE.—An employee of a public charter school who has received a leave of absence under subsection (a) shall receive creditable service, as defined in section 2604 of D.C. Law 2-139, effective March 3, 1979 (D.C. Code, sec. 1-627.4) and the rules established under such section, for the period of the employee's employment at the public charter school.

(2) AUTHORITY TO ESTABLISH SEPARATE SYSTEM.—A public charter school may establish a retirement system for employees under its authority.

(3) ELECTION OF RETIREMENT SYSTEM.—A former employee of the District of Columbia public schools who becomes an employee of a public charter school within 60 days after the date the employee's employment with the District of Columbia public schools is terminated may, at the time the employee commences employment with the public charter school, elect—

(A) to remain in a District of Columbia Government retirement system and continue to receive creditable service for the period of their employment at a public charter school; or

(B) to transfer into a retirement system established by the public charter school pursuant to paragraph (2).

(4) PROHIBITED EMPLOYMENT CONDITIONS.—No public charter school may require a former employee of the District of Columbia public schools to transfer to the public charter school's retirement system as a condition of employment.

(5) CONTRIBUTIONS.—

(A) EMPLOYEES ELECTING NOT TO TRANSFER.—In the case of a former employee of the District of Columbia public schools who elects to remain in a District of Columbia Government retirement system pursuant to paragraph (3)(A), the public charter school that employs the person shall make the same contribution to such system on behalf of the person as the District of Columbia would have been required to make if the person had continued to be an employee of the District of Columbia public schools.

(B) EMPLOYEES ELECTING TO TRANSFER.—In the case of a former employee of the District of Columbia public schools who elects to transfer into a retirement system of

a public charter school pursuant to paragraph (3)(B), the applicable District of Columbia Government retirement system from which the former employee is transferring shall compute the employee's contribution to that system and transfer this amount, to the retirement system of the public charter school.

(c) EMPLOYMENT STATUS.—Notwithstanding any other provision of law and except as provided in this section, an employee of a public charter school shall not be considered to be an employee of the District of Columbia Government for any purpose.

**SEC. 2208. REDUCED FARES FOR PUBLIC TRANSPORTATION.**

A student attending a public charter school shall be eligible for reduced fares on the Metrobus and Metrorail Transit System on the same terms and conditions as are applicable under section 2 of D.C. Law 2-152, effective March 9, 1979 (D.C. Code, sec. 44-216 et seq.), to a student attending a District of Columbia public school.

**SEC. 2209. DISTRICT OF COLUMBIA PUBLIC SCHOOL SERVICES TO PUBLIC CHARTER SCHOOLS.**

(a) IN GENERAL.—The Superintendent may provide services, such as facilities maintenance, to public charter schools. All compensation for costs of such services shall be subject to negotiation and mutual agreement between a public charter school and the Superintendent.

(b) PREFERENCE IN LEASING OR PURCHASING PUBLIC SCHOOL FACILITIES.—

(1) FORMER PUBLIC SCHOOL PROPERTY.—

(A) IN GENERAL.—Notwithstanding any other provision of law relating to the disposition of a facility or property described in subparagraph (B), the Mayor and the District of Columbia Government shall give preference to an eligible applicant whose petition to establish a public charter school has been conditionally approved under section 2203(d)(2), or a Board of Trustees, with respect to the purchase or lease of a facility or property described in subparagraph (B), provided that doing so will not result in a significant loss of revenue that might be obtained from other dispositions or uses of the facility or property.

(B) PROPERTY DESCRIBED.—A facility or property referred to in subparagraph (A) is a facility, or real property—

(i) that formerly was under the jurisdiction of the Board of Education;

(ii) that the Board of Education has determined is no longer needed for purposes of operating a District of Columbia public school; and

(iii) with respect to which the Board of Education has transferred jurisdiction to the Mayor.

(2) CURRENT PUBLIC SCHOOL PROPERTY.—

(A) IN GENERAL.—Notwithstanding any other provision of law relating to the disposition of a facility or property described in subparagraph (B), the Mayor and the District of Columbia Government shall give preference to an eligible applicant whose petition to establish a public charter school has been conditionally approved under section

2203(d)(2), or a Board of Trustees, in leasing, or otherwise contracting for the use of, a facility or property described in subparagraph (B).

(B) PROPERTY DESCRIBED.—A facility or property referred to in subparagraph (A) is a facility, real property, or a designated area of a facility or real property, that—

(i) is under the jurisdiction of the Board of Education; and

(ii) is available for use because the Board of Education is not using, for educational, administrative, or other purposes, the facility, real property, or designated area.

**SEC. 2210. APPLICATION OF LAW.**

(a) ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—

(1) TREATMENT AS LOCAL EDUCATIONAL AGENCY.—

(A) IN GENERAL.—For any fiscal year, a public charter school shall be considered to be a local educational agency for purposes of part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.), and shall be eligible for assistance under such part, if the fraction the numerator of which is the number of low-income students enrolled in the public charter school during the fiscal year preceding the fiscal year for which the determination is made and the denominator of which is the total number of students enrolled in such public charter school for such preceding year, is equal to or greater than the lowest fraction determined for any District of Columbia public school receiving assistance under such part A where the numerator is the number of low-income students enrolled in such public school for such preceding year and the denominator is the total number of students enrolled in such public school for such preceding year.

(B) DEFINITION.—For the purposes of this subsection, the term “low-income student” means a student from a low-income family determined according to the measure adopted by the District of Columbia to carry out the provisions of part A of title I of the Elementary and Secondary Education Act of 1965 that is consistent with the measures described in section 1113(a)(5) of such Act (20 U.S.C. 6313(a)(5)) for the fiscal year for which the determination is made.

(2) ALLOCATION FOR FISCAL YEARS 1996 THROUGH 1998.—

(A) PUBLIC CHARTER SCHOOLS.—For fiscal years 1996 through 1998, each public charter school that is eligible to receive assistance under part A of title I of the Elementary and Secondary Education Act of 1965 shall receive a portion of the District of Columbia’s total allocation under such part which bears the same ratio to such total allocation as the number described in subparagraph (C) bears to the number described in subparagraph (D).

(B) DISTRICT OF COLUMBIA PUBLIC SCHOOLS.—For fiscal years 1996 through 1998, the District of Columbia public schools shall receive a portion of the District of Columbia’s total allocation under part A of title I of the Elemen-

tary and Secondary Education Act of 1965 which bears the same ratio to such total allocation as the total of the numbers described in clauses (ii) and (iii) of subparagraph (D) bears to the aggregate total described in subparagraph (D).

(C) NUMBER OF ELIGIBLE STUDENTS ENROLLED IN THE PUBLIC CHARTER SCHOOL.—The number described in this subparagraph is the number of low-income students enrolled in the public charter school during the fiscal year preceding the fiscal year for which the determination is made.

(D) AGGREGATE NUMBER OF ELIGIBLE STUDENTS.—The number described in this subparagraph is the aggregate total of the following numbers:

(i) The number of low-income students who, during the fiscal year preceding the fiscal year for which the determination is made, were enrolled in a public charter school.

(ii) The number of low-income students who, during the fiscal year preceding the fiscal year for which the determination is made, were enrolled in a District of Columbia public school selected to provide services under part A of title I of the Elementary and Secondary Education Act of 1965.

(iii) The number of low-income students who, during the fiscal year preceding the fiscal year for which the determination is made—

(I) were enrolled in a private or independent school; and

(II) resided in an attendance area of a District of Columbia public school selected to provide services under part A of title I of the Elementary and Secondary Education Act of 1965.

(3) ALLOCATION FOR FISCAL YEAR 1999 AND THEREAFTER.—

(A) CALCULATION BY SECRETARY.—Notwithstanding sections 1124(a)(2), 1124A(a)(4), and 1125(d) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6333(a)(2), 6334(a)(4), and 6335(d)), for fiscal year 1999 and each fiscal year thereafter, the total allocation under part A of title I of such Act for all local educational agencies in the District of Columbia, including public charter schools that are eligible to receive assistance under such part, shall be calculated by the Secretary of Education. In making such calculation, such Secretary shall treat all such local educational agencies as if such agencies were a single local educational agency for the District of Columbia.

(B) ALLOCATION.—

(i) PUBLIC CHARTER SCHOOLS.—For fiscal year 1999 and each fiscal year thereafter, each public charter school that is eligible to receive assistance under part A of title I of the Elementary and Secondary Education Act of 1965 shall receive a portion of the total allocation calculated under subparagraph (A) which bears the same ratio to such total allocation as the

number described in paragraph (2)(C) bears to the aggregate total described in paragraph (2)(D).

(ii) DISTRICT OF COLUMBIA PUBLIC SCHOOL.—For fiscal year 1999 and each fiscal year thereafter, the District of Columbia public schools shall receive a portion of the total allocation calculated under subparagraph (A) which bears the same ratio to such total allocation as the total of the numbers described in clauses (ii) and (iii) of paragraph (2)(D) bears to the aggregate total described in paragraph (2)(D).

(4) USE OF ESEA FUNDS.—The Board of Education may not direct a public charter school in the school's use of funds under part A of title I of the Elementary and Secondary Education Act of 1965.

(5) ESEA REQUIREMENTS.—Except as provided in paragraph (6), a public charter school receiving funds under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) shall comply with all requirements applicable to schools receiving such funds.

(6) INAPPLICABILITY OF CERTAIN ESEA PROVISIONS.—The following provisions of the Elementary and Secondary Education Act of 1965 shall not apply to a public charter school:

(A) Paragraphs (5) and (8) of section 1112(b) (20 U.S.C. 6312(b)).

(B) Paragraphs (1)(A), (1)(B), (1)(C), (1)(D), (1)(F), (1)(H), and (3) of section 1112(c) (20 U.S.C. 6312(c)).

(C) Section 1113 (20 U.S.C. 6313).

(D) Section 1115A (20 U.S.C. 6316).

(E) Subsections (a), (b), and (c) of section 1116 (20 U.S.C. 6317).

(F) Subsections (d) and (e) of section 1118 (20 U.S.C. 6319).

(G) Section 1120 (20 U.S.C. 6321).

(H) Subsections (a) and (c) of section 1120A (20 U.S.C. 6322).

(I) Section 1126 (20 U.S.C. 6337).

(b) PROPERTY AND SALES TAXES.—A public charter school shall be exempt from District of Columbia property and sales taxes.

(c) EDUCATION OF CHILDREN WITH DISABILITIES.—Notwithstanding any other provision of this title, each public charter school shall elect to be treated as a local educational agency or a District of Columbia public school for the purpose of part B of the Individuals With Disabilities Education Act (20 U.S.C. 1411 et seq.) and section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

(d) WAIVER OF APPLICATION OF DUPLICATE AND CONFLICTING PROVISIONS.—Notwithstanding any other provision of law, and except as otherwise provided in this title, no provision of any law regarding the establishment, administration, or operation of public charter schools in the District of Columbia shall apply with respect to a public charter school or an eligible chartering authority to the extent that the provision duplicates or is inconsistent with any provision of this title.

(e) PARTICIPATION IN GSA PROGRAMS.—

(1) IN GENERAL.—Notwithstanding any provision of this Act or any other provision of law, a public charter school may

acquire goods and services through the General Services Administration and may participate in programs of the Administration in the same manner and to the same extent as any entity of the District of Columbia government.

(2) PARTICIPATION BY CERTAIN ORGANIZATIONS.—A public charter school may delegate to a nonprofit, tax-exempt organization in the District of Columbia the public charter school's authority under paragraph (1).

**SEC. 2211. POWERS AND DUTIES OF ELIGIBLE CHARTERING AUTHORITIES.**

(a) OVERSIGHT.—

(1) IN GENERAL.—An eligible chartering authority—

(A) shall monitor the operations of each public charter school to which the eligible chartering authority has granted a charter;

(B) shall ensure that each such school complies with applicable laws and the provisions of the charter granted to such school; and

(C) shall monitor the progress of each such school in meeting student academic achievement expectations specified in the charter granted to such school.

(2) PRODUCTION OF BOOKS AND RECORDS.—An eligible chartering authority may require a public charter school to which the eligible chartering authority has granted a charter to produce any book, record, paper, or document, if the eligible chartering authority determines that such production is necessary for the eligible chartering authority to carry out its functions under this subtitle.

(b) FEES.—

(1) APPLICATION FEE.—An eligible chartering authority may charge an eligible applicant a fee, not to exceed \$150, for processing a petition to establish a public charter school.

(2) ADMINISTRATION FEE.—In the case of an eligible chartering authority that has granted a charter to a public charter school, the eligible chartering authority may charge the school a fee, not to exceed one-half of one percent of the annual budget of the school, to cover the cost of undertaking the ongoing administrative responsibilities of the eligible chartering authority with respect to the school that are described in this subtitle. The school shall pay the fee to the eligible chartering authority not later than November 15 of each year.

(c) IMMUNITY FROM CIVIL LIABILITY.—

(1) IN GENERAL.—An eligible chartering authority, the Board of Trustees of such an eligible chartering authority, and a director, officer, employee, or volunteer of such an eligible chartering authority, shall be immune from civil liability, both personally and professionally, for any act or omission within the scope of their official duties unless the act or omission—

(A) constitutes gross negligence;

(B) constitutes an intentional tort; or

(C) is criminal in nature.

(2) COMMON LAW IMMUNITY PRESERVED.—Paragraph (1) shall not be construed to abrogate any immunity under common law of a person described in such paragraph.

(d) ANNUAL REPORT.—On or before July 30 of each year, each eligible chartering authority that issues a charter under this subtitle shall submit a report to the Mayor, the District of Columbia Council, the Board of Education, the Secretary of Education, the appropriate congressional committees, and the Consensus Commission that includes the following information:

(1) A list of the members of the eligible chartering authority and the addresses of such members.

(2) A list of the dates and places of each meeting of the eligible chartering authority during the year preceding the report.

(3) The number of petitions received by the eligible chartering authority for the conversion of a District of Columbia public school or a private or independent school to a public charter school, and for the creation of a new school as a public charter school.

(4) The number of petitions described in paragraph (3) that were approved and the number that were denied, as well as a summary of the reasons for which such petitions were denied.

(5) A description of any new charters issued by the eligible chartering authority during the year preceding the report.

(6) A description of any charters renewed by the eligible chartering authority during the year preceding the report.

(7) A description of any charters revoked by the eligible chartering authority during the year preceding the report.

(8) A description of any charters refused renewal by the eligible chartering authority during the year preceding the report.

(9) Any recommendations the eligible chartering authority has concerning ways to improve the administration of public charter schools.

#### SEC. 2212. CHARTER RENEWAL.

(a) TERMS.—

(1) INITIAL TERM.—A charter granted to a public charter school shall remain in force for a 15-year period.

(2) RENEWALS.—A charter may be renewed for an unlimited number of times, each time for a 15-year period.

(3) REVIEW.—An eligible chartering authority that grants or renews a charter pursuant to paragraph (1) or (2) shall review the charter—

(A) at least once every 5 years to determine whether the charter should be revoked for the reasons described in subsection (a)(1)(A) or (b) of section 2213 in accordance with the procedures for such revocation established under section 2213(c); and

(B) once every 5 years, beginning on the date that is 5 years after the date on which the charter is granted or renewed, to determine whether the charter should be revoked for the reasons described in section 2213(a)(1)(B) in accordance with the procedures for such revocation established under section 2213(c).

(b) APPLICATION FOR CHARTER RENEWAL.—In the case of a public charter school that desires to renew its charter, the Board of Trustees of the school shall file an application to renew the charter

with the eligible chartering authority that granted the charter not later than 120 days nor earlier than 365 days before the expiration of the charter. The application shall contain the following:

(1) A report on the progress of the public charter school in achieving the goals, student academic achievement expectations, and other terms of the approved charter.

(2) All audited financial statements for the public charter school for the preceding 4 years.

(c) APPROVAL OF CHARTER RENEWAL APPLICATION.—The eligible chartering authority that granted a charter shall approve an application to renew the charter that is filed in accordance with subsection (b), except that the eligible chartering authority shall not approve such application if the eligible chartering authority determines that—

(1) the school committed a material violation of applicable laws or a material violation of the conditions, terms, standards, or procedures set forth in its charter, including violations relating to the education of children with disabilities; or

(2) the school failed to meet the goals and student academic achievement expectations set forth in its charter.

(d) PROCEDURES FOR CONSIDERATION OF CHARTER RENEWAL.—

(1) NOTICE OF RIGHT TO HEARING.—An eligible chartering authority that has received an application to renew a charter that is filed by a Board of Trustees in accordance with subsection (b) shall provide to the Board of Trustees written notice of the right to an informal hearing on the application. The eligible chartering authority shall provide the notice not later than 15 days after the date on which the eligible chartering authority received the application.

(2) REQUEST FOR HEARING.—Not later than 15 days after the date on which a Board of Trustees receives a notice under paragraph (1), the Board of Trustees may request, in writing, an informal hearing on the application before the eligible chartering authority.

(3) DATE AND TIME OF HEARING.—

(A) NOTICE.—Upon receiving a timely written request for a hearing under paragraph (2), an eligible chartering authority shall set a date and time for the hearing and shall provide reasonable notice of the date and time, as well as the procedures to be followed at the hearing, to the Board of Trustees.

(B) DEADLINE.—An informal hearing under this subsection shall take place not later than 30 days after an eligible chartering authority receives a timely written request for the hearing under paragraph (2).

(4) FINAL DECISION.—

(A) DEADLINE.—An eligible chartering authority shall render a final decision, in writing, on an application to renew a charter—

(i) not later than 30 days after the date on which the eligible chartering authority provided the written notice of the right to a hearing, in the case of an application with respect to which such a hearing is not held; and

(ii) not later than 30 days after the date on which the hearing is concluded, in the case of an application with respect to which a hearing is held.

(B) REASONS FOR NONRENEWAL.—An eligible chartering authority that denies an application to renew a charter shall state in its decision the reasons for denial.

(5) ALTERNATIVES UPON NONRENEWAL.—If an eligible chartering authority denies an application to renew a charter granted to a public charter school, the Board of Education may—

(A) manage the school directly until alternative arrangements can be made for students at the school; or

(B) place the school in a probationary status that requires the school to take remedial actions, to be determined by the Board of Education, that directly relate to the grounds for the denial.

(6) JUDICIAL REVIEW.—A decision by an eligible chartering authority to deny an application to renew a charter shall be subject to judicial review by an appropriate court of the District of Columbia.

#### SEC. 2213. CHARTER REVOCATION.

(a) CHARTER OR LAW VIOLATIONS; FAILURE TO MEET GOALS.—

(1) IN GENERAL.—Subject to paragraph (2), an eligible chartering authority that has granted a charter to a public charter school may revoke the charter if the eligible chartering authority determines that the school—

(A) committed a violation of applicable laws or a material violation of the conditions, terms, standards, or procedures set forth in the charter, including violations relating to the education of children with disabilities; or

(B) failed to meet the goals and student academic achievement expectations set forth in the charter.

(2) SPECIAL RULE.—An eligible chartering authority may not revoke a charter under paragraph (1)(B), except pursuant to a determination made through a review conducted under section 2212(a)(3)(B).

(b) FISCAL MISMANAGEMENT.—An eligible chartering authority that has granted a charter to a public charter school shall revoke the charter if the eligible chartering authority determines that the school—

(1) has engaged in a pattern of nonadherence to generally accepted accounting principles;

(2) has engaged in a pattern of fiscal mismanagement; or

(3) is no longer economically viable.

(c) PROCEDURES FOR CONSIDERATION OF REVOCATION.—

(1) NOTICE OF RIGHT TO HEARING.—An eligible chartering authority that is proposing to revoke a charter granted to a public charter school shall provide to the Board of Trustees of the school a written notice stating the reasons for the proposed revocation. The notice shall inform the Board of Trustees of the right of the Board of Trustees to an informal hearing on the proposed revocation.

(2) REQUEST FOR HEARING.—Not later than 15 days after the date on which a Board of Trustees receives a notice under

paragraph (1), the Board of Trustees may request, in writing, an informal hearing on the proposed revocation before the eligible chartering authority.

(3) DATE AND TIME OF HEARING.—

(A) NOTICE.—Upon receiving a timely written request for a hearing under paragraph (2), an eligible chartering authority shall set a date and time for the hearing and shall provide reasonable notice of the date and time, as well as the procedures to be followed at the hearing, to the Board of Trustees.

(B) DEADLINE.—An informal hearing under this subsection shall take place not later than 30 days after an eligible chartering authority receives a timely written request for the hearing under paragraph (2).

(4) FINAL DECISION.—

(A) DEADLINE.—An eligible chartering authority shall render a final decision, in writing, on the revocation of a charter—

(i) not later than 30 days after the date on which the eligible chartering authority provided the written notice of the right to a hearing, in the case of a proposed revocation with respect to which such a hearing is not held; and

(ii) not later than 30 days after the date on which the hearing is concluded, in the case of a proposed revocation with respect to which a hearing is held.

(B) REASONS FOR REVOCATION.—An eligible chartering authority that revokes a charter shall state in its decision the reasons for the revocation.

(5) ALTERNATIVES UPON REVOCATION.—If an eligible chartering authority revokes a charter granted to a public charter school, the Board of Education may manage the school directly until alternative arrangements can be made for students at the school.

(6) JUDICIAL REVIEW.—

(A) AVAILABILITY OF REVIEW.—A decision by an eligible chartering authority to revoke a charter shall be subject to judicial review by an appropriate court of the District of Columbia.

(B) STANDARD OF REVIEW.—A decision by an eligible chartering authority to revoke a charter shall be upheld unless the decision is arbitrary and capricious or clearly erroneous.

#### SEC. 2214. PUBLIC CHARTER SCHOOL BOARD.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There is established within the District of Columbia Government a Public Charter School Board (in this section referred to as the “Board”).

(2) MEMBERSHIP.—The Secretary of Education shall present the Mayor a list of 15 individuals the Secretary determines are qualified to serve on the Board. The Mayor, in consultation with the District of Columbia Council, shall appoint 7 individuals from the list to serve on the Board. The Secretary of Education shall recommend, and the Mayor shall appoint,

members to serve on the Board so that a knowledge of each of the following areas is represented on the Board:

(A) Research about and experience in student learning, quality teaching, and evaluation of and accountability in successful schools.

(B) The operation of a financially sound enterprise, including leadership and management techniques, as well as the budgeting and accounting skills critical to the startup of a successful enterprise.

(C) The educational, social, and economic development needs of the District of Columbia.

(D) The needs and interests of students and parents in the District of Columbia, as well as methods of involving parents and other members of the community in individual schools.

(3) VACANCIES.—

(A) OTHER THAN FROM EXPIRATION OF TERM.—Where a vacancy occurs in the membership of the Board for reasons other than the expiration of the term of a member of the Board, the Secretary of Education, not later than 30 days after the vacancy occurs, shall present to the Mayor a list of 3 people the Secretary determines are qualified to serve on the Board. The Mayor, in consultation with the District of Columbia Council, shall appoint 1 person from the list to serve on the Board. The Secretary shall recommend, and the Mayor shall appoint, such member of the Board taking into consideration the criteria described in paragraph (2). Any member appointed to fill a vacancy occurring prior to the expiration of the term of a predecessor shall be appointed only for the remainder of the term.

(B) EXPIRATION OF TERM.—Not later than the date that is 60 days before the expiration of the term of a member of the Board, the Secretary of Education shall present to the Mayor, with respect to each such impending vacancy, a list of 3 people the Secretary determines are qualified to serve on the Board. The Mayor, in consultation with the District of Columbia Council, shall appoint 1 person from each such list to serve on the Board. The Secretary shall recommend, and the Mayor shall appoint, any member of the Board taking into consideration the criteria described in paragraph (2).

(4) TIME LIMIT FOR APPOINTMENTS.—If, at any time, the Mayor does not appoint members to the Board sufficient to bring the Board's membership to 7 within 30 days after receiving a recommendation from the Secretary of Education under paragraph (2) or (3), the Secretary, not later than 10 days after the final date for such mayoral appointment, shall make such appointments as are necessary to bring the membership of the Board to 7.

(5) TERMS OF MEMBERS.—

(A) IN GENERAL.—Members of the Board shall serve for terms of 4 years, except that, of the initial appointments made under paragraph (2), the Mayor shall designate—

(i) 2 members to serve terms of 3 years;

(ii) 2 members to serve terms of 2 years; and

(iii) 1 member to serve a term of 1 year.

(B) REAPPOINTMENT.—Members of the Board shall be eligible to be reappointed for one 4-year term beyond their initial term of appointment.

(6) INDEPENDENCE.—No person employed by the District of Columbia public schools or a public charter school shall be eligible to be a member of the Board or to be employed by the Board.

(b) OPERATIONS OF THE BOARD.—

(1) CHAIR.—The members of the Board shall elect from among their membership 1 individual to serve as Chair. Such election shall be held each year after members of the Board have been appointed to fill any vacancies caused by the regular expiration of previous members' terms, or when requested by a majority vote of the members of the Board.

(2) QUORUM.—A majority of the members of the Board, not including any positions that may be vacant, shall constitute a quorum sufficient for conducting the business of the Board.

(3) MEETINGS.—The Board shall meet at the call of the Chair, subject to the hearing requirements of sections 2203, 2212(d)(3), and 2213(c)(3).

(c) NO COMPENSATION FOR SERVICE.—Members of the Board shall serve without pay, but may receive reimbursement for any reasonable and necessary expenses incurred by reason of service on the Board.

(d) PERSONNEL AND RESOURCES.—

(1) IN GENERAL.—Subject to such rules as may be made by the Board, the Chair shall have the power to appoint, terminate, and fix the pay of an Executive Director and such other personnel of the Board as the Chair considers necessary, but no individual so appointed shall be paid in excess of the rate payable for level EG-16 of the Educational Service of the District of Columbia.

(2) SPECIAL RULE.—The Board is authorized to use the services, personnel, and facilities of the District of Columbia.

(e) EXPENSES OF BOARD.—Any expenses of the Board shall be paid from such funds as may be available to the Mayor: *Provided*, That within 45 days of the enactment of this Act the Mayor shall make available not less than \$130,000 to the Board.

(f) AUDIT.—The Board shall provide for an audit of the financial statements of the Board by an independent certified public accountant in accordance with Government auditing standards for financial audits issued by the Comptroller General of the United States.

(g) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out the provisions of this section and conducting the Board's functions required by this subtitle, there are authorized to be appropriated to the Board \$300,000 for fiscal year 1997 and such sums as may be necessary for each of the 3 succeeding fiscal years.

**SEC. 2215. FEDERAL ENTITIES.**

(a) IN GENERAL.—The following Federal agencies and federally established entities are encouraged to explore whether it is feasible

for the agency or entity to establish one or more public charter schools:

- (1) The Library of Congress.
  - (2) The National Aeronautics and Space Administration.
  - (3) The Drug Enforcement Administration.
  - (4) The National Science Foundation.
  - (5) The Department of Justice.
  - (6) The Department of Defense.
  - (7) The Department of Education.
  - (8) The Smithsonian Institution, including the National Zoological Park, the National Museum of American History, the John F. Kennedy Center for the Performing Arts, and the National Gallery of Art.
- (b) REPORT.—Not later than 120 days after date of enactment of this Act, any agency or institution described in subsection (a) that has explored the feasibility of establishing a public charter school shall report its determination on the feasibility to the appropriate congressional committees.

### **Subtitle C—World Class Schools Task Force, Core Curriculum, Content Standards, Assessments, and Promotion Gates**

#### **PART 1—WORLD CLASS SCHOOLS TASK FORCE, CORE CURRICULUM, CONTENT STANDARDS, AND ASSESSMENTS**

##### **SEC. 2311. GRANT AUTHORIZED AND RECOMMENDATION REQUIRED.**

(a) GRANT AUTHORIZED.—

(1) IN GENERAL.—The Superintendent is authorized to award a grant to a World Class Schools Task Force to enable such task force to make the recommendation described in subsection (b).

(2) DEFINITION.—For the purpose of this subtitle, the term “World Class Schools Task Force” means 1 nonprofit organization located in the District of Columbia that—

- (A) has a national reputation for advocating content standards;
- (B) has a national reputation for advocating a strong liberal arts curriculum;
- (C) has experience with at least 4 urban school districts for the purpose of establishing content standards;
- (D) has developed and managed professional development programs in science, mathematics, the humanities and the arts; and
- (E) is governed by an independent board of directors composed of citizens with a variety of experiences in education and public policy.

(b) RECOMMENDATION REQUIRED.—

(1) IN GENERAL.—The World Class Schools Task Force shall recommend to the Superintendent, the Board of Education, and the District of Columbia Goals Panel the following:

- (A) Content standards in the core academic subjects that are developed by working with the District of Columbia community, which standards shall be developed not

later than 12 months after the date of enactment of this Act.

(B) A core curriculum developed by working with the District of Columbia community, which curriculum shall include the teaching of computer skills.

(C) Districtwide assessments for measuring student achievement in accordance with content standards developed under subparagraph (A). Such assessments shall be developed at several grade levels, including at a minimum, the grade levels with respect to which the Superintendent establishes promotion gates under section 2321. To the extent feasible, such assessments shall, at a minimum, be designed to provide information that permits comparisons between—

(i) individual District of Columbia public schools and public charter schools; and

(ii) individual students attending such schools.

(D) Model professional development programs for teachers using the standards and curriculum developed under subparagraphs (A) and (B).

(2) SPECIAL RULE.—The World Class Schools Task Force is encouraged, to the extent practicable, to develop districtwide assessments described in paragraph (1)(C) that permit comparisons among—

(A) individual District of Columbia public schools and public charter schools, and individual students attending such schools; and

(B) students of other nations.

(c) CONTENT.—The content standards and assessments recommended under subsection (b) shall be judged by the World Class Schools Task Force to be world class, including having a level of quality and rigor, or being analogous to content standards and assessments of other States or nations (including nations whose students historically score high on international studies of student achievement).

(d) SUBMISSION TO BOARD OF EDUCATION FOR ADOPTION.—If the content standards, curriculum, assessments, and programs recommended under subsection (b) are approved by the Superintendent, the Superintendent may submit such content standards, curriculum, assessments, and programs to the Board of Education for adoption.

#### SEC. 2312. CONSULTATION.

The World Class Schools Task Force shall conduct its duties under this part in consultation with—

(1) the District of Columbia Goals Panel;

(2) officials of the District of Columbia public schools who have been identified by the Superintendent as having responsibilities relevant to this part, including the Deputy Superintendent for Curriculum;

(3) the District of Columbia community, with particular attention given to educators, and parent and business organizations; and

(4) any other persons or groups that the task force deems appropriate.

**SEC. 2313. ADMINISTRATIVE PROVISIONS.**

The World Class Schools Task Force shall ensure public access to its proceedings (other than proceedings, or portions of proceedings, relating to internal personnel and management matters) that are relevant to its duties under this part and shall make available to the public, at reasonable cost, transcripts of such proceedings.

**SEC. 2314. CONSULTANTS.**

Upon the request of the World Class Schools Task Force, the head of any department or agency of the Federal Government may detail any of the personnel of such agency to such task force to assist such task force in carrying out such task force's duties under this part.

**SEC. 2315. AUTHORIZATION OF APPROPRIATIONS.**

There are authorized to be appropriated \$2,000,000 for fiscal year 1997 to carry out this part. Such funds shall remain available until expended.

**PART 2—PROMOTION GATES****SEC. 2321. PROMOTION GATES.**

(a) **KINDERGARTEN THROUGH 4TH GRADE.**—Not later than one year after the date of adoption in accordance with section 2311(d) of the assessments described in section 2311(b)(1)(C), the Superintendent shall establish and implement promotion gates for mathematics, reading, and writing, for not less than one grade level from kindergarten through grade 4, including at least grade 4, and shall establish dates for establishing such other promotion gates for other subject areas.

(b) **5TH THROUGH 8TH GRADES.**—Not later than one year after the adoption in accordance with section 2311(d) of the assessments described in section 2311(b)(1)(C), the Superintendent shall establish and implement promotion gates with respect to not less than one grade level from grade 5 through grade 8, including at least grade 8.

(c) **9TH THROUGH 12TH GRADES.**—Not later than one year after the adoption in accordance with section 2311(d) of the assessments described in section 2311(b)(1)(C), the Superintendent shall establish and implement promotion gates with respect to not less than one grade level from grade 9 through grade 12, including at least grade 12.

**Subtitle D—Per Capita District of Columbia  
Public School and Public Charter School Funding****SEC. 2401. ANNUAL BUDGETS FOR SCHOOLS.**

(a) **IN GENERAL.**—For fiscal year 1997 and for each subsequent fiscal year, the Mayor shall make annual payments from the general fund of the District of Columbia in accordance with the formula established under subsection (b).

(b) **FORMULA.**—

(1) **IN GENERAL.**—The Mayor and the District of Columbia Council, in consultation with the Board of Education and the

Superintendent, shall establish not later than 90 days after enactment of this Act, a formula to determine the amount of—

(A) the annual payment to the Board of Education for the operating expenses of the District of Columbia public schools, which for purposes of this paragraph includes the operating expenses of the Board of Education and the Office of the Superintendent; and

(B) the annual payment to each public charter school for the operating expenses of each public charter school.

(2) FORMULA CALCULATION.—Except as provided in paragraph (3), the amount of the annual payment under paragraph (1) shall be calculated by multiplying a uniform dollar amount used in the formula established under such paragraph by—

(A) the number of students calculated under section 2402 that are enrolled at District of Columbia public schools, in the case of the payment under paragraph (1)(A); or

(B) the number of students calculated under section 2402 that are enrolled at each public charter school, in the case of a payment under paragraph (1)(B).

(3) EXCEPTIONS.—

(A) FORMULA.—Notwithstanding paragraph (2), the Mayor and the District of Columbia Council, in consultation with the Board of Education and the Superintendent, may adjust the formula to increase or decrease the amount of the annual payment to the District of Columbia public schools or each public charter school based on a calculation of—

(i) the number of students served by such schools in certain grade levels; and

(ii) the cost of educating students at such certain grade levels.

(B) PAYMENT.—Notwithstanding paragraph (2), the Mayor and the District of Columbia Council, in consultation with the Board of Education and the Superintendent, may adjust the amount of the annual payment under paragraph (1) to increase the amount of such payment if a District of Columbia public school or a public charter school serves a high number of students—

(i) with special needs;

(ii) who do not meet minimum literacy standards;

or

(iii) to whom the school provides room and board in a residential setting.

(C) ADJUSTMENT FOR FACILITIES COSTS.—Notwithstanding paragraph (2), the Mayor and the District of Columbia Council, in consultation with the Board of Education and the Superintendent, shall adjust the amount of the annual payment under paragraph (1) to increase the amount of such payment for a public charter school to take into account leases or purchases of, or improvements to, real property, if the school, not later than April 1 of the fiscal year preceding the payment, requests such an adjustment.

**SEC. 2402. CALCULATION OF NUMBER OF STUDENTS.****(a) SCHOOL REPORTING REQUIREMENT.—**

(1) **IN GENERAL.**—Not later than September 15, 1996, and not later than September 15 of each year thereafter, each District of Columbia public school and public charter school shall submit a report to the Mayor and the Board of Education containing the information described in subsection (b) that is applicable to such school.

(2) **SPECIAL RULE.**—Not later than April 1, 1997, and not later than April 1 of each year thereafter, each public charter school shall submit a report in the same form and manner as described in paragraph (1) to ensure accurate payment under section 2403(a)(2)(B)(ii).

**(b) CALCULATION OF NUMBER OF STUDENTS.**—Not later than 30 days after the date of the enactment of this Act, and not later than October 15 of each year thereafter, the Board of Education shall calculate the following:

(1) The number of students, including nonresident students and students with special needs, enrolled in each grade from kindergarten through grade 12 of the District of Columbia public schools and in public charter schools, and the number of students whose tuition for enrollment in other schools is paid for with funds available to the District of Columbia public schools.

(2) The amount of fees and tuition assessed and collected from the nonresident students described in paragraph (1).

(3) The number of students, including nonresident students, enrolled in preschool and prekindergarten in the District of Columbia public schools and in public charter schools.

(4) The amount of fees and tuition assessed and collected from the nonresident students described in paragraph (3).

(5) The number of full time equivalent adult students enrolled in adult, community, continuing, and vocational education programs in the District of Columbia public schools and in public charter schools.

(6) The amount of fees and tuition assessed and collected from resident and nonresident adult students described in paragraph (5).

(7) The number of students, including nonresident students, enrolled in nongrade level programs in District of Columbia public schools and in public charter schools.

(8) The amount of fees and tuition assessed and collected from nonresident students described in paragraph (7).

**(c) ANNUAL REPORTS.**—Not later than 30 days after the date of the enactment of this Act, and not later than October 15 of each year thereafter, the Board of Education shall prepare and submit to the Authority, the Mayor, the District of Columbia Council, the Consensus Commission, the Comptroller General of the United States, and the appropriate congressional committees a report containing a summary of the most recent calculations made under subsection (b).

**(d) AUDIT OF INITIAL CALCULATIONS.—**

(1) **IN GENERAL.**—The Board of Education shall arrange with the Authority to provide for the conduct of an inde-

pendent audit of the initial calculations described in subsection (b).

(2) CONDUCT OF AUDIT.—In conducting the audit, the independent auditor—

(A) shall provide an opinion as to the accuracy of the information contained in the report described in subsection (c); and

(B) shall identify any material weaknesses in the systems, procedures, or methodology used by the Board of Education—

(i) in determining the number of students, including nonresident students, enrolled in the District of Columbia public schools and in public charter schools, and the number of students whose tuition for enrollment in other school systems is paid for by funds available to the District of Columbia public schools; and

(ii) in assessing and collecting fees and tuition from nonresident students.

(3) SUBMISSION OF AUDIT.—Not later than 45 days, or as soon thereafter as is practicable, after the date on which the Authority receives the initial annual report from the Board of Education under subsection (c), the Authority shall submit to the Board of Education, the Mayor, the District of Columbia Council, and the appropriate congressional committees, the audit conducted under this subsection.

(4) COST OF THE AUDIT.—The Board of Education shall reimburse the Authority for the cost of the independent audit, solely from amounts appropriated to the Board of Education for staff, stipends, and other-than-personal-services of the Board of Education by an Act making appropriations for the District of Columbia.

#### SEC. 2403. PAYMENTS.

(a) IN GENERAL.—

(1) ESCROW FOR PUBLIC CHARTER SCHOOLS.—Except as provided in subsection (b), for any fiscal year, not later than 10 days after the date of enactment of an Act making appropriations for the District of Columbia for such fiscal year, the Mayor shall place in escrow an amount equal to the aggregate of the amounts determined under section 2401(b)(1)(B) for use only by District of Columbia public charter schools.

(2) TRANSFER OF ESCROW FUNDS.—

(A) INITIAL PAYMENT.—

(i) IN GENERAL.—Except as provided in clause (ii), not later than October 15, 1996, and not later than October 15 of each year thereafter, the Mayor shall transfer, by electronic funds transfer, an amount equal to 75 percent of the amount of the annual payment for each public charter school determined by using the formula established pursuant to section 2401(b) to a bank designated by such school.

(ii) REDUCTION IN CASE OF NEW SCHOOL.—In the case of a public charter school that has received a payment under subsection (b) in the fiscal year imme-

diately preceding the fiscal year in which a transfer under clause (i) is made, the amount transferred to the school under clause (i) shall be reduced by an amount equal to 75 percent of the amount of the payment under subsection (b).

(B) FINAL PAYMENT.—

(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), not later than May 1, 1997, and not later than May 1 of each year thereafter, the Mayor shall transfer the remainder of the annual payment for a public charter school in the same manner as the initial payment was made under subparagraph (A).

(ii) ADJUSTMENT FOR ENROLLMENT.—Not later than March 15, 1997, and not later than March 15 of each year thereafter, if the enrollment number of a public charter school has changed from the number reported to the Mayor and the Board of Education, as required under section 2402(a), the Mayor shall increase the payment in an amount equal to 50 percent of the amount provided for each student who has enrolled in such school in excess of such enrollment number, or shall reduce the payment in an amount equal to 50 percent of the amount provided for each student who has withdrawn or dropped out of such school below such enrollment number.

(iii) REDUCTION IN CASE OF NEW SCHOOL.—In the case of a public charter school that has received a payment under subsection (b) in the fiscal year immediately preceding the fiscal year in which a transfer under clause (i) is made, the amount transferred to the school under clause (i) shall be reduced by an amount equal to 25 percent of the amount of the payment under subsection (b).

(C) PRO RATA REDUCTION OR INCREASE IN PAYMENTS.—

(i) PRO RATA REDUCTION.—If the funds made available to the District of Columbia Government for the District of Columbia public school system and each public charter school for any fiscal year are insufficient to pay the full amount that such system and each public charter school is eligible to receive under this subtitle for such year, the Mayor shall ratably reduce such amounts for such year on the basis of the formula described in section 2401(b).

(ii) INCREASE.—If additional funds become available for making payments under this subtitle for such fiscal year, amounts that were reduced under subparagraph (A) shall be increased on the same basis as such amounts were reduced.

(D) UNEXPENDED FUNDS.—Any funds that remain in the escrow account for public charter schools on September 30 of a fiscal year shall revert to the general fund of the District of Columbia.

(b) PAYMENTS TO NEW SCHOOLS.—

(1) ESTABLISHMENT OF FUND.—There is established in the general fund of the District of Columbia a fund to be known as the “New Charter School Fund”.

(2) CONTENTS OF FUND.—The New Charter School Fund shall consist of—

(A) unexpended and unobligated amounts appropriated from local funds for public charter schools for fiscal year 1997 and subsequent fiscal years that reverted to the general fund of the District of Columbia;

(B) amounts credited to the fund in accordance with this subsection upon the receipt by a public charter school described in paragraph (5) of its first initial payment under subsection (a)(2)(A) or its first final payment under subsection (a)(2)(B); and

(C) any interest earned on such amounts.

(3) EXPENDITURES FROM FUND.—

(A) IN GENERAL.—Not later than June 1, 1998, and not later than June 1 of each year thereafter, the Chief Financial Officer of the District of Columbia shall pay, from the New Charter School Fund, to each public charter school described in paragraph (5), an amount equal to 25 percent of the amount yielded by multiplying the uniform dollar amount used in the formula established under section 2401(b) by the total anticipated enrollment as set forth in the petition to establish the public charter school.

(B) PRO RATA REDUCTION.—If the amounts in the New Charter School Fund for any year are insufficient to pay the full amount that each public charter school described in paragraph (5) is eligible to receive under this subsection for such year, the Chief Financial Officer of the District of Columbia shall ratably reduce such amounts for such year on the basis of the formula described in section 2401(b).

(C) FORM OF PAYMENT.—Payments under this subsection shall be made by electronic funds transfer from the New Charter School Fund to a bank designated by a public charter school.

(4) CREDITS TO FUND.—Upon the receipt by a public charter school described in paragraph (5) of—

(A) its first initial payment under subsection (a)(2)(A), the Chief Financial Officer of the District of Columbia shall credit the New Charter School Fund with 75 percent of the amount paid to the school under paragraph (3); and

(B) its first final payment under subsection (a)(2)(B), the Chief Financial Officer of the District of Columbia shall credit the New Charter School Fund with 25 percent of the amount paid to the school under paragraph (3).

(5) SCHOOLS DESCRIBED.—A public charter school described in this paragraph is a public charter school that—

(A) did not enroll any students during any portion of the fiscal year preceding the most recent fiscal year for which funds are appropriated to carry out this subsection; and

(B) operated as a public charter school during the most recent fiscal year for which funds are appropriated to carry out this subsection.

(6) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Chief Financial Officer of the District of Columbia such sums as may be necessary to carry out this subsection for each fiscal year.

(c) ASSIGNMENT OF PAYMENTS.—A public charter school may assign any payments made to the school under this section to a financial institution for use as collateral to secure a loan or for the repayment of a loan.

### **Subtitle E—School Facilities Repair and Improvement**

#### **SEC. 2550. DEFINITIONS.**

For purposes of this subtitle—

(1) the term “facilities” means buildings, structures, and real property of the District of Columbia public schools, except that such term does not include any administrative office building that is not located in a building containing classrooms; and

(2) the term “repair and improvement” includes administration, construction, and renovation.

#### **PART 1—SCHOOL FACILITIES**

#### **SEC. 2551. TECHNICAL ASSISTANCE.**

(a) IN GENERAL.—Not later than 90 days after the date of enactment of this Act the Administrator of the General Services Administration shall enter into a Memorandum of Agreement or Understanding (referred to in this subtitle as the “Agreement”) with the Superintendent regarding the terms under which the Administrator will provide technical assistance and related services with respect to District of Columbia public schools facilities management in accordance with this section.

(b) TECHNICAL ASSISTANCE AND RELATED SERVICES.—The technical assistance and related services described in subsection (a) shall include—

(1) the Administrator consulting with and advising District of Columbia public school personnel responsible for public schools facilities management, including repair and improvement with respect to facilities management of such schools;

(2) the Administrator assisting the Superintendent in developing a systemic and comprehensive facilities revitalization program, for the repair and improvement of District of Columbia public school facilities, which program shall—

(A) include a list of facilities to be repaired and improved in a recommended order of priority;

(B) provide the repair and improvement required to support modern technology; and

(C) take into account the Preliminary Facilities Master Plan 2005 (prepared by the Superintendent’s Task Force on Education Infrastructure for the 21st Century);

(3) the method by which the Superintendent will accept donations of private goods and services for use by the District of Columbia public schools without regard to any law or regulation of the District of Columbia;

(4) the Administrator recommending specific repair and improvement projects in District of Columbia public school facilities to the Superintendent that are appropriate for completion by members and units of the National Guard and the Reserves in accordance with the program developed under paragraph (2);

(5) upon the request of the Superintendent, the Administrator assisting the appropriate District of Columbia public school officials in the preparation of an action plan for the performance of any repair and improvement recommended in the program developed under paragraph (2), which action plan shall detail the technical assistance and related services the Administrator proposes to provide in the accomplishment of the repair and improvement;

(6) upon the request of the Superintendent, and if consistent with the efficient use of resources as determined by the Administrator, the coordination of the accomplishment of any repair and improvement in accordance with the action plan prepared under paragraph (5), except that in carrying out this paragraph, the Administrator shall not be subject to the requirements of title III of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq., and 41 U.S.C. 251 et seq.), the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), nor shall such action plan be subject to review under the bid protest procedures described in sections 3551 through 3556 of title 31, United States Code, or the Contract Disputes Act of 1978 (41 U.S.C. 601 et seq.);

(7) providing access for the Administrator to all District of Columbia public school facilities as well as permitting the Administrator to request and obtain any record or document regarding such facilities as the Administrator determines necessary, except that any such record or document shall not become a record (as defined in section 552a of title 5, United States Code) of the General Services Administration; and

(8) the Administrator making recommendations regarding how District of Columbia public school facilities may be used by the District of Columbia community for multiple purposes.

(c) AGREEMENT PROVISIONS.—The Agreement shall include—

(1) the procedures by which the Superintendent and Administrator will consult with respect to carrying out this section, including reasonable time frames for such consultation;

(2) the scope of the technical assistance and related services to be provided by the General Services Administration in accordance with this section;

(3) assurances by the Administrator and the Superintendent to cooperate with each other in any way necessary to ensure implementation of the Agreement, including assurances that funds available to the District of Columbia shall be used to pay the obligations of the District of Columbia public school system that are incurred as a result of actions taken under, or in furtherance of, the Agreement, in addition to funds available to the Administrator for purposes of this section; and

(4) the duration of the Agreement, except that in no event shall the Agreement remain in effect later than the day that

is 24 months after the date that the Agreement is signed, or the day that the agency designated pursuant to section 2552(a)(2) assumes responsibility for the District of Columbia public school facilities, whichever day is earlier.

(d) LIMITATION ON ADMINISTRATOR'S LIABILITY.—No claim, suit, or action may be brought against the Administrator in connection with the discharge of the Administrator's responsibilities under this subtitle.

(e) SPECIAL RULE.—Notwithstanding any other provision of law, the Administrator is authorized to accept and use a conditioned gift made for the express purpose of repairing or improving a District of Columbia public school, except that the Administrator shall not be required to carry out any repair or improvement under this section unless the Administrator accepts a donation of private goods or services sufficient to cover the costs of such repair or improvement.

(f) EFFECTIVE DATE.—This subtitle shall cease to be effective on the earlier day specified in subsection (c)(4).

#### **SEC. 2552. FACILITIES REVITALIZATION PROGRAM.**

(a) PROGRAM.—Not later than 12 months after the date of enactment of this Act, the Mayor and the District of Columbia Council in consultation with the Administrator, the Authority, the Board of Education, and the Superintendent, shall—

(1) design and implement a comprehensive long-term program for the repair and improvement, and maintenance and management, of the District of Columbia public school facilities, which program shall incorporate the work completed in accordance with the program described in section 2551(b)(2); and

(2) designate a new or existing agency or authority within the District of Columbia Government to administer such program.

(b) PROCEEDS.—Such program shall include—

(1) identifying short-term funding for capital and maintenance of facilities, which may include retaining proceeds from the sale or lease of a District of Columbia public school facility; and

(2) identifying and designating long-term funding for capital and maintenance of facilities.

(c) IMPLEMENTATION.—Upon implementation of such program, the agency or authority created or designated pursuant to subsection (a)(2) shall assume authority and responsibility for the repair and improvement, and maintenance and management, of District of Columbia public schools.

## **PART 2—WAIVERS**

#### **SEC. 2561. WAIVERS.**

(a) IN GENERAL.—

(1) REQUIREMENTS WAIVED.—Subject to subsection (b), all District of Columbia fees and all requirements contained in the document entitled "District of Columbia Public Schools Standard Contract Provisions" (as such document was in effect on November 2, 1995 and including any revisions or modifications to such document) published by the District of Columbia public

schools for use with construction or maintenance projects, are waived, for purposes of repair and improvement of District of Columbia public schools facilities for a period beginning on the date of enactment of this Act and ending 24 months after such date.

(2) DONATIONS.—Any individual may volunteer his or her services or may donate materials to a District of Columbia public school facility for the repair and improvement of such facility provided that the provision of voluntary services meets the requirements of 29 U.S.C. 203(e)(4).

(b) LIMITATION.—A waiver under subsection (a) shall not apply to the Davis-Bacon Act (40 U.S.C. 276a et seq.) or Executive Order 11246 or other civil rights standards.

### **PART 3—GIFTS, DONATIONS, BEQUESTS, AND DEVISES**

#### **SEC. 2571. GIFTS, DONATIONS, BEQUESTS, AND DEVISES.**

(a) IN GENERAL.—A District of Columbia public school or a public charter school may accept directly from any person a gift, donation, bequest, or devise of any property, real or personal, without regard to any law or regulation of the District of Columbia.

(b) TAX LAWS.—For the purposes of the income tax, gift tax, and estate tax laws of the Federal Government, any money or other property given, donated, bequeathed, or devised to a District of Columbia public school or a public charter school, shall be deemed to have been given, donated, bequeathed, or devised to or for the use of the District of Columbia.

## **Subtitle F—Partnerships With Business**

#### **SEC. 2601. PURPOSE.**

The purpose of this subtitle is—

(1) to leverage private sector funds utilizing initial Federal investments in order to provide students and teachers within the District of Columbia public schools and public charter schools with access to state-of-the-art educational technology;

(2) to establish a regional job training and employment center;

(3) to strengthen workforce preparation initiatives for students within the District of Columbia public schools and public charter schools;

(4) to coordinate private sector investments in carrying out this title; and

(5) to assist the Superintendent with the development of individual career paths in accordance with the long-term reform plan.

#### **SEC. 2602. DUTIES OF THE SUPERINTENDENT OF THE DISTRICT OF COLUMBIA PUBLIC SCHOOLS.**

The Superintendent is authorized to provide a grant to a private, nonprofit corporation that meets the eligibility criteria under section 2603 for the purposes of carrying out the duties under sections 2604 and 2607.

**SEC. 2603. ELIGIBILITY CRITERIA FOR PRIVATE, NONPROFIT CORPORATION.**

A private, nonprofit corporation shall be eligible to receive a grant under section 2602 if the corporation is a national business organization incorporated in the District of Columbia, that—

(1) has a board of directors which includes members who are also chief executive officers of technology-related corporations involved in education and workforce development issues;

(2) has extensive practical experience with initiatives that link business resources and expertise with education and training systems;

(3) has experience in working with State and local educational agencies throughout the United States with respect to the integration of academic studies with workforce preparation programs; and

(4) has a nationwide structure through which additional resources can be leveraged and innovative practices disseminated.

**SEC. 2604. DUTIES OF THE PRIVATE, NONPROFIT CORPORATION.**

(a) **DISTRICT EDUCATION AND LEARNING TECHNOLOGIES ADVANCEMENT COUNCIL.—**

(1) **ESTABLISHMENT.—**The private, nonprofit corporation shall establish a council to be known as the “District Education and Learning Technologies Advancement Council” (in this subtitle referred to as the “council”).

(2) **MEMBERSHIP.—**

(A) **IN GENERAL.—**The private, nonprofit corporation shall appoint members to the council. An individual shall be appointed as a member to the council on the basis of the commitment of the individual, or the entity which the individual is representing, to providing time, energy, and resources to the council.

(B) **COMPENSATION.—**Members of the council shall serve without compensation.

(3) **DUTIES.—**The council—

(A) shall advise the private, nonprofit corporation with respect to the duties of the corporation under subsections (b) through (d) of this section; and

(B) shall assist the corporation in leveraging private sector resources for the purpose of carrying out such duties.

(b) **ACCESS TO STATE-OF-THE-ART EDUCATIONAL TECHNOLOGY.—**

(1) **IN GENERAL.—**The private, nonprofit corporation, in conjunction with the Superintendent, students, parents, and teachers, shall establish and implement strategies to ensure access to state-of-the-art educational technology within the District of Columbia public schools and public charter schools.

(2) **ELECTRONIC DATA TRANSFER SYSTEM.—**The private, nonprofit corporation shall assist the Superintendent in acquiring the necessary equipment, including computer hardware and software, to establish an electronic data transfer system. The private, nonprofit corporation shall also assist in arranging for training of District of Columbia public school employees in using such equipment.

(3) TECHNOLOGY ASSESSMENT.—

(A) IN GENERAL.—In establishing and implementing the strategies under paragraph (1), the private, nonprofit corporation, not later than September 1, 1996, shall provide for an assessment of the availability, on the date of enactment of this Act, of state-of-the-art educational technology within the District of Columbia public schools and public charter schools.

(B) CONDUCT OF ASSESSMENT.—In providing for the assessment under subparagraph (A), the private, nonprofit corporation—

(i) shall provide for onsite inspections of the state-of-the-art educational technology within a minimum sampling of District of Columbia public schools and public charter schools; and

(ii) shall ensure proper input from students, parents, teachers, and other school officials through the use of focus groups and other appropriate mechanisms.

(C) RESULTS OF ASSESSMENT.—The private, nonprofit corporation shall ensure that the assessment carried out under this paragraph provides, at a minimum, necessary information on state-of-the-art educational technology within the District of Columbia public schools and public charter schools, including—

(i) the extent to which typical District of Columbia public schools have access to such state-of-the-art educational technology and training for such technology;

(ii) how such schools are using such technology;

(iii) the need for additional technology and the need for infrastructure for the implementation of such additional technology;

(iv) the need for computer hardware, software, training, and funding for such additional technology or infrastructure; and

(v) the potential for computer linkages among District of Columbia public schools and public charter schools.

(4) SHORT-TERM TECHNOLOGY PLAN.—

(A) IN GENERAL.—Based upon the results of the technology assessment under paragraph (3), the private, nonprofit corporation shall develop a 3-year plan that includes goals, priorities, and strategies for obtaining the resources necessary to implement strategies to ensure access to state-of-the-art educational technology within the District of Columbia public schools and public charter schools.

(B) IMPLEMENTATION.—The private, nonprofit corporation, in conjunction with schools, students, parents, and teachers, shall implement the plan developed under subparagraph (A).

(5) LONG-TERM TECHNOLOGY PLAN.—Prior to the completion of the implementation of the short-term technology plan under paragraph (4), the private, nonprofit corporation shall develop a plan under which the corporation will continue to coordinate the donation of private sector resources for maintain-

ing the continuous improvement and upgrading of state-of-the-art educational technology within the District of Columbia public schools and public charter schools.

(c) DISTRICT EMPLOYMENT AND LEARNING CENTER.—

(1) ESTABLISHMENT.—The private, nonprofit corporation shall establish a center to be known as the “District Employment and Learning Center” (in this subtitle referred to as the “center”), which shall serve as a regional institute providing job training and employment assistance.

(2) DUTIES.—

(A) JOB TRAINING AND EMPLOYMENT ASSISTANCE PROGRAM.—The center shall establish a program to provide job training and employment assistance in the District of Columbia and shall coordinate with career preparation programs in existence on the date of enactment of this Act, such as vocational education, school-to-work, and career academies in the District of Columbia public schools.

(B) CONDUCT OF PROGRAM.—In carrying out the program established under subparagraph (A), the center—

(i) shall provide job training and employment assistance to youths who have attained the age of 18 but have not attained the age of 26, who are residents of the District of Columbia, and who are in need of such job training and employment assistance for an appropriate period not to exceed 2 years;

(ii) shall work to establish partnerships and enter into agreements with appropriate agencies of the District of Columbia Government to serve individuals participating in appropriate Federal programs, including programs under title I of the Workforce Investment Act of 1998, the Job Opportunities and Basic Skills Training Program under part F of title IV of the Social Security Act (42 U.S.C. 681 et seq.), the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.), and the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.);

(iii) shall conduct such job training, as appropriate, through a consortium of colleges, universities, community colleges, businesses, and other appropriate providers, in the District of Columbia metropolitan area;

(iv) shall design modular training programs that allow students to enter and leave the training curricula depending on their opportunities for job assignments with employers; and

(v) shall utilize resources from businesses to enhance work-based learning opportunities and facilitate access by students to work-based learning and work experience through temporary work assignments with employers in the District of Columbia metropolitan area.

(C) COMPENSATION.—The center may provide compensation to youths participating in the program under this paragraph for part-time work assigned in conjunction

with training. Such compensation may include need-based payments and reimbursement of expenses.

(d) **WORKFORCE PREPARATION INITIATIVES.**—

(1) **IN GENERAL.**—The private, nonprofit corporation shall establish initiatives with the District of Columbia public schools, and public charter schools, appropriate governmental agencies, and businesses and other private entities, to facilitate the integration of rigorous academic studies with workforce preparation programs in District of Columbia public schools and public charter schools.

(2) **CONDUCT OF INITIATIVES.**—In carrying out the initiatives under paragraph (1), the private, nonprofit corporation shall, at a minimum, actively develop, expand, and promote the following programs:

(A) Career academy programs in secondary schools, as such programs are established in certain District of Columbia public schools, which provide a school-within-a-school concept, focusing on career preparation and the integration of the academy programs with vocational and technical curriculum.

(B) Programs carried out in the District of Columbia that are funded under the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.).

**SEC. 2605. MATCHING FUNDS.**

The private, nonprofit corporation, to the extent practicable, shall provide matching funds, or in-kind contributions, or a combination thereof, for the purpose of carrying out the duties of the corporation under section 2604, as follows:

(1) For fiscal year 1997, the nonprofit corporation shall provide matching funds or in-kind contributions of \$1 for every \$1 of Federal funds provided under this subtitle for such year for activities under section 2604.

(2) For fiscal year 1998, the nonprofit corporation shall provide matching funds or in-kind contributions of \$3 for every \$1 of Federal funds provided under this subtitle for such year for activities under section 2604.

(3) For fiscal year 1999, the nonprofit corporation shall provide matching funds or in-kind contributions of \$5 for every \$1 of Federal funds provided under this subtitle for such year for activities under section 2604.

**SEC. 2606. REPORT.**

The private, nonprofit corporation shall prepare and submit to the appropriate congressional committees on a quarterly basis, or, with respect to fiscal year 1997, on a semiannual basis, a report which shall contain—

(1) the activities the corporation has carried out, including the duties of the corporation described in section 2604, for the 3-month period ending on the date of the submission of the report, or, with respect to fiscal year 1997, the 6-month period ending on the date of the submission of the report;

(2) an assessment of the use of funds or other resources donated to the corporation;

(3) the results of the assessment carried out under section 2604(b)(3); and

(4) a description of the goals and priorities of the corporation for the 3-month period beginning on the date of the submission of the report, or, with respect to fiscal year 1997, the 6-month period beginning on the date of the submission of the report.

**SEC. 2607. JOBS FOR D.C. GRADUATES PROGRAM.**

(a) **IN GENERAL.**—The nonprofit corporation shall establish a program, to be known as the “Jobs for D.C. Graduates Program”, to assist District of Columbia public schools and public charter schools in organizing and implementing a school-to-work transition system, which system shall give priority to providing assistance to at-risk youths and disadvantaged youths.

(b) **CONDUCT OF PROGRAM.**—In carrying out the program established under subsection (a), the nonprofit corporation, consistent with the policies of the nationally recognized Jobs for America’s Graduates, Inc., shall—

- (1) establish performance standards for such program;
- (2) provide ongoing enhancement and improvements in such program;
- (3) provide research and reports on the results of such program; and
- (4) provide preservice and inservice training.

**SEC. 2608. AUTHORIZATION OF APPROPRIATIONS.**

(a) **AUTHORIZATION.**—

(1) **DELTA COUNCIL; ACCESS TO STATE-OF-THE-ART EDUCATIONAL TECHNOLOGY; AND WORKFORCE PREPARATION INITIATIVES.**—There are authorized to be appropriated to carry out subsections (a), (b), and (d) of section 2604, \$1,000,000 for each of the fiscal years 1997, 1998, and 1999.

(2) **DEAL CENTER.**—There are authorized to be appropriated to carry out section 2604(c), \$2,000,000 for each of the fiscal years 1997, 1998, and 1999.

(3) **JOBS FOR D.C. GRADUATES PROGRAM.**—There are authorized to be appropriated to carry out section 2607—

- (A) \$2,000,000 for fiscal year 1997; and
- (B) \$3,000,000 for each of the fiscal years 1998 through 2001.

(b) **AVAILABILITY.**—Amounts authorized to be appropriated under subsection (a) are authorized to remain available until expended.

**SEC. 2609. TERMINATION OF FEDERAL SUPPORT; SENSE OF THE CONGRESS RELATING TO CONTINUATION OF ACTIVITIES.**

(a) **TERMINATION OF FEDERAL SUPPORT.**—The authority under this subtitle to provide assistance to the private, nonprofit corporation or any other entity established pursuant to this subtitle shall terminate on October 1, 1999.

(b) **SENSE OF THE CONGRESS RELATING TO CONTINUATION OF ACTIVITIES.**—It is the sense of the Congress that—

(1) the activities of the private, nonprofit corporation under section 2604 should continue to be carried out after October 1, 1999, with resources made available from the private sector; and

(2) the corporation should provide oversight and coordination for such activities after such date.

## **Subtitle G—Management and Fiscal Accountability; Preservation of School-Based Resources**

### **SEC. 2751. MANAGEMENT SUPPORT SYSTEMS.**

(a) **FOOD SERVICES AND SECURITY SERVICES.**—Notwithstanding any other law, rule, or regulation, the Board of Education shall enter into a contract for academic year 1995–1996 and each succeeding academic year, for the provision of all food services operations and security services for the District of Columbia public schools, unless the Superintendent determines that it is not feasible and provides the Superintendent's reasons in writing to the Board of Education and the Authority.

(b) **DEVELOPMENT OF NEW MANAGEMENT AND DATA SYSTEMS.**—Notwithstanding any other law, rule, or regulation, the Board of Education shall, in academic year 1995–1996, consult with the Authority on the development of new management and data systems, as well as training of personnel to use and manage the systems in areas of budget, finance, personnel and human resources, management information services, procurement, supply management, and other systems recommended by the Authority. Such plans shall be consistent with, and contemporaneous to, the District of Columbia Government's development and implementation of a replacement for the financial management system for the District of Columbia Government in use on the date of enactment of this Act.

### **SEC. 2752. ACCESS TO FISCAL AND STAFFING DATA.**

(a) **IN GENERAL.**—The budget, financial-accounting, personnel, payroll, procurement, and management information systems of the District of Columbia public schools shall be coordinated and interface with related systems of the District of Columbia Government.

(b) **ACCESS.**—The Board of Education shall provide read-only access to its internal financial management systems and all other data bases to designated staff of the Mayor, the Council, the Authority, and appropriate congressional committees.

### **SEC. 2753. DEVELOPMENT OF FISCAL YEAR 1997 BUDGET REQUEST.**

(a) **IN GENERAL.**—The Board of Education shall develop its fiscal year 1997 gross operating budget and its fiscal year 1997 appropriated funds budget request in accordance with this section.

(b) **FISCAL YEAR 1996 BUDGET REVISION.**—Not later than 60 days after enactment of this Act, the Board of Education shall develop, approve, and submit to the Mayor, the District of Columbia Council, the Authority, and appropriate congressional committees, a revised fiscal year 1996 gross operating budget that reflects the amount appropriated in the District of Columbia Appropriations Act, 1996, and which—

(1) is broken out on the basis of appropriated funds and nonappropriated funds, control center, responsibility center, agency reporting code, object class, and object; and

(2) indicates by position title, grade, and agency reporting code, all staff allocated to each District of Columbia public school as of October 15, 1995, and indicates on an object class basis all other-than-personal-services financial resources allocated to each school.

(c) **ZERO-BASE BUDGET.**—For fiscal year 1997, the Board of Education shall build its gross operating budget and appropriated

funds request from a zero-base, starting from the local school level through the central office level.

(d) **SCHOOL-BY-SCHOOL BUDGETS.**—The Board of Education's initial fiscal year 1997 gross operating budget and appropriated funds budget request submitted to the Mayor, the District of Columbia Council, and the Authority shall contain school-by-school budgets and shall also—

(1) be broken out on the basis of appropriated funds and nonappropriated funds, control center, responsibility center, agency reporting code, object class, and object;

(2) indicate by position title, grade, and agency reporting code all staff budgeted for each District of Columbia public school, and indicate on an object class basis all other-than-personal-services financial resources allocated to each school; and

(3) indicate the amount and reason for all changes made to the initial fiscal year 1997 gross operating budget and appropriated funds request from the revised fiscal year 1996 gross operating budget required by subsection (b).

**SEC. 2754. TECHNICAL AMENDMENTS.**

Section 1120A of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6322) is amended—

(1) in subsection (b)(1), by—

(A) striking “(A) Except as provided in subparagraph

(B), a State” and inserting “A State”; and

(B) striking subparagraph (B); and

(2) by adding at the end thereof the following new subsection:

“(d) **EXCLUSION OF FUNDS.**—For the purpose of complying with subsections (b) and (c), a State or local educational agency may exclude supplemental State or local funds expended in any school attendance area or school for programs that meet the intent and purposes of this part.”.

**SEC. 2755. EVEN START FAMILY LITERACY PROGRAMS.**

Part B of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6361 et seq.) is amended—

(a) in section 1204(a) (20 U.S.C. 6364(a)), by inserting “intensive” after “cost of providing”; and

(b) in section 1205(4) (20 U.S.C. 6365(4)), by inserting “, intensive” after “high-quality”.

**SEC. 2756. PRESERVATION OF SCHOOL-BASED STAFF POSITIONS.**

(a) **RESTRICTIONS ON REDUCTIONS OF SCHOOL-BASED EMPLOYEES.**—To the extent that a reduction in the number of full-time equivalent positions for the District of Columbia public schools is required to remain within the number of full-time equivalent positions established for the public schools in appropriations Acts, no reductions shall be made from the full-time equivalent positions for school-based teachers, principals, counselors, librarians, or other school-based educational positions that were established as of the end of fiscal year 1995, unless the Authority makes a determination based on student enrollment that—

(1) fewer school-based positions are needed to maintain established pupil-to-staff ratios; or

(2) reductions in positions for other than school-based employees are not practicable.

(b) DEFINITION.—The term “school-based educational position” means a position located at a District of Columbia public school or other position providing direct support to students at such a school, including a position for a clerical, stenographic, or secretarial employee, but not including any part-time educational aide position.

### **Subtitle H—Establishment and Organization of the Commission on Consensus Reform in the District of Columbia Public Schools**

#### **SEC. 2851. COMMISSION ON CONSENSUS REFORM IN THE DISTRICT OF COLUMBIA PUBLIC SCHOOLS.**

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There is established within the District of Columbia Government a Commission on Consensus Reform in the District of Columbia Public Schools, consisting of 7 members to be appointed in accordance with paragraph (2).

(2) MEMBERSHIP.—The Consensus Commission shall consist of the following members:

(A) 1 member to be appointed by the President chosen from a list of 3 proposed members submitted by the Majority Leader of the Senate.

(B) 1 member to be appointed by the President chosen from a list of 3 proposed members submitted by the Speaker of the House of Representatives.

(C) 2 members to be appointed by the President, of which 1 shall represent the local business community and 1 of which shall be a teacher in a District of Columbia public school.

(D) The President of the District of Columbia Congress of Parents and Teachers.

(E) The President of the Board of Education.

(F) The Superintendent.

(G) The Mayor and District of Columbia Council Chairman shall each name 1 nonvoting ex officio member.

(H) The Chief of the National Guard Bureau who shall be an ex officio member.

(3) TERMS OF SERVICE.—The members of the Consensus Commission shall serve for a term of 3 years.

(4) VACANCIES.—Any vacancy in the membership of the Consensus Commission shall be filled by the appointment of a new member in the same manner as provided for the vacated membership. A member appointed under this paragraph shall serve the remaining term of the vacated membership.

(5) QUALIFICATIONS.—Members of the Consensus Commission appointed under subparagraphs (A), (B), and (C) of paragraph (2) shall be residents of the District of Columbia and shall have a knowledge of public education in the District of Columbia.

(6) CHAIR.—The Chair of the Consensus Commission shall be chosen by the Consensus Commission from among its members, except that the President of the Board of Education and the Superintendent shall not be eligible to serve as Chair.

(7) NO COMPENSATION FOR SERVICE.—Members of the Consensus Commission shall serve without pay, but may receive reimbursement for any reasonable and necessary expenses incurred by reason of service on the Consensus Commission.

(b) EXECUTIVE DIRECTOR.—The Consensus Commission shall have an Executive Director who shall be appointed by the Chair with the consent of the Consensus Commission. The Executive Director shall be paid at a rate determined by the Consensus Commission, except that such rate may not exceed the highest rate of pay payable for level EG-16 of the Educational Service of the District of Columbia.

(c) STAFF.—With the approval of the Chair and the Authority, the Executive Director may appoint and fix the pay of additional personnel as the Executive Director considers appropriate, except that no individual appointed by the Executive Director may be paid at a rate greater than the rate of pay for the Executive Director.

(d) SPECIAL RULE.—The Board of Education, or the Authority, shall reprogram such funds, as the Chair of the Consensus Commission shall in writing request, subject to the approval of the Authority from amounts available to the Board of Education.

**SEC. 2852. PRIMARY PURPOSE AND FINDINGS.**

(a) PURPOSE.—The primary purpose of the Consensus Commission is to assist in developing a long-term reform plan that has the support of the District of Columbia community through the participation of representatives of various critical segments of such community in helping to develop and approve the plan.

(b) FINDINGS.—The Congress finds that—

(1) experience has shown that the failure of the District of Columbia educational system has been due more to the failure to implement a plan than the failure to develop a plan;

(2) national studies indicate that 50 percent of secondary school graduates lack basic literacy skills, and over 30 percent of the 7th grade students in the District of Columbia public schools drop out of school before graduating;

(3) standard student assessments indicate only average performance for grade level and fail to identify individual students who lack basic skills, allowing too many students to graduate lacking these basic skills and diminishing the worth of a diploma;

(4) experience has shown that successful schools have good community, parent, and business involvement;

(5) experience has shown that reducing dropout rates in the critical middle and secondary school years requires individual student involvement and attention through such activities as arts or athletics; and

(6) experience has shown that close coordination between educators and business persons is required to provide non-college-bound students the skills necessary for employment, and that personal attention is vitally important to assist each student in developing an appropriate career path.

**SEC. 2853. DUTIES AND POWERS OF THE CONSENSUS COMMISSION.**

(a) PRIMARY RESPONSIBILITY.—The Board of Education and the Superintendent shall have primary responsibility for developing

and implementing the long-term reform plan for education in the District of Columbia.

(b) DUTIES.—The Consensus Commission shall—

(1) identify any obstacles to implementation of the long-term reform plan and suggest ways to remove such obstacles;

(2) assist in developing programs that—

(A) ensure every student in a District of Columbia public school achieves basic literacy skills;

(B) ensure every such student possesses the knowledge and skills necessary to think critically and communicate effectively by the completion of grade 8; and

(C) lower the dropout rate in the District of Columbia public schools;

(3) assist in developing districtwide assessments, including individual assessments, that identify District of Columbia public school students who lack basic literacy skills, with particular attention being given to grade 4 and the middle school years, and establish procedures to ensure that a teacher is made accountable for the performance of every such student in such teacher's class;

(4) make recommendations to improve community, parent, and business involvement in District of Columbia public schools and public charter schools;

(5) assess opportunities in the District of Columbia to increase individual student involvement and attention through such activities as arts or athletics, and make recommendations on how to increase such involvement; and

(6) assist in the establishment of procedures that ensure every District of Columbia public school student is provided the skills necessary for employment, including the development of individual career paths.

(c) POWERS.—The Consensus Commission shall have the following powers:

(1) To monitor and comment on the development and implementation of the long-term reform plan.

(2) To exercise its authority, as provided in this subtitle, as necessary to facilitate implementation of the long-term reform plan.

(3) To review and comment on the budgets of the Board of Education, the District of Columbia public schools and public charter schools.

(4) To recommend rules concerning the management and direction of the Board of Education that address obstacles to the development or implementation of the long-term reform plan.

(5) To review and comment on the core curriculum for kindergarten through grade 12 developed under subtitle C.

(6) To review and comment on a core curriculum for pre-kindergarten, vocational and technical training, and adult education.

(7) To review and comment on all other educational programs carried out by the Board of Education and public charter schools.

(8) To review and comment on the districtwide assessments for measuring student achievement in the core curriculum developed under subtitle C.

(9) To review and comment on the model professional development programs for teachers using the core curriculum developed under subtitle C.

(d) LIMITATIONS.—

(1) IN GENERAL.—Except as otherwise provided in this subtitle, the Consensus Commission shall have no powers to involve itself in the management or operation of the Board of Education with respect to the implementation of the long-term reform plan.

**SEC. 2854. IMPROVING ORDER AND DISCIPLINE.**

(a) COMMUNITY SERVICE REQUIREMENT FOR SUSPENDED STUDENTS.—

(1) IN GENERAL.—Any student suspended from classes at a District of Columbia public school who is required to serve the suspension outside the school shall perform community service for the period of suspension. The community service required by this subsection shall be subject to rules and regulations promulgated by the Mayor.

(2) EFFECTIVE DATE.—This subsection shall take effect on the first day of the 1996–1997 academic year.

(b) EXPIRATION DATE.—This section, and sections 2101(b)(1)(K) and 2851(a)(2)(H), shall cease to be effective on the last day of the 1997–1998 academic year.

(c) REPORT.—The Consensus Commission shall study the effectiveness of the policies implemented pursuant to this section in improving order and discipline in District of Columbia public schools and report its findings to the appropriate congressional committees not later than 60 days prior to the last day of the 1997–1998 academic year.

**SEC. 2855. EDUCATIONAL PERFORMANCE AUDITS.**

(a) IN GENERAL.—The Consensus Commission may examine and request the Inspector General of the District of Columbia or the Authority to audit the records of the Board of Education to ensure, monitor, and evaluate the performance of the Board of Education with respect to compliance with the long-term reform plan and such plan's overall educational achievement. The Consensus Commission shall conduct an annual review of the educational performance of the Board of Education with respect to meeting the goals of such plan for such year. The Board of Education shall cooperate and assist in the review or audit as requested by the Consensus Commission.

(b) AUDIT.—The Consensus Commission may examine and request the Inspector General of the District of Columbia or the Authority to audit the records of any public charter school to assure, monitor, and evaluate the performance of the public charter school with respect to the content standards and districtwide assessments described in section 2311(b). The Consensus Commission shall receive a copy of each public charter school's annual report.

**SEC. 2856. INVESTIGATIVE POWERS.**

The Consensus Commission may investigate any action or activity which may hinder the progress of any part of the long-term

reform plan. The Board of Education shall cooperate and assist the Consensus Commission in any investigation. Reports of the findings of any such investigation shall be provided to the Board of Education, the Superintendent, the Mayor, the District of Columbia Council, the Authority, and the appropriate congressional committees.

**SEC. 2857. RECOMMENDATIONS OF THE CONSENSUS COMMISSION.**

(a) **IN GENERAL.**—The Consensus Commission may at any time submit recommendations to the Board of Education, the Mayor, the District of Columbia Council, the Authority, the Board of Trustees of any public charter school and the Congress with respect to actions the District of Columbia Government or the Federal Government should take to ensure implementation of the long-term reform plan.

(b) **AUTHORITY ACTIONS.**—Pursuant to the District of Columbia Financial Responsibility and Management Assistance Act of 1995 or upon the recommendation of the Consensus Commission, the Authority may take whatever actions the Authority deems necessary to ensure the implementation of the long-term reform plan.

**SEC. 2858. EXPIRATION DATE.**

Except as otherwise provided in this subtitle, this subtitle shall be effective during the period beginning on the date of enactment of this Act and ending 7 years after such date.

## **Subtitle I—Parent Attendance at Parent-Teacher Conferences**

**SEC. 2901. POLICY.**

Notwithstanding any other provision of law, the Mayor is authorized to develop and implement a policy encouraging all residents of the District of Columbia with children attending a District of Columbia public school to attend and participate in at least one parent-teacher conference every 90 days during the academic year.



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**NATIONAL CAPITAL REVITALIZATION AND SELF-  
GOVERNMENT IMPROVEMENT ACT OF 1997**

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**NATIONAL CAPITAL REVITALIZATION AND SELF-  
GOVERNMENT IMPROVEMENT ACT OF 1997**

**Title XI of the Act to provide for reconciliation pursuant to subsections  
(b)(1) and (c) of section 105 of the concurrent resolution on the budget  
for fiscal year 1998 (105-33; 111 Stat. 251)**

**TITLE XI—DISTRICT OF COLUMBIA  
REVITALIZATION**

**SECTION 11000. SHORT TITLE; TABLE OF CONTENTS.**

(a) **SHORT TITLE.**—This title may be cited as the “National Capital Revitalization and Self-Government Improvement Act of 1997”.

(b) **TABLE OF CONTENTS.**—The table of contents of this title is as follows:

Sec. 11000. Short title; table of contents.

Subtitle A—District of Columbia Retirement Funds

CHAPTER 1—SHORT TITLE; FINDINGS; DEFINITIONS

Sec. 11001. Short title.

Sec. 11002. Findings and declaration of policy.

Sec. 11003. Definitions.

CHAPTER 2—FEDERAL BENEFIT PAYMENTS UNDER DISTRICT RETIREMENT PROGRAMS

Sec. 11011. Obligation of Federal government to make benefit payments.

Sec. 11012. Federal benefit payments described.

Sec. 11013. Establishment of single annual cost-of-living adjustment under District Retirement Program.

CHAPTER 3—DETERMINATIONS AND REVIEW OF ELIGIBILITY AND PAYMENTS;  
INFORMATION SHARING

Sec. 11021. Determination of eligibility for and amount of Federal benefit payments made by Trustee.

Sec. 11022. Procedures for resolving claims arising from denied benefit payments.

Sec. 11023. Transfer of and access to records of District Government.

Sec. 11024. Federal information sharing for verification of benefit determinations.

CHAPTER 4—DISTRICT OF COLUMBIA FEDERAL PENSION LIABILITY TRUST FUND

Sec. 11031. Creation of Trust Fund.

Sec. 11032. Uses of amounts in Trust Fund.

Sec. 11033. Transfer of assets and obligations of District Retirement Funds.

Sec. 11034. Treatment of Trust Fund under certain laws.

Sec. 11035. Administration through Trustee.

CHAPTER 5—RESPONSIBILITIES OF DISTRICT GOVERNMENT

Sec. 11041. Interim administration.

Sec. 11042. Replacement plan.

CHAPTER 6—FINANCING OF BENEFIT PAYMENTS AFTER DEPLETION OF TRUST FUND

Sec. 11051. Creation of Federal Supplemental Fund.

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- Sec. 11052. Uses of amounts in Fund.
- Sec. 11053. Determination of annual payment into Federal Supplemental Fund.
- Sec. 11054. Determination of methodology for making payments.
- Sec. 11055. Special requirements upon discontinuation of Trust Fund.

CHAPTER 7—REPORTS

- Sec. 11061. Annual valuations and reports by enrolled actuary.
- Sec. 11062. Reports by Comptroller General.

CHAPTER 8—JUDICIAL ENFORCEMENT

- Sec. 11071. Judicial review.
- Sec. 11072. Jurisdiction and venue.
- Sec. 11073. Statute of limitations.
- Sec. 11074. Treatment of misappropriation of fund amounts as Federal crime.

CHAPTER 9—MISCELLANEOUS

- Sec. 11081. Coordination between Secretary, Trustee, and District Government.
- Sec. 11082. Study of alternatives for financing Federal obligations.
- Sec. 11083. Issuance of regulations by Secretary.
- Sec. 11084. Effect on Reform Act and other laws.
- Sec. 11085. Reference to new Federal program for retirement of judges of District of Columbia courts.
- Sec. 11086. Full faith and credit.
- Sec. 11087. Severability of provisions.

Subtitle B—Management Reform Plans<sup>1</sup>

- Sec. 11101. Short title.
- Sec. 11102. Management reform plans for District Government.
- Sec. 11103. Procedures for development of plans.
- Sec. 11104. Implementation of plans.
- Sec. 11105. Reform of powers and duties of department heads.
- Sec. 11106. No effect on powers of Financial Responsibility and Management Assistance Authority.

Subtitle C—Criminal Justice

CHAPTER 1—CORRECTIONS

- Sec. 11201. Bureau of Prisons.
- Sec. 11202. Corrections Trustee.
- Sec. 11203. Priority consideration for employees of the District of Columbia.
- Sec. 11204. Amendments related to persons with a mental disease or defect.
- Sec. 11205. Liability for and litigation authority of Corrections Trustee.
- Sec. 11206. Permitting expenditure of funds to carry out certain sewer agreement.

CHAPTER 2—SENTENCING

- Sec. 11211. Truth-in-Sentencing Commission.
- Sec. 11212. General duties, powers, and goals of Commission.
- Sec. 11213. Data collection.
- Sec. 11214. Enactment of amendments to District of Columbia Code.

CHAPTER 3—OFFENDER SUPERVISION AND PAROLE

- Sec. 11231. Parole.
- Sec. 11232. Pretrial Services, Parole, Adult Probation and Offender Supervision Trustee.
- Sec. 11233. Court Services and Offender Supervision Agency.
- Sec. 11234. Authorization of appropriations.

CHAPTER 4—DISTRICT OF COLUMBIA COURTS

SUBCHAPTER A—TRANSFER OF ADMINISTRATION AND FINANCING OF COURTS TO FEDERAL GOVERNMENT

- Sec. 11241. Authorization of appropriations.
- Sec. 11242. Administration of courts under District of Columbia Code.
- Sec. 11243. Budgeting and financing requirements for courts under Home Rule Act.

<sup>1</sup>Public Law 106-1 (113 Stat. 3) repealed subtitle B without making a conforming amendment to the table of contents.

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- Sec. 11244. Auditing of accounts of court system.
- Sec. 11245. Miscellaneous budgeting and financing requirements for courts under District law.
- Sec. 11246. Other provisions relating to administration of District of Columbia courts.

SUBCHAPTER B—JUDICIAL RETIREMENT PROGRAM

- Sec. 11251. Judicial Retirement and Survivors Annuity Fund.
- Sec. 11252. Termination of current fund and program.
- Sec. 11253. Conforming amendments.

SUBCHAPTER C—MISCELLANEOUS CONFORMING AND ADMINISTRATIVE PROVISIONS

- Sec. 11261. Treatment of courts under miscellaneous District laws.
- Sec. 11262. Representation of indigents in criminal cases.

CHAPTER 5—PRETRIAL SERVICES AGENCY AND PUBLIC DEFENDER SERVICE

- Sec. 11271. Amendments affecting Pretrial Services Agency.
- Sec. 11272. Amendments affecting Public Defender Service.<sup>2</sup>

CHAPTER 6—MISCELLANEOUS PROVISIONS

- Sec. 11281. Technical assistance and research.
- Sec. 11282. Exemption from personnel and budget ceilings for Trustees and related agencies.

Subtitle D—Privatization of Tax Collection and Administration

- Sec. 11301. Findings.
- Sec. 11302. Authorizing Chief Financial Officer to privatize tax administration and collection.

Subtitle E—Financing of District of Columbia Accumulated Deficit

- Sec. 11401. Findings.
- Sec. 11402. Authorization for intermediate-term advances of funds by the Secretary of the Treasury to liquidate the accumulated general fund deficit of the District of Columbia.
- Sec. 11403. Conforming amendments.
- Sec. 11404. Technical corrections.
- Sec. 11405. Authorization for issuance of general obligation bonds by the District of Columbia to finance or refund its accumulated general fund deficit.

Subtitle F—District of Columbia Bond Financing Improvements

- Sec. 11501. Short title.
- Sec. 11502. Findings.
- Sec. 11503. Amendment to Section 462 (relating to contents of borrowing legislation and elections on issuing general obligation bonds).
- Sec. 11504. Amendment to Section 466 (relating to public or negotiated sale of general obligation bonds).
- Sec. 11505. Amendment to Section 467 (relating to authority to create security interests in District revenues).
- Sec. 11506. Amendment to Section 472 (relating to borrowing in anticipation of revenues).
- Sec. 11507. Addition of new Section 475 (relating to general obligation bond anticipation notes).
- Sec. 11508. Amendment to Section 490 (relating to revenue bonds and other obligations).
- Sec. 11509. Conforming amendment.

Subtitle G—District of Columbia Government Budget

- Sec. 11601. Elimination of the annual Federal payment to the District of Columbia.
- Sec. 11602. Requirement that the District of Columbia balance its budget in FY 1998.
- Sec. 11603. Permitting expedited submission and approval of consensus budget and financial plan.
- Sec. 11604. Increase in maximum amount of permitted District borrowing.

<sup>2</sup>Section 11272 was repealed by section 7(d) of the District of Columbia Courts and Justice Technical Corrections Act of 1998 (Public Law 105-274, 112 Stat. 2427, Oct. 21, 1998) without making a conforming amendment to the table of sections.

Subtitle H—Miscellaneous Provisions

CHAPTER 1—REGULATORY REFORM IN THE DISTRICT OF COLUMBIA

- Sec. 11701. Review and revision of regulations and permit and application processes.
- Sec. 11702. Repeal of Clean Air Compliance Fee Act of 1994.
- Sec. 11703. Repeal requirement for Congressional authorization of certain mergers involving District of Columbia public utility corporations.
- Sec. 11704. Exemption of certain contracts from Council review.

CHAPTER 2—OTHER MISCELLANEOUS PROVISIONS

- Sec. 11711. Revisions to Financial Responsibility and Management Assistance Act.
- Sec. 11712. Cooperative agreements between Federal agencies and Metropolitan Police Department.
- Sec. 11713. Permitting garnishment of wages of officers and employees of District of Columbia government.
- Sec. 11714. Permitting excess appropriations by Water and Sewer Authority for capital projects.
- Sec. 11715. Requiring certain Federal officials to provide notice before carrying out activities affecting real property located in District of Columbia.<sup>3</sup>
- Sec. 11716. Repeal term of deed of conveyance to certain hospital.
- Sec. 11717. Short title of Home Rule Act.

CHAPTER 3—EFFECTIVE DATE; GENERAL PROVISIONS

- Sec. 11721. Effective date.
- Sec. 11722. Technical assistance.
- Sec. 11723. Liability.

## **Subtitle A—District of Columbia Retirement Funds**

### **CHAPTER 1—SHORT TITLE; FINDINGS; DEFINITIONS**

#### **SEC. 11001. SHORT TITLE.**

This subtitle may be cited as the “District of Columbia Retirement Protection Act of 1997”.

#### **SEC. 11002. FINDINGS AND DECLARATION OF POLICY.**

(a) FINDINGS.—The Congress finds that—

(1) State and municipal retirement programs should be funded on an actuarially sound basis;

(2) the retirement programs for the police officers and fire-fighters, teachers and judges of the District of Columbia had significant unfunded liabilities totaling approximately \$1,900,000,000 when the Federal government transferred those programs to the District of Columbia, and those liabilities have since increased to nearly \$4,800,000,000, an increase which is almost entirely attributable to the accumulation of interest on the value which existed at the time of transfer;

(3) the District of Columbia has fully met its financial obligations under the District of Columbia Retirement Reform Act of 1979 (Public Law 96–122);

(4) the growth of the unfunded liabilities of the three pension funds listed above did not occur because of any action taken or any failure to act that lay within the power of the

<sup>3</sup>Section 11715 was repealed by § 157(f) of the District of Columbia Appropriations Act, 1998 (Public Law 105–100, 111 Stat. 2187, Nov. 19, 1997) without making a conforming amendment to the table of contents.

District of Columbia government or the District of Columbia Retirement Board;

(5) the presence of the unfunded pension liability is having and will continue to have a negative impact on the District of Columbia's credit rating as it is a legal obligation and the total unfunded liability exceeds the total General Obligation debt of the District, and the costs associated with this liability are a contributing cause of the District's ongoing financial crisis;

(6) the obligations of the District associated with these pension programs in fiscal year 1997 represents nearly 10 percent of the District's revenue;

(7) the annual Federal contribution toward these costs under the District of Columbia Retirement Reform Act has remained \$52,000,000;

(8) if the unfunded pension liability situation is not resolved, in 2004 the District of Columbia would be responsible for annual costs exceeding \$800,000,000, a figure which would be impossible to meet without catastrophic impact on the District government's resources and programs;

(9) the financial resources of the District of Columbia are not adequate to discharge the unfunded liabilities of the retirement programs; and

(10) the level of benefits and funding of the current retirement programs were authorized by various Acts of Congress.

(b) POLICY.—It is the policy of this subtitle—

(1) to relieve the District of Columbia government of the responsibility for the unfunded pension liabilities transferred to it by the Federal government;

(2) for the Federal government to assume the legal responsibility for paying certain pension benefits (including certain unfunded pension liabilities which existed as of the day prior to introduction of this legislation) for the retirement plans of teachers, police, and firefighters;

(3) to provide for a responsible Federal system for payment of benefits accrued prior to the date of introduction of this legislation; and

(4) to require the establishment of replacement plans by the District of Columbia government for the current retirement plans for teachers, and police and firefighters.

**SEC. 11003. DEFINITIONS.**

For purposes of this subtitle, the following definitions shall apply:

(1) The term "contract" means the contract under section 11035 between the Secretary and the Trustee, and includes any agreement with a department, agency, or instrumentality of the United States entered into under that section.

(2) The term "covered District employee" means a teacher of the District of Columbia public schools, or a member of the Metropolitan Police Force or the Fire Department of the District of Columbia, as defined under the District Retirement Program.

(3) The term "District Government" means any entity treated as part of the District government under section 305(5) of the District of Columbia Financial Responsibility and Man-

agement Assistance Act of 1995, including the District of Columbia Retirement Board (as defined in section 102(5) of the Reform Act).

(4) The term "District Retirement Fund" means the District of Columbia Police Officers and Fire Fighters Retirement Fund and the District of Columbia Teachers Retirement Fund, as defined in the Reform Act.

(5) The term "District Retirement Program" means any of the retirement programs for teachers and members of the Metropolitan Police Force and Fire Department, as described in section 102(7) of the Reform Act as in effect on the day before the freeze date (except as provided under section 11012(e) and as amended by section 11013).

(6) The term "enrolled actuary" means the enrolled actuary engaged by the Trustee under section 11061(a).

(7) The term "Federal benefit payment" means a payment described in section 11012.

(8) The term "Federal Supplemental Fund" means the Federal Supplemental District of Columbia Pension Fund created under section 11051.

(9) The term "freeze date" means June 30, 1997.

(10) The term "person" means an individual; partnership; joint venture; corporation; mutual company; joint-stock company; trust; estate; unincorporated organization; association; employee organization; or department, agency, or instrumentality of the United States.

(11) The term "Reform Act" means the District of Columbia Retirement Reform Act (Public Law 96-122).

(12) The term "replacement plan" means the plan described in section 11042.

(13) The term "replacement plan adoption date" means the date upon which the legislation establishing the replacement plan becomes effective, or the first day after the expiration of the 1-year period which begins on the date of the enactment of this Act, whichever occurs first.

(14) The term "Trust Fund" means the District of Columbia Federal Pension Liability Trust Fund established under section 11031.

(15) The term "Secretary" means the Secretary of the Treasury or the Secretary's designee.

(16) The term "Trustee" means the person or persons selected by the Secretary under section 11035.

## **CHAPTER 2—FEDERAL BENEFIT PAYMENTS UNDER DISTRICT RETIREMENT PROGRAMS**

### **SEC. 11011. OBLIGATION OF FEDERAL GOVERNMENT TO MAKE BENEFIT PAYMENTS.**

(a) **IN GENERAL.**—In accordance with the provisions of this subtitle, the Federal Government shall make Federal benefit payments associated with the pension plans for police officers, firefighters, and teachers of the District of Columbia.

(b) **NO REVERSION OF FEDERAL RESPONSIBILITY TO DISTRICT.**—At no point after the effective date of this subtitle may the responsibility or any part thereof assigned to the Federal Government

under subsection (a) for making Federal benefit payments revert to the District of Columbia.

**SEC. 11012. FEDERAL BENEFIT PAYMENTS DESCRIBED.**

(a) **IN GENERAL.**—Subject to the succeeding provisions of this subtitle, a “Federal benefit payment” is any benefit payment to which an individual is entitled under a District Retirement Program, in such amount and under such terms and conditions as may apply under such Program.

(b) **TREATMENT OF SERVICE OCCURRING AFTER FREEZE DATE.**—Service after the freeze date shall not be credited for purposes of determining the amount of any Federal benefit payment. Nothing in this subsection shall be construed to affect the crediting of such service for any other purpose under the District Retirement Program.

(c) **SPECIAL RULE REGARDING DISABILITY BENEFITS.**—To the extent that any portion of a benefit payment to which an individual is entitled under a District Retirement Program is based on a determination of disability made by the District Government or the Trustee after the freeze date, the Federal benefit payment determined with respect to the individual shall be an amount equal to the deferred retirement benefit or normal retirement benefit the individual would receive if the individual left service on the day before the commencement of disability retirement benefits.

(d) **SPECIAL RULE REGARDING CERTAIN DEATH BENEFITS.**—

(1) **IN GENERAL.**—In the case of a benefit payment to which an individual is entitled under a District Retirement Program which is payable on the death of a covered District employee or former covered District employee and which is not determined by the length of service of the employee or former employee, the Federal benefit payment determined with respect to the individual shall be equal to the pre-freeze date percentage of the amount otherwise payable.

(2) **PRE-FREEZE DATE PERCENTAGE DEFINED.**—In paragraph (1), the “pre-freeze date percentage” with respect to a covered District employee or former covered District employee is the amount (expressed as a percentage) equal to the quotient of—

(A) the number of months of the covered District employee’s or former covered District employee’s service prior to the freeze date; divided by

(B) the total number of months of the covered District employee’s or former covered District employee’s service.

(e) **TREATMENT OF INCREASES IN CERTAIN POLICE SERVICE LONGEVITY PAYMENTS.**—For purposes of subsection (a), in determining the amount of a Federal benefit payment made to an officer or member of the Metropolitan Police Department, the benefit payment to which the officer or member is entitled under the District Retirement Program shall include any amounts which would have been included in the benefit payment under such Program if the amendments made by the Police Recruiting and Retention Enhancement Amendment Act of 1999 had taken effect prior to the freeze date. The Secretary of the Treasury is authorized to estimate the additional compensation for service longevity for purposes of determining the amount of a Federal benefit payment for annuitants who retire on or after August 29, 1972, and on or before De-

ember 31, 2001, and to make Federal benefit payments based upon such estimates.

**SEC. 11013. ESTABLISHMENT OF SINGLE ANNUAL COST-OF-LIVING ADJUSTMENT UNDER DISTRICT RETIREMENT PROGRAM.**

(a) PROGRAM FOR POLICE AND FIRE FIGHTERS.—Subsection (m) of the Policemen and Firemen’s Retirement and Disability Act (DC Code, sec. 4–624) is amended—

(1) in paragraph (2), by striking “the Mayor shall” and all that follows and inserting the following: “on January 1 of each year (or within a reasonable time thereafter), the Mayor shall determine the per centum change in the price index for the preceding year by determining the difference between the index published for December of the preceding year and the index published for December of the second preceding year.”; and

(2) by amending paragraph (3) to read as follows:

“(3)(A) If (in accordance with paragraph (2)) the Mayor determines in a year (beginning with 1999) that the per centum change in the price index for the preceding year indicates a rise in the price index, each annuity having a commencing date on or before March 1 of the year shall, effective March 1 of the year, be increased by an amount equal to—

“(i) in the case of an annuity having a commencing date on or before March 1 of such preceding year, the per centum change computed under paragraph (2), adjusted to the nearest  $\frac{1}{10}$  of 1 per centum; or

“(ii) in the case of an annuity having a commencing date after March 1 of such preceding year, a pro rata increase equal to the product of—

“(I)  $\frac{1}{12}$  of the per centum change computed under paragraph (2), multiplied by

“(II) the number of months (not to exceed 12 months, counting any portion of a month as an entire month) for which the annuity was payable before the effective date of the increase,

adjusted to the nearest  $\frac{1}{10}$  of 1 per centum.

“(B) On January 1, 1998 (or within a reasonable time thereafter), the Mayor shall determine the per centum change in the price index published for December 1997 over the price index published for June 1997. If such per centum change indicates a rise in the price index, effective March 1, 1998—

“(i) each annuity having a commencing date on or before September 1, 1997, shall be increased by an amount equal to such per centum change, adjusted to the nearest  $\frac{1}{10}$  of 1 per centum; and

“(ii) each annuity having a commencing date after September 1, 1997, and on or before March 1, 1998, shall be increased by a pro rata increase equal to the product of—

“(I)  $\frac{1}{6}$  of such per centum change, multiplied by

“(II) the number of months (not to exceed 6 months, counting any portion of a month as an entire month) for which the annuity was payable before the effective date of the increase,

adjusted to the nearest  $\frac{1}{10}$  of 1 per centum.”.

(b) PROGRAM FOR TEACHERS.—Section 21(b) of the Act entitled “An Act for the retirement of public-school teachers in the District of Columbia”, approved August 7, 1946 (DC Code, sec. 31–1241(b)) is amended—

(1) in paragraph (1), by striking “The Mayor shall—” and all that follows and inserting the following: “On January 1 of each year (or within a reasonable time thereafter), the Mayor shall determine the per centum change in the price index for the preceding year by determining the difference between the index published for December of the preceding year and the index published for December of the second preceding year.”; and

(2) by amending paragraph (2) to read as follows:

“(2)(A) If (in accordance with paragraph (1)) the Mayor determines in a year (beginning with 1999) that the per centum change in the price index for the preceding year indicates a rise in the price index, each annuity having a commencing date on or before March 1 of the year shall, effective March 1 of the year, be increased by an amount equal to—

“(i) in the case of an annuity having a commencing date on or before March 1 of such preceding year, the per centum change computed under paragraph (1), adjusted to the nearest  $\frac{1}{10}$  of 1 per centum; or

“(ii) in the case of an annuity having a commencing date after March 1 of such preceding year, a pro rata increase equal to the product of—

“(I)  $\frac{1}{12}$  of the per centum change computed under paragraph (1), multiplied by

“(II) the number of months (not to exceed 12 months, counting any portion of a month as an entire month) for which the annuity was payable before the effective date of the increase,

adjusted to the nearest  $\frac{1}{10}$  of 1 per centum.

“(B) On January 1, 1998 (or within a reasonable time thereafter), the Mayor shall determine the per centum change in the price index published for December 1997 over the price index published for June 1997. If such per centum change indicates a rise in the price index, effective March 1, 1998—

“(i) each annuity having a commencing date on or before September 1, 1997, shall be increased by an amount equal to such per centum change, adjusted to the nearest  $\frac{1}{10}$  of 1 per centum; and

“(ii) each annuity having a commencing date after September 1, 1997, and on or before March 1, 1998, shall be increased by a pro rata increase equal to the product of—

“(I)  $\frac{1}{6}$  of such per centum change, multiplied by

“(II) the number of months (not to exceed 6 months, counting any portion of a month as an entire month) for which the annuity was payable before the effective date of the increase,

adjusted to the nearest  $\frac{1}{10}$  of 1 per centum.”.

**CHAPTER 3—DETERMINATIONS AND REVIEW OF  
ELIGIBILITY AND PAYMENTS; INFORMATION SHARING**

**SEC. 11021. DETERMINATION OF ELIGIBILITY FOR AND AMOUNT OF  
FEDERAL BENEFIT PAYMENTS MADE BY TRUSTEE.**

Notwithstanding any provision of a District Retirement Program or any other law, rule, or regulation, the Trustee—

(1) shall determine whether an individual is eligible to receive a Federal benefit payment under this subtitle;

(2) shall determine the amount and form of an individual's Federal benefit payment under this subtitle; and

(3) may recoup or recover, or waive recoupment or recovery of, any amounts paid under this subtitle as a result of errors or omissions by the Trustee, the District Government, or any other person.

**SEC. 11022. PROCEDURES FOR RESOLVING CLAIMS ARISING FROM DENIED BENEFIT PAYMENTS.**

(a) **REQUIRING NOTICE AND OPPORTUNITY FOR REVIEW.**—In accordance with procedures approved by the Secretary, the Trustee shall provide to any individual whose claim for a Federal benefit payment under this subtitle has been denied in whole or in part—

(1) adequate written notice of such denial, setting forth the specific reasons for the denial in a manner calculated to be understood by the average participant in the District Retirement Program; and

(2) a reasonable opportunity for a full and fair review of the decision denying such claim.

(b) **STANDARD FOR REVIEW.**—Any factual determination made by the Trustee shall be presumed correct unless rebutted by clear and convincing evidence. The Trustee's interpretation and construction of the benefit provisions of the District Retirement Program and this subtitle shall be entitled to great deference.

**SEC. 11023. TRANSFER OF AND ACCESS TO RECORDS OF DISTRICT GOVERNMENT.**

(a) **IN GENERAL.**—Within 30 days after the Secretary or the Trustee requests, the District Government shall furnish copies of all records, documents, information, or data the Secretary or the Trustee deems necessary to carry out responsibilities under this subtitle and the contract. Upon request, the District Government shall grant the Secretary or the Trustee direct access to such information systems, records, documents, information or data as the Secretary or Trustee requires to carry out responsibilities under this subtitle or the contract.

(b) **REPAYMENT BY DISTRICT GOVERNMENT.**—The District Government shall reimburse the Trust Fund for all costs, including benefit costs, that are attributable to errors or omissions in the transferred records that are identified within 3 years after such records are transferred.

**SEC. 11024. FEDERAL INFORMATION SHARING FOR VERIFICATION OF BENEFIT DETERMINATIONS.**

(a) **IN GENERAL.**—Except with respect to taxpayer returns and return information subject to section 6103 of the Internal Revenue Code of 1986, the Secretary may—

(1) secure directly from any department or agency of the United States information necessary to enable the Secretary to

verify or confirm benefit determinations under this subtitle; and

(2) by regulation authorize the Trustee to review such information for purposes of administering this subtitle and the contract.

(b) AMENDMENTS TO INTERNAL REVENUE CODE.—The Internal Revenue Code of 1986 is amended as follows:

(1) In section 6103(l), as amended by section 1206(a) of the Taxpayer Bill of Rights 2, by adding at the end the following new paragraph:

“(16) DISCLOSURE OF RETURN INFORMATION FOR PURPOSES OF ADMINISTERING THE DISTRICT OF COLUMBIA RETIREMENT PROTECTION ACT OF 1997.—

“(A) IN GENERAL.—Upon written request available return information (including such information disclosed to the Social Security Administration under paragraph (1) or (5) of this subsection), relating to the amount of wage income (as defined in section 3121(a) or 3401(a)), the name, address, and identifying number assigned under section 6109, of payors of wage income, taxpayer identity (as defined in subsection 6103(b)(6)), and the occupational status reflected on any return filed by, or with respect to, any individual with respect to whom eligibility for, or the correct amount of, benefits under the District of Columbia Retirement Protection Act of 1997, is sought to be determined, shall be disclosed by the Commissioner of Social Security, or to the extent not available from the Social Security Administration, by the Secretary, to any duly authorized officer or employee of the Department of the Treasury, or a Trustee or any designated officer or employee of a Trustee (as defined in the District of Columbia Retirement Protection Act of 1997), or any actuary engaged by a Trustee under the terms of the District of Columbia Retirement Protection Act of 1997, whose official duties require such disclosure, solely for the purpose of, and to the extent necessary in, determining an individual’s eligibility for, or the correct amount of, benefits under the District of Columbia Retirement Protection Act of 1997.

“(B) DISCLOSURE FOR USE IN JUDICIAL OR ADMINISTRATIVE PROCEEDINGS.—Return information disclosed to any person under this paragraph may be disclosed in a judicial or administrative proceeding relating to the determination of an individual’s eligibility for, or the correct amount of, benefits under the District of Columbia Retirement Protection Act of 1997.”

(2) In section 6103(a)(3), by striking “(6) or (12)” and inserting “(6), (12), or (16)”;

(3) In section 6103(i)(7)(B)(i), by inserting after “(other than an agency referred to in subparagraph (A))” and before the word “for” the words “or by a Trustee as defined in the District of Columbia Retirement Protection Act of 1997,”.

(4) In section 6103(p)(3)(A), by striking “or (15)” and inserting “(15), or (16)”.

(5) In section 6103(p)(4) in the matter preceding subparagraph (A), by striking “or (12)” and inserting “(12), or (16), or any other person described in subsection (l)(16)”.

(6) In section 6103(p)(4)(F)(i), by striking “or (9),” and inserting “(9), or (16), or any other person described in subsection (l)(16)”.

(7) In section 6103(p)(4)(F) in the matter following clause (iii)—

(A) by inserting after “any such agency, body or commission” and before the words “for the General Accounting Office” the words “, including an agency or any other person described in subsection (l)(16),”;

(B) by striking “to such agency, body, or commission” and inserting “to such agency, body, or commission, including an agency or any other person described in subsection (l)(16),”;

(C) by striking “or (12)(B)” and inserting “, (12)(B), or (16)”;

(D) by inserting after the words “any agent,” and before the words “this paragraph shall” the words “or any person including an agent described in subsection (l)(16),”;

(E) by inserting after the words “such agent” and before “(except that” the words “or other person”; and

(F) by inserting after the words “an agent,” and before the words “any report” the words “or any person including an agent described in subsection (l)(16),”.

(8) In section 7213(a)(2), by striking “or (15),” and inserting “(15), or (16)”.

(c) CONFIDENTIALITY.—The Secretary may issue regulations governing the confidentiality of the information obtained pursuant to subsection (a) and the provisions of law amended by subsection (b).

#### CHAPTER 4—DISTRICT OF COLUMBIA FEDERAL PENSION LIABILITY TRUST FUND

##### SEC. 11031. CREATION OF TRUST FUND.

(a) ESTABLISHMENT.—There is established on the books of the Treasury the District of Columbia Federal Pension Liability Trust Fund, consisting of the assets transferred pursuant to section 11033 and any income earned on the investment of such assets pursuant to subsection (b).

(b) INVESTMENT OF ASSETS.—The Trustee may invest the assets of the Trust Fund in private securities and any other form of investment deemed appropriate by the Secretary.

##### SEC. 11032. USES OF AMOUNTS IN TRUST FUND.

(a) IN GENERAL.—Amounts in the Trust Fund shall be used—

(1) to make Federal benefit payments under this subtitle;

(2) subject to subsection (b)(1), to cover the reasonable and necessary expenses of administering the Trust Fund under the contract entered into pursuant to section 11035(b);

(3) to cover the reasonable and necessary administrative expenses incurred by the Secretary in carrying out the Secretary’s responsibilities under this subtitle; and

(4) for such other purposes as are specified in this subtitle.

## (b) SPECIAL RULES REGARDING ADMINISTRATIVE EXPENSES.—

(1) BUDGETING; CERTIFICATION AND APPROVAL.—The administrative expenses of the Trust Fund shall be paid in accordance with an annual budget set forth by the Trustee which shall be subject to certification and approval by the Secretary.

(2) USE OF DISTRICT RETIREMENT FUND FOR INTERIM ADMINISTRATION.—The Secretary is authorized to requisition from the District Retirement Fund such sums as are necessary to administer the Trust Fund (including expenses described in section 11041(b)) until assets are transferred to the Trust Fund pursuant to section 11033.

**SEC. 11033. TRANSFER OF ASSETS AND OBLIGATIONS OF DISTRICT RETIREMENT FUNDS.**

(a) IN GENERAL.—As of the replacement plan adoption date, all obligations to make Federal benefit payments and all assets of the District Retirement Fund as of the replacement plan adoption date (except as provided in subsections (b) and (c)) shall be transferred to the Trust Fund.

(b) DESIGNATION OF ASSETS TO BE RETAINED BY DISTRICT RETIREMENT FUND.—The Secretary shall designate assets with a value of \$1.275 billion that shall not be transferred from the District Retirement Fund under subsection (a). The Secretary's designation and valuation of the assets shall be final and binding.

## (c) EXCEPTION FOR CERTAIN EMPLOYEE CONTRIBUTIONS.—

(1) IN GENERAL.—Subsection (a) shall not apply to assets of the District Retirement Fund consisting of any employee contributions deducted and withheld after the freeze date or any interest thereon (computed at a rate and in a manner determined by the Secretary).

(2) EMPLOYEE CONTRIBUTIONS DEFINED.—In paragraph (1), the term “employee contributions” means amounts deducted and withheld from the salaries of covered District employees and paid to the District Retirement Fund (and, in the case of teachers, amounts of additional deposits paid to the District Retirement Fund), pursuant to the District Retirement Program.

## (d) RESPONSIBILITIES OF DISTRICT GOVERNMENT.—

(1) IN GENERAL.—The transfer of assets from the District Retirement Fund under this section shall be made in accordance with the direction of the Secretary. The District Government shall promptly take all steps, and execute all documents, that the Secretary deems necessary to effect the transfer.

(2) FINAL RECONCILIATION OF ACCOUNTS.—As soon as practicable after the replacement plan adoption date, the District Government shall furnish the Trustee a final reconciliation of accounts in connection with the transfer of assets and obligations to the Trust Fund. The allocation of assets under this section shall be adjusted in accordance with this reconciliation.

## (e) METHODOLOGY FOR DESIGNATING ASSETS.—

(1) IN GENERAL.—In carrying out subsection (b), the Secretary may develop and implement a methodology for designating assets after the replacement plan adoption date that takes into account the value of the District Retirement Fund as of the replacement plan adoption date and the proportion of such value represented by \$1.275 billion, together with the in-

come (including returns on investments) earned on the assets of and withdrawals from and deposits to the Fund during the period between such date and the date on which the Secretary designates assets under subsection (b). In implementing a methodology under the previous sentence, the Secretary shall not be required to determine the value of designated assets as of the replacement plan adoption date. Nothing in this paragraph may be deemed to effect the entitlement of the District Retirement Fund to income (including returns on investments) earned after the replacement plan adoption date on assets designated for retention by the Fund.

(2) EMPLOYEE CONTRIBUTIONS; JUDICIAL RETIREMENT AND SURVIVORS ANNUITY FUND.—The Secretary may develop and implement a methodology comparable to the methodology described in paragraph (1) in carrying out the requirements of subsection (c) and in designating assets to be transferred to the District of Columbia Judicial Retirement and Survivors Annuity Fund pursuant to section 124(c)(1) of the District of Columbia Retirement Reform Act (as amended by section 11252).

(3) DISCRETION OF THE SECRETARY.—The Secretary's development and implementation of methodologies for designating assets under this subsection shall be final and binding.

**SEC. 11034. TREATMENT OF TRUST FUND UNDER CERTAIN LAWS.**

(a) INTERNAL REVENUE CODE.—For purposes of the Internal Revenue Code of 1986—

(1) the Trust Fund shall be treated as a trust described in section 401(a) of the Code which is exempt from taxation under section 501(a) of the Code;

(2) any transfer to or distribution from the Trust Fund shall be treated in the same manner as a transfer to or distribution from a trust described in section 401(a) of the Code; and

(3) the benefits provided by the Trust Fund shall be treated as benefits provided under a governmental plan maintained by the District of Columbia.

(b) ERISA.—For purposes of the Employee Retirement Income Security Act of 1974, the benefits provided by the Trust Fund shall be treated as benefits provided under a governmental plan maintained by the District of Columbia.

(c) APPLICATION OF CERTAIN FUTURE AMENDMENTS TO INTERNAL REVENUE CODE.—To the extent that any provision of subpart A of part I of subchapter D of chapter 1 of the Internal Revenue Code of 1986 (26 U.S.C. 401 et seq.) is amended after the date of the enactment of this Act, such provision as amended shall apply to the Trust Fund only to the extent the Secretary determines that application of the provision as amended is consistent with the administration of this subtitle.

**SEC. 11035. ADMINISTRATION THROUGH TRUSTEE.**

(a) IN GENERAL.—As soon as practicable after the enactment of this subtitle, the Secretary shall select a Trustee to administer the Trust Fund and otherwise carry out the responsibilities and duties specified in this subtitle in accordance with the contract described in subsection (b).

(b) **CONTRACT.**—The Secretary shall enter into a contract with the Trustee to provide for the management, investment, control and auditing of Trust Fund assets, the making of Federal benefit payments under this subtitle from the Trust Fund, and such other matters as the Secretary deems appropriate. The Secretary shall enforce the provisions of the contract and otherwise monitor the administration of the Trust Fund.

(c) **SUBCONTRACTS.**—Notwithstanding any provision of a District Retirement Program or any other law, rule, or regulation, the Trustee may, with the approval of the Secretary, enter into one or more subcontracts with the District Government or any person to provide services to the Trustee in connection with its performance of the contract. The Trustee shall monitor the performance of any such subcontract and enforce its provisions.

(d) **DETERMINATION BY THE SECRETARY.**—Notwithstanding subsection (b) or any other provision of this subtitle, the Secretary may determine, with respect to any function otherwise to be performed by the Trustee, that in the interest of economy and efficiency such function shall be performed by the Secretary rather than the Trustee.

(e) **REPORTS.**—The Trustee shall report to the Secretary, in a form and manner and at such intervals as the Secretary may prescribe, on any matters or transactions relating to the Trust Fund, including financial matters, as the Secretary may require.

## **CHAPTER 5—RESPONSIBILITIES OF DISTRICT GOVERNMENT**

### **SEC. 11041. INTERIM ADMINISTRATION.**

(a) **ADMINISTRATION OF BENEFITS UNTIL APPOINTMENT OF TRUSTEE.**—Notwithstanding chapter 2, after the enactment of this subtitle the District Government shall continue to discharge its duties and responsibilities under the District Retirement Program and the District Retirement Fund (as such duties and responsibilities are modified by this subtitle), including the responsibility for Federal benefit payments, until such time as the Secretary notifies the District Government that the Secretary has directed the Trustee to carry out the duties and responsibilities required under the contract.

(b) **REIMBURSEMENT FROM TRUST FUND.**—The Secretary or the Trustee shall, at such times during or after the period of interim administration described in subsection (a) as are deemed appropriate by the Secretary or the Trustee reimburse the District Government for any administrative expenses incurred by the District Government in carrying out subsection (a)—

(1) if the Secretary or the Trustee finds such expenses to be reasonable and necessary; and

(2) to the extent that the District Government is not reimbursed for such expenses from other sources.

(c) **MAKING DISTRICT RETIREMENT FUND WHOLE.**—The District Government shall reimburse the District Retirement Fund for any benefits paid inconsistent with this subtitle from the District Retirement Fund between the freeze date and such time as the Secretary notifies the District Government that the Secretary has di-

rected the Trustee to carry out the duties and responsibilities required under the contract.

**SEC. 11042. REPLACEMENT PLAN.**

(a) **ADOPTION BY DISTRICT GOVERNMENT.**—Not later than one year after the date of the enactment of this subtitle, the District Government shall adopt a replacement plan for pension benefits for covered District employees, effective as of the freeze date.

(b) **REPLACEMENT PLAN IMPOSED IF DISTRICT GOVERNMENT FAILS TO ADOPT PLAN.**—If the District Government fails to adopt a replacement plan within the period prescribed in subsection (a), the retirement program applicable to police, firefighters, and teachers under the laws of the District of Columbia in effect as of June 1, 1997 (except as otherwise amended by this Act), including all requirements of the program regarding benefits, contributions, and cost-of-living adjustments, shall be treated as the replacement plan for purposes of this subtitle.

(c) **NO PAYMENT OF AMOUNTS PAID AS FEDERAL BENEFIT PAYMENT.**—Notwithstanding any provision of the Reform Act or any other law, rule, or regulation, the District Government is not required to pay any amount under any replacement plan under this subtitle if the amount is paid as a Federal benefit payment under this subtitle.

**CHAPTER 6—FINANCING OF BENEFIT PAYMENTS AFTER DEPLETION OF TRUST FUND**

**SEC. 11051. CREATION OF FEDERAL SUPPLEMENTAL FUND.**

(a) **ESTABLISHMENT.**—There is established on the books of the Treasury the Federal Supplemental District of Columbia Pension Fund, which shall be administered by the Secretary and shall consist of the following assets:

(1) Amounts deposited into such Fund under the provisions of this subtitle.

(2) Any amount otherwise appropriated to such Fund.

(3) Any income earned on the investment of the assets of such Fund pursuant to subsection (b).

(b) **INVESTMENT OF ASSETS.**—The Secretary shall invest such portion of the Federal Supplemental Fund as is not in the judgment of the Secretary required to meet current withdrawals. Such investments shall be in public debt securities with maturities suitable to the needs of the Federal Supplemental Fund, as determined by the Secretary, and bearing interest at rates determined by the Secretary, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturities.

(c) **RECORDKEEPING FOR ACTUARIAL STATUS.**—The Secretary shall provide for the keeping of such records as are necessary for determining the actuarial status of the Federal Supplemental Fund.

**SEC. 11052. USES OF AMOUNTS IN FUND.**

Amounts in the Federal Supplemental Fund shall be used for the accumulation of funds in order to finance obligations of the Federal Government for benefits and necessary administrative expenses under the provisions of this subtitle, in accordance with the methodology selected by the Secretary under section 11054(b), ex-

cept that payments from the Fund for administrative expenses may be made only to the extent and in such amounts as are provided in advance in appropriations acts.

**SEC. 11053. DETERMINATION OF ANNUAL PAYMENT INTO FEDERAL SUPPLEMENTAL FUND.**

(a) **ANNUAL AMORTIZATION AMOUNT.**—At the end of each applicable fiscal year the Secretary shall promptly pay into the Federal Supplemental Fund from the General Fund of the Treasury an amount equal to the annual amortization amount for the year (which may not be less than zero).

(b) **ADMINISTRATIVE EXPENSES.**—During each applicable fiscal year, the Secretary shall pay into the Federal Supplemental Fund from the General Fund of the Treasury amounts not to exceed the covered administrative expenses for the year.

(c) **DETERMINATION OF AMOUNTS.**—For purposes of this section:

(1) The “original unfunded liability” is the amount that is the present value as of the effective date of this Act of future benefits payable from the Federal Supplemental Fund.

(2) The “annual amortization amount” is the amount determined by the enrolled actuary to be necessary to amortize in equal annual installments (until fully amortized)—

(A) the original unfunded liability over a 30-year period;

(B) a net experience gain or loss over a 10-year period; and

(C) any other changes in actuarial liability over a 20-year period.

(3) The “covered administrative expenses” are the expenses determined by the Secretary (on an annual basis) to be necessary to administer the Federal Supplemental Fund.

(d) **TIMING.**—The first applicable fiscal year under subsection (a) is the first fiscal year that ends more than six months after the replacement plan adoption date.

**SEC. 11054. DETERMINATION OF METHODOLOGY FOR MAKING PAYMENTS.**

(a) **NOTICE TO PRESIDENT AND CONGRESS.**—Not later than 18 months before the time that assets remaining in the Trust Fund are projected to be insufficient for making Federal benefit payments and covering necessary administrative expenses when due, the Secretary shall so advise the President and the Congress.

(b) **SELECTION OF METHODOLOGY.**—Before all available assets of the Trust Fund have been depleted, the Secretary shall determine whether Federal benefit payments and necessary administrative expenses under this subtitle shall be made by one of the following methods:

(1) Continuation of the Trust Fund using payments from the Federal Supplemental Fund.

(2) Discontinuation of the Trust Fund, with payments made—

(A) by direct payment by the Secretary from the Federal Supplemental Fund; or

(B) from the Federal Supplemental Fund through another department or agency of the United States.

(c) **ARRANGEMENTS BY SECRETARY.**—The Secretary shall make appropriate arrangements to implement the determinations made in this subsection.

**SEC. 11055. SPECIAL REQUIREMENTS UPON DISCONTINUATION OF TRUST FUND.**

(a) **SUCCESSOR TO TRUSTEE.**—If the Secretary determines that the Trust Fund shall be discontinued after it has been depleted of assets, the Secretary shall appoint a successor to the Trustee to administer the requirements of this subtitle, with the same powers and subject to the same conditions as were applicable to the Trustee.

(b) **CONTINUING APPLICATION OF TERMS AND CONDITIONS.**—The methodology selected by the Secretary under section 11054(b), and the payment of benefits pursuant to such methodology, shall be subject to the same arrangements, terms, and conditions as were applicable under this subtitle to the Trust Fund and the benefits paid under the Trust Fund (including provisions relating to the treatment of the Trust Fund under certain laws).

**CHAPTER 7—REPORTS**

**SEC. 11061. ANNUAL VALUATIONS AND REPORTS BY ENROLLED ACTUARY.**

(a) **DETERMINATION OF ACTUARIAL VALUATIONS.**—The Trustee shall engage an enrolled actuary (as defined in section 7701(a)(35) of the Internal Revenue Code of 1986) who is a member of the American Academy of Actuaries to shall perform an annual actuarial valuation (in a manner and form determined by the Secretary) of the Trust Fund and the Federal Supplemental Fund for obligations assumed by the Federal Government under this subtitle.

(b) **ANNUAL REPORT ON STATUS OF FUNDS.**—The enrolled actuary shall prepare and submit to the Secretary and the Trustee an annual report on the actuarial status of the Trust Fund and the Federal Supplemental Fund, and shall include in the report—

(1) a projection of when assets in the Trust Fund will be insufficient to pay benefits and necessary administrative expenses when due; and

(2) a determination of the annual payment to the Federal Supplemental Fund under section 11053.

**SEC. 11062. REPORTS BY COMPTROLLER GENERAL.**

(a) **IN GENERAL.**—The Comptroller General is authorized to conduct evaluations of the administration of this subtitle to ensure that the Trust Fund and Federal Supplemental Fund are being properly administered and shall report the findings of such evaluations to the Secretary and the Congress.

(b) **ACCESS TO INFORMATION.**—For the purpose of evaluations under subsection (a) the Comptroller General, subject to section 6103 of the Internal Revenue Code of 1986, shall have access to and the right to copy any books, accounts, records, correspondence or other pertinent documents that are in the possession of the Secretary or the Trustee, or any contractor or subcontractor of the Secretary or the Trustee.

**CHAPTER 8—JUDICIAL ENFORCEMENT**

**SEC. 11071. JUDICIAL REVIEW.**

(a) IN GENERAL.—A civil action may be brought—

(1) by a participant or beneficiary to enforce or clarify rights to benefits from the Trust Fund or Federal Supplemental Fund under this subtitle;

(2) by the Trustee—

(A) to enforce any claim arising (in whole or in part) under this subtitle or the contract; or

(B) to recover benefits improperly paid from the Trust Fund or Federal Supplemental Fund or to clarify a participant's or beneficiary's rights to benefits from the Trust Fund or Federal Supplemental Fund; and

(3) by the Secretary to enforce any provision of this subtitle or the contract.

(b) TREATMENT OF TRUST FUND.—The Trust Fund may sue and be sued as an entity.

(c) EXCLUSIVE REMEDY.—This chapter shall be the exclusive means for bringing actions against the Trust Fund, the Trustee or the Secretary under this subtitle.

**SEC. 11072. JURISDICTION AND VENUE.**

(a) IN GENERAL.—The United States District Court for the District of Columbia shall have exclusive jurisdiction and venue, regardless of the amount in controversy, of—

(1) civil actions brought by participants or beneficiaries pursuant to this subtitle, and

(2) any other action otherwise arising (in whole or part) under this subtitle or the contract.

(b) REVIEW BY COURT OF APPEALS.—Notwithstanding any other provision of law, any order of the United States District Court for the District of Columbia issued pursuant to an action described in subsection (a) that concerns the validity or enforceability of any provision of this subtitle or seeks injunctive relief against the Secretary or Trustee under this subtitle shall be reviewable only pursuant to a notice of appeal to the United States Court of Appeals for the District of Columbia Circuit.

(c) REVIEW BY SUPREME COURT.—Notwithstanding any other provision of law, review by the Supreme Court of the United States of a decision of the Court of Appeals that is issued pursuant to subsection (b) may be had only if the petition for relief is filed within 20 calendar days after the entry of such decision.

(d) RESTRICTIONS ON DECLARATORY OR INJUNCTIVE RELIEF.—No order of any court granting declaratory or injunctive relief against the Secretary or the Trustee shall take effect during the pendency of the action before such court, during the time an appeal may be taken, or (if an appeal is taken or petition for certiorari filed) during the period before the court has entered its final order disposing of the action.

**SEC. 11073. STATUTE OF LIMITATIONS.**

(a) ACTION FOR BENEFITS.—Any civil action by an individual with respect to a Federal benefit payment under this subtitle shall be commenced within 180 days of a final benefit determination.

(b) **ACTION FOR BREACH OF CONTRACT OR OTHER VIOLATIONS.**—Except as provided in subsection (c), any civil action for breach of the contract or any other violation of this subtitle shall be commenced within the later of—

(1) six years after the last act that constituted the alleged breach or violation or, in the case of an omission, six years after the last date on which the alleged breach or violation could have been cured; or

(2) three years after the earliest date on which the plaintiff knew or could have reasonably been expected to have known of the act or omission on which the action is based.

(c) **SPECIAL RULE FOR ACTIONS AGAINST SECRETARY.**—Notwithstanding subsection (b), any action against the Secretary arising (in whole or part) under this subtitle or the contract shall be commenced within one year of the events giving rise to the cause of action.

**SEC. 11074. TREATMENT OF MISAPPROPRIATION OF FUND AMOUNTS AS FEDERAL CRIME.**

The provisions of section 664 of title 18, United States Code (relating to theft or embezzlement from employee benefit plans), shall apply to the Trust Fund and the Federal Supplemental Fund.

**CHAPTER 9—MISCELLANEOUS**

**SEC. 11081. COORDINATION BETWEEN SECRETARY, TRUSTEE, AND DISTRICT GOVERNMENT.**

The Secretary, Trustee, and District Government shall carry out responsibilities under this subtitle and under the contract in a manner which promotes the cost-effective and efficient administration of benefit payments under the District Retirement Programs, and in a manner which avoids unnecessary interruptions and delays in paying individuals the full benefits to which they are entitled under such Programs.

**SEC. 11082. STUDY OF ALTERNATIVES FOR FINANCING FEDERAL OBLIGATIONS.**

(a) **IN GENERAL.**—As soon as practicable after the date of the enactment of this subtitle, the Secretary shall enter into a contract with an independent consultant to conduct a study of actuarial alternatives for financing the federal obligations assumed under this subtitle, together with an analysis of the impact of each alternative on the federal budget. The Secretary and the District Government shall cooperate with the consultant and shall provide direct access to such information systems, records, documents, information, or data as will enable the consultant to conduct the study.

(b) **DEADLINE.**—The contract entered into under subsection (a) shall require the consultant to report the results of the study not later than 12 months after the date of enactment of this Act.

(c) **NO EFFECT ON FEDERAL OBLIGATIONS.**—Nothing in this section may be construed to affect any obligation of the Federal Government to make payments under this subtitle.

**SEC. 11083. ISSUANCE OF REGULATIONS BY SECRETARY.**

The Secretary is authorized to issue regulations to implement, interpret, administer and carry out the purposes of this subtitle, and, in the Secretary's discretion, those regulations may have retroactive effect.

**SEC. 11084. EFFECT ON REFORM ACT AND OTHER LAWS.****(a) REFORM ACT.—**

(1) **IN GENERAL.**—This subtitle supersedes any provision of the Reform Act inconsistent with this subtitle and the regulations thereunder.

(2) **TERMINATION OF PAYMENTS TO DISTRICT RETIREMENT FUNDS.**—Section 144 of the Reform Act (DC Code, sec. 1-724) is amended by adding at the end the following new subsection:

“(f) Notwithstanding any other provision of this Act, no Federal payments may be made to any Fund established by this title for any fiscal year after fiscal year 1997.”.

(b) **NO EFFECT ON TAX TREATMENT OF BENEFITS.**—Except as otherwise specifically provided, nothing in this subtitle may be construed to affect the application of any provision of the Internal Revenue Code of 1986 to any annuity or other benefit provided to or on behalf of any individual, including any disability benefit or any portion of a retirement benefit attributable to an individual’s disability status.

(c) **NO EFFECT ON BENEFITS FOR PARK POLICE AND SECRET SERVICE.**—Nothing in this subtitle shall be deemed to alter or amend in any way the provisions of existing law (including the Reform Act) relating to the program of annuities, other retirement benefits, or medical benefits for members and officers, retired members and officers, and survivors thereof, of the United States Park Police force, the United States Secret Service, or the United States Secret Service Uniformed Division.

**SEC. 11085. REFERENCE TO NEW FEDERAL PROGRAM FOR RETIREMENT OF JUDGES OF DISTRICT OF COLUMBIA COURTS.**

For provisions describing the retirement program for judges and judicial personnel of the District of Columbia, see subchapter B of chapter 4 of subtitle C.

**SEC. 11086. FULL FAITH AND CREDIT.**

Federal obligations for benefits under this subtitle are backed by the full faith and credit of the United States.

**SEC. 11087. SEVERABILITY OF PROVISIONS.**

If any provision of this subtitle, or the application of such provision to any person or circumstances, shall be held invalid, the remainder of this subtitle, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

[Subtitle B—Repealed<sup>4</sup>]

Subtitle C—Criminal Justice

CHAPTER 1—CORRECTIONS

SEC. 11201. BUREAU OF PRISONS.

(a) FELONS SENTENCED PURSUANT TO THE TRUTH-IN-SENTENCING REQUIREMENTS.—Not later than October 1, 2001, any person who has been sentenced to incarceration pursuant to the District of Columbia Code or the truth-in-sentencing system as described in section 11211 shall be designated by the Bureau of Prisons to a penal or correctional facility operated or contracted for by the Bureau of Prisons, for such term of imprisonment as the court may direct. Such persons shall be subject to any law or regulation applicable to persons committed for violations of laws of the United States consistent with the sentence imposed.

(b) FELONS SENTENCED PURSUANT TO THE D.C. CODE.—Notwithstanding any other provision of law, not later than December 31, 2001, the Lorton Correctional Complex shall be closed and the felony population sentenced pursuant to the District of Columbia Code residing at the Lorton Correctional Complex shall be transferred to a penal or correctional facility operated or contracted for by the Bureau of Prisons. Such persons shall be subject to any law or regulation applicable to persons committed for violations of laws of the United States consistent with the sentence imposed, and the Bureau of Prisons shall be responsible for the custody, care, subsistence, education, treatment and training of such persons.

(c) PRIVATIZATION.—

(1) TRANSITION OF INMATES FROM LORTON.—The Bureau of Prisons shall house, in private contract facilities—

(A) at least 2000 District of Columbia sentenced felons by December 31, 1999; and

(B) at least 50 percent of the District of Columbia sentenced felony population by September 30, 2003.

(2) DUTIES OF DEPUTY ATTORNEY GENERAL.—The Deputy Attorney General shall—

(A) be responsible for overseeing Bureau of Prisons privatization activities; and

(B) submit a report to Congress on October 1 of each year detailing the progress and status of compliance with privatization requirements.

(3) DUTIES OF ATTORNEY GENERAL.—The Attorney General shall—

(A) conduct a study of correctional privatization, including a review of relevant research and related legal issues, and comparative analysis of the cost effectiveness and feasibility of private sector and Federal, State, and local governmental operation of prisons and corrections programs at all security levels; and

<sup>4</sup>Section 3(a) of Public Law 106-1 (113 Stat. 3) repealed subtitle B (relating to “Management Reform Plans”).

(B) submit a report to Congress no later than one year after the date of enactment of this Act.

(d) SITE ACQUISITION AND CONSTRUCTION.—In order to house the District of Columbia felony inmate population the Bureau of Prisons shall acquire land, construct and build new facilities at sites selected by the Bureau of Prisons, or contract for appropriate bed space, but no facilities may be built on the grounds of the Lorton Reservation.

(e) NATIONAL CAPITAL PLANNING.—Notwithstanding any other provision of law, the requirements of the National Capital Planning Act of 1952 (40 U.S.C. 71 et seq.) shall not apply to any actions taken by the Bureau of Prisons or its agents or employees.

(f) DEPARTMENT OF CORRECTIONS AUTHORITY.—The District of Columbia Department of Corrections shall remain responsible for the custody, care, subsistence, education, treatment, and training of any person convicted of a felony offense pursuant to the District of Columbia Code and housed at the Lorton Correctional Complex until December 31, 2001, or the date on which the last inmate housed at the Lorton Correctional Complex is designated by the Bureau of Prisons, whichever is earlier.

(g) LORTON CORRECTIONAL COMPLEX.—

(1) TRANSFER OF FUNCTIONS.—(A) Notwithstanding any other provision of law, to the extent the Bureau of Prisons assumes functions of the Department of Corrections under this subtitle, the Department is no longer responsible for such functions and the provisions of “An Act to create a Department of Corrections in the District of Columbia”, approved June 27, 1946 (D.C. Code 24–441, 442), that apply with respect to such functions are no longer applicable.

(B) Contingent on the General Services Administration (GSA) receiving the necessary appropriations to carry out the requirements of this paragraph and subsection (g), and notwithstanding the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.), not later than 60 days after the date of the enactment of the Lorton Technical Corrections Act of 1998, any property on which the Lorton Correctional Complex is located shall be transferred to the GSA.

(C) Not later than 1 year after the date of the enactment of the Lorton Technical Corrections Act of 1998, Fairfax County shall submit a reuse plan that complies with all requisite approvals to the Administrator of General Services, that aims to maximize use of the land for open space, park land, or recreation, while delineating permissible or required uses, potential development densities, and any time limits on such development factors of the property on which the Lorton Correctional Complex is located.

(D) Not later than 180 days after the date of the enactment of the Lorton Technical Corrections Act of 1998, the Secretary of the Interior shall notify GSA of any property it requests to be transferred to the Department of the Interior for the purpose of a land exchange by the United States Fish and Wildlife Service within the Commonwealth of Virginia or such other purposes consistent with the reuse plan developed by Fairfax County as the Secretary may request. The Administrator of General Services shall approve the Secretary’s request

to the extent that the request is consistent with the reuse plan developed by Fairfax County and does not result in a significant reduction in the marketability or value of any remaining property. The Administrator of General Services shall coordinate with the Secretary of the Interior to resolve any conflicts presented by the Department of the Interior's request and shall transfer the property to the Department of the Interior at no cost.

(E) Any property not transferred to the Department of the Interior under subparagraph (D) shall be disposed of according to paragraphs (2) and (4).

(2) TRANSFER OF LAND.—

(A) IN GENERAL.—

(i) FAIRFAX COUNTY WATER AUTHORITY.—150 acres of parcel 106-4-001-54 located west of Ox Road (State Route 123) on which the Lorton Correctional Complex is located shall be transferred, without consideration, to the Fairfax County Water Authority of Fairfax, Virginia.

(ii) FAIRFAX COUNTY PARKS AUTHORITY.—Any acres of parcel 106-4-001-54 located west of Ox Road (State Route 123) on which the Lorton Correctional Complex is located not transferred under clause (i) shall be assigned to the Department of the Interior, National Park Service, for conveyance to the Fairfax County Parks Authority for recreational purposes pursuant to the section 203(k)(2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)(2)).

(B) CONDITION OF TRANSFER.—

(i) WATER SERVICES.—The United States Government shall not transfer any parcels under this paragraph unless the Fairfax County Water Authority certifies that it will continue to provide water services to the Lorton Correctional Complex at the rate it provided water services prior to the transfer.

(ii) RESTRICTION ON TRANSFER.—No Federal agency may transfer the property under this paragraph until the prospective recipient of the property provides to such agency—

(I) a land description survey suitable for transferring property under Virginia law; and

(II) any necessary surveys to determine the presence of any hazardous substances, contaminants or pollutants.

(iii) LORTON CORRECTIONAL COMPLEX.—The Lorton Correctional Complex shall remain available for the District of Columbia Department of Corrections to house District of Columbia felony inmates until the last inmate at the Complex has been designated by the Bureau of Prisons or until December 31, 2003, whichever is earlier.

(C) AUTHORIZATION.—The General Services Administration and the National Park Service is authorized to expend any funds necessary to ensure that the transfer or

conveyance under subparagraph (A) complies with all applicable environmental and historic preservation laws.

(3) WATER MAINS.—Any water mains located on or across the Lorton Correctional Complex on the date of the transfers under paragraph (2), that are owned by the Fairfax County Water Authority and provide water to the public, shall be permitted to remain in place, and shall be operated, maintained, repaired, and replaced by the Fairfax County Water Authority or a successor agency furnishing water to the public in Fairfax County or adjacent jurisdictions, but shall not interfere with operations of the Lorton Correctional Complex.

(4) CONDITIONS ON TRANSFER OF LORTON PROPERTY EAST OF OX ROAD (STATE ROUTE 123).—

(A) IN GENERAL.—With respect to property east of Ox Road (State Route 123) on which the Lorton Correctional Complex is located, the Administrator of General Services shall—

(i) cooperate with the District of Columbia Corrections Trustee to determine property necessary for the Trustee to maintain the security of the Lorton Correctional Complex until its closure;

(ii) prepare a report of title, complete a property description, provide protection and maintenance, conduct an environmental assessment of the property to determine the extent of contamination, complete National Environmental Policy Act of 1969 (42 U.S.C. 4331 et seq.) and National Historic Preservation Act (16 U.S.C. 470 et seq.) processes for closure and disposal of the property, and provide an estimate of the cost for remediation and contingent on receiving the necessary appropriations complete the remediation in compliance with applicable Federal and State environmental laws;

(iii) develop a disposition strategy incorporating the Fairfax County reuse plan and the Department of the Interior's land transfer request, and resolve conflicts between the plan and the transfer request, or between the reuse plan, the transfer request and the results of the environmental studies;

(iv) negotiate with any entity that has a lease, agreement, memorandum of understanding, right-of-way, or easement with the District of Columbia to occupy or utilize any parcels of such property on the date of the enactment of this title, to perfect or extend such lease, agreement, memorandum of understanding, right-of-way, or easement;

(v) transfer any property identified for use for open space, park land, or recreation in the Fairfax County reuse plan to the Northern Virginia Regional Park Authority, the Fairfax County Park Authority, or another public entity, subject to the condition that the recipient use the conveyed property only for open space, park land, or recreation and that the transfer be at fair market value considering the highest and

best use of the property to be open space, park land, and recreation;

(vi) immediately upon completing the remediation required under clause (ii) (but in no event later than June 1, 2003), transfer any property located south of Silverbrooke Road which is identified for use for educational purposes in the Fairfax County reuse plan to the County, without consideration, subject to the condition that the County use the property only for educational purposes;

(vii) not later than 60 days after the property is transferred to the General Services Administration, transfer at fair market value the six-acre parcel east of Shirley Highway on Interstate 95 to Amtrak, subject to such terms and conditions as the Administrator determines to be in the best interest of the United States;

(viii) dispose of any parcels not reserved by the Department of the Interior and not otherwise addressed under this subparagraph at fair market value, subject to such terms and conditions as the Administrator determines to be in the best interest of the United States;

(ix) deposit any proceeds from the sale of property on which the Lorton Correctional Complex is located into a special fund established in the treasury for purposes of covering real property utilization and disposal related expenses, including environmental compliance and remediation for the Lorton Correctional Complex until all property has been conveyed; and

(x) deposit any remaining funds in the Policy and Operations appropriation account of the General Services Administration to be used for real property utilization and disposal activities until expended.

(B) REPORT.—Not later than 90 days after the date of the receipt of the Fairfax County reuse plan and the Department of the Interior property transfer request by the Administrator of General Services, the Administrator shall report to the Committees on Appropriations and Government Reform and Oversight of the House of Representatives, and the Committees on Appropriations and Governmental Affairs of the Senate on plans to comply with the terms of this paragraph and any estimated costs associated with such compliance.

(C) AUTHORIZATION.—There is authorized to be appropriated such sums as are necessary from the general funds of the Treasury, to remain available until expended, to the Policy and Operations appropriation account of the General Services Administration for the real property utilization and disposal activities in carrying out the provisions of this title.

(5) JURISDICTION.—Any property disposed of according to paragraphs (2) and (4) shall be under the jurisdiction of the Commonwealth of Virginia. Any development of such property and any property transferred to the Department of the Interior

for exchange purposes shall comply with any applicable planning and zoning requirements of Fairfax County and the Fairfax County reuse plan.

(6) MEADOWOOD FARM LAND EXCHANGE.—

(A) IN GENERAL.—If, not later than January 15, 2001, Fairfax County, Virginia, agrees to convey fee simple title to the property on Mason Neck in excess of 800 acres depicted on the map dated June 2000, on file in the Office of the Director of the Bureau of Land Management, Eastern States (hereafter in this paragraph referred to as “Meadowood Farm”) to the Secretary of the Interior, then the Administrator of General Services shall agree to convey to Fairfax County, Virginia, fee simple title to the property located at the Lorton Correctional Complex north of Silverbrook Road, and consisting of more than 200 acres identified in the Fairfax County Reuse Plan, dated July 26, 1999, as land available for residential development in Land Units 1 and 2 (hereafter in this paragraph referred to as the “Laurel Hill Residential Land”), the actual exchange to occur no later than December 31, 2001.

(B) TERMS AND CONDITIONS.—(i) When Fairfax County transfers fee simple title to Meadowood Farm to the Secretary of the Interior, the Administrator of General Services shall simultaneously transfer to the County the Laurel Hill Residential Land.

(ii) The transfer of property to Fairfax County, Virginia, under clause (i) shall be subject to such terms and conditions that the Administrator of General Services considers to be appropriate to protect the interests of the United States.

(iii) Any proceeds derived from the sale of the Laurel Hill Residential Land by Fairfax County that exceed the County’s cost of acquiring, financing (which shall be deemed a County cost from the time of financing of the Meadowood Farm acquisition to the receipt of proceeds of the sale or sales of the Laurel Hill Residential Land until such time as the proceeds of such sale or sales exceed the acquisition and financing costs of Meadowood Farm to the County), preparing, and conveying Meadowood Farm and costs incurred for improving, preparing, and conveying the Laurel Hill Residential Land shall be remitted to the United States and deposited into the special fund established pursuant to paragraph (4)(A)(viii).

(C) MANAGEMENT OF PROPERTY.—The property transferred to the Secretary of the Interior under this section shall be managed by the Bureau of Land Management for public use and recreation purposes.

(h) DISTRICT OF COLUMBIA CORRECTIONS INFORMATION COUNCIL.—

(1) ESTABLISHMENT.—There is established a council to be known as the District of Columbia Correction Information Council (hereafter referred to as “Council”).

(2) MEMBERSHIP.—The Council shall be composed of 3 members appointed as follows:

(A) 2 individuals appointed by the mayor of the District of Columbia.

(B) 1 individual appointed by the Council of the District of Columbia.

(3) COMPENSATION.—Members of the Council may not receive pay, allowances, or benefits by reason of their service on the Council.

(4) DUTIES.—The Council shall report to the Director of the Bureau of Prisons with advice and information regarding matters affecting the District of Columbia sentenced felon population.

(i) TIMING OF INMATE TRANSFERS.—As soon as practicable after the date of the enactment of this Act, the Director of the Bureau of Prisons shall begin the transferring of inmates to Bureau of Prison or private contract facilities required by this section.

**SEC. 11202. CORRECTIONS TRUSTEE.**

(a) APPOINTMENT AND REMOVAL OF TRUSTEE.—

(1) APPOINTMENT.—Pursuant to the Federal Government's assumption of responsibility for persons convicted of a felony offense under the District of Columbia Code, the Attorney General, in consultation with the Chairman of the District of Columbia Financial Responsibility and Management Assistance Authority (hereafter in this chapter referred to as the "D.C. Control Board"), the Mayor of the District of Columbia, the District of Columbia Council, and the District of Columbia judiciary, shall select a Corrections Trustee, who shall be an independent officer of the government of the District of Columbia, to oversee financial operations of the District of Columbia Department of Corrections until the Bureau of Prisons has designated all felony offenders sentenced under the District of Columbia Code to a penal or correctional facility operated or contracted for by the Bureau of Prisons under section 11201.

(2) REMOVAL.—The Corrections Trustee may be removed by the Mayor with the concurrence of the Attorney General. The Attorney General shall have the authority to remove the Corrections Trustee for misfeasance or malfeasance in office. At the request of the Corrections Trustee, the District of Columbia Financial Responsibility and Management Assistance Authority may exercise any of its powers and authorities on behalf of the Corrections Trustee.

(b) DUTIES OF TRUSTEE.—Beginning on the date of appointment and continuing until the felony population sentenced pursuant to the District of Columbia Code residing at the Lorton Correctional Complex is transferred to a penal or correctional facility operated or contracted for by the Bureau of Prisons, the Corrections Trustee shall carry out the following responsibilities (notwithstanding any law of the District of Columbia to the contrary):

(1) Exercise financial oversight over the District of Columbia Department of Corrections and allocate funds as enacted in law or as otherwise allocated, including funds for short term improvements which are necessary for the safety and security of staff, inmates and the community.

(2) Purchase any necessary goods or services on behalf of the District of Columbia Department of Corrections consistent

with Federal procurement regulations as they apply to the Bureau of Prisons.

(c) FUNDING.—

(1) IN GENERAL.—Funds available for the Corrections Trustee, staff and all necessary and appropriate operations shall be made available to the extent provided in appropriations acts to the Corrections Trustee. Funding requests shall be proposed by the Corrections Trustee to the President and Congress for each Fiscal Year.

(2) REIMBURSEMENT TO BUREAU OF PRISONS.—Upon receipt of Federal funds, the Corrections Trustee shall immediately provide an advance reimbursement to the Bureau of Prisons of all funds identified by the Congress for construction of new prisons and major renovations, which shall remain available until expended. The Bureau of Prisons shall be responsible and accountable for determining how these funds shall be used for renovation and construction, including type, security level, and location of new facilities.

(3) ACCOUNTABILITY AND REPORTS.—The District of Columbia Department of Corrections and the Bureau of Prisons shall maintain accountability for funds reimbursed from the Corrections Trustee, and shall provide expense reports by project at the request of the Corrections Trustee.

(d) COMPENSATION AND DETAILEES.—The Corrections Trustee shall be compensated at a rate not to exceed the basic pay payable for Level IV of the Executive Schedule. The Corrections Trustee may appoint and fix the pay of additional staff without regard to the provisions of the District of Columbia Code governing appointments and salaries, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification and General Schedule pay rates. Upon request of the Corrections Trustee, the head of any Federal department or agency may, on a reimbursable or non reimbursable basis, provide services and detail any personnel of that department or agency to the Corrections Trustee to assist in carrying out his duties.

(e) PROCUREMENT AND JUDICIAL REVIEW.—The provisions of the District of Columbia Code governing procurement shall not apply to the Corrections Trustee. The Corrections Trustee may seek judicial enforcement of his authority to carry out his duties.

(f) PRESERVATION OF RETIREMENT AND CERTAIN OTHER RIGHTS OF FEDERAL EMPLOYEES WHO BECOME EMPLOYED BY THE CORRECTIONS TRUSTEE.—

(1) IN GENERAL.—A Federal employee who, within 3 days after separating from the Federal Government, is appointed Corrections Trustee or becomes employed by the Corrections Trustee—

(A) shall be treated as an employee of the Federal Government for purposes of chapters 83, 84, 87, and 89 of title 5 of the United States Code; and

(B) if, after serving with the Trustee, such employee becomes reemployed by the Federal Government, shall be entitled to credit for the full period of such individual's

service with the Trustee, for purposes of determining the applicable leave accrual rate.

(2) REGULATIONS.—The Office of Personnel Management shall prescribe such regulations as may be necessary to carry out this subsection.

**SEC. 11203. PRIORITY CONSIDERATION FOR EMPLOYEES OF THE DISTRICT OF COLUMBIA.**

(a) ESTABLISHMENT.—As soon as practicable after appointment, the Bureau of Prisons, working with the Corrections Trustee, shall establish a priority consideration program to facilitate employment placement for employees of the District of Columbia Department of Corrections who are scheduled to be separated from service as a result of closing the Lorton Correctional Complex.

(b) PROVISIONS.—The priority consideration program shall include provisions under which a vacant federal correctional institution position established as a result of this Act and identified for external hiring shall not be filled by the appointment of any individual from outside of the District of Columbia Department of Corrections if there is available any interested applicant within the District of Columbia Department of Corrections who meets all qualification and suitability requirements for Bureau of Prisons law enforcement positions, including those related to criminal history, educational experience and level of functions, drug use, and work-related misconduct. The priority consideration program shall also include provisions under which an employee described in subsection (a) who has not been appointed to a Federal Bureau of Prisons law enforcement position and who applies for another Federal position in the competitive service shall receive priority consideration and may be given a competitive service appointment non-competitively to such a competitive service position. The Director of the Bureau of Prisons may provide a relocation allowance to any individual who is hired by the Director under the program established under this section for a position outside of the Washington Metropolitan Area. Such program shall terminate one year after the closing of the Lorton Correctional Complex.

**SEC. 11204. AMENDMENTS RELATED TO PERSONS WITH A MENTAL DISEASE OR DEFECT.**

Title 18, United States Code, is amended as follows:

(1) Section 4246 is amended—

(A) in subsection (a) by inserting “in the custody of the Bureau of Prisons” after “certifies that a person”; and

(B) by adding at the end the following new subsection:

“(h) DEFINITION.—As used in this chapter the term “State” includes the District of Columbia.”

(2) Section 4247(a) is amended—

(A) in paragraph (1)(D) by striking “and” after the semicolon;

(B) in paragraph (2) by striking the period and inserting “; and”; and

(C) by adding at the end the following new paragraph:

“(3) ‘State’ includes the District of Columbia.”

(3) Section 4247(j) of title 18, United States Code, is amended by striking “This chapter does” and inserting “Sections 4241, 4242, 4243, and 4244 do”.

**SEC. 11205. LIABILITY FOR AND LITIGATION AUTHORITY OF CORRECTIONS TRUSTEE.**

(a) **LIABILITY.**—The District of Columbia shall defend any civil action or proceeding brought in any court or other official Federal, state, or municipal forum against the Corrections Trustee, or against the District of Columbia or its officers, employees, or agents, and shall assume any liability resulting from such an action or proceeding, if the action or proceeding arises from—

(1) an inmate's confinement with the District of Columbia Department of Corrections;

(2) the District of Columbia's operation or management of the buildings, facilities, or lands comprising the Lorton property; or

(3) the District of Columbia's operations or activities occurring on any property not specifically transferred to the administrative control of the Federal Government pursuant to this Act.

(b) **LITIGATION.**—

(1) **CORPORATION COUNSEL.**—Subject to paragraph (2), the Corporation Counsel of the District of Columbia shall provide litigation services to the Corrections Trustee, except that the Trustee may instead elect, either generally or in relation to particular cases or classes of cases, to hire necessary staff and personnel or enter into contracts for the provision of litigation services at the Trustee's expense.

(2) **ATTORNEY GENERAL.**—

(A) **IN GENERAL.**—Notwithstanding paragraph (1), with respect to any litigation involving the Corrections Trustee, the Attorney General may—

(i) direct the litigation of the Trustee, and of the District of Columbia on behalf of the Trustee; and

(ii) provide on a reimbursable or non-reimbursable basis litigation services for the Trustee at the Trustee's request or on the Attorney General's own initiative.

(B) **APPROVAL OF SETTLEMENT.**—With respect to any litigation involving the Corrections Trustee, the Trustee may not agree to any settlement involving any form of equitable relief without the approval of the Attorney General. The Trustee shall provide to the Attorney General such notice and reports concerning litigation as the Attorney General may direct.

(C) **DISCRETION.**—Any decision to exercise any authority of the Attorney General under this subsection shall be in the sole discretion of the Attorney General and shall not be reviewable in any court.

(c) **LIMITATIONS.**—Nothing in this section shall be construed—

(1) as a waiver of sovereign immunity, or as limiting any other defense or immunity that would otherwise be available to the United States, the District of Columbia, their agencies, officers, employees, or agents; or

(2) to obligate the District of Columbia to represent or indemnify the Corrections Trustee or any officer, employee, or agent where the Trustee (or any person employed by or acting

under the authority of the Trustee) acts beyond the scope of his authority.

**SEC. 11206. PERMITTING EXPENDITURE OF FUNDS TO CARRY OUT CERTAIN SEWER AGREEMENT.**

Notwithstanding the fourth sentence of section 446 of the District of Columbia Self-Government and Governmental Reorganization Act, the District of Columbia is authorized to obligate or expend such funds as may be necessary during a fiscal year (beginning with fiscal year 1997) to carry out the Sewage Delivery System and Capacity Purchase Agreement between Fairfax County and the District of Columbia with respect to Project Number K00301, without regard to the amount appropriated for such purpose in the budget of the District of Columbia for the fiscal year.

**CHAPTER 2—SENTENCING**

**SEC. 11211. TRUTH IN SENTENCING COMMISSION.**

(a) ESTABLISHMENT.—There is established as an independent agency of the District of Columbia a District of Columbia Truth in Sentencing Commission (hereafter in this chapter referred to as “the Commission”), which shall consist of 7 voting members. The Attorney General, or the Attorney General’s designee, shall be the chairperson of the Commission and shall have the duty to convene meetings of the Commission to ensure that it fulfills its responsibilities under this Act. The members shall serve for the life of the Commission and shall be subject to removal only for neglect of duty, malfeasance in office, or other good cause shown.

(b) MEMBERSHIP.—The members of the Commission shall have knowledge and responsibility with respect to criminal justice matters. Two members of the Commission shall be judges of the Superior Court of the District of Columbia, and shall be appointed by the chief judge of that court; one member shall be a representative of the District of Columbia Council and shall be appointed by the chairperson or chairperson pro temp of the Council; one member shall be a representative of the executive branch of the District of Columbia government with official responsibilities for criminal justice matters in the District of Columbia and shall be appointed by the Mayor of the District of Columbia; one member shall be a representative of the District of Columbia Public Defender Service and shall be appointed by the Director of such Service; and one member shall be a representative of the United States Attorney for the District of Columbia and shall be appointed by the United States Attorney. A representative of the Federal Bureau of Prisons and a representative of the office of Corporation Counsel of the District of Columbia shall each serve as a non-voting, ex officio member.

(c) VACANCY.—Any vacancy in the Commission shall be filled in the same manner as the original appointment. Members of the Commission shall receive no compensation for their services, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of duties vested in the Commission, but not in excess of the maximum amounts authorized under section 456 of title 28, United States Code.

**SEC. 11212. GENERAL DUTIES, POWERS, AND GOALS OF COMMISSION.**

(a) RECOMMENDATIONS.—The Commission shall, within 180 days after the enactment of this Act, make recommendations to the

District of Columbia Council for amendments to the District of Columbia Code with respect to the sentences to be imposed for all felonies committed on or after 3 years after the date of enactment of this Act.

(b) CONTENTS OF RECOMMENDATIONS.—Such recommendations shall—

(1) as to all felonies described in paragraph (h), meet the truth in sentencing standards of 20104(a)(1) of the Violent Crime Control and Law Enforcement Act of 1994;

(2) as to all felonies ensure that—

(A) an offender will have a sentence imposed that—

(i) reflects the seriousness of the offense and the criminal history of the offender; and

(ii) provides for just punishment, affords adequate deterrence to potential future criminal conduct of the offender and others, and provides the offender with needed educational or vocational training, medical care, and other correctional treatment;

(B) good time shall be calculated pursuant to section 3624 of title 18, United States Code; and

(C) an adequate period of supervision will be imposed to follow release from the imprisonment.

(c) DEATH PENALTY.—The Commission shall not have the power to recommend a sentence of death for any offense nor for any offense a term of imprisonment less than that prescribed by the D.C. Code as a mandatory minimum sentence.

(d) OTHER FEATURES OF RECOMMENDATIONS.—The Commission shall ensure that its recommendations—

(1) will be neutral as to the race, sex, marital status, ethnic origin, religious affiliation, national origin, creed, socioeconomic status, and sexual orientation of offenders;

(2) will include provisions designed to maximize the effectiveness of the drug court of the Superior Court of the District of Columbia; and

(3) will be fully consistent with all other provisions of this Act, including provisions relating to the administration of probation, parole, and supervised release for District of Columbia Code offenders.

(e) VOTE; TERMINATION.—The recommendations of the Commission required under subsections (a)–(d) shall be adopted by a vote of not less than 6 of the members and when made shall be transmitted forthwith to the District of Columbia Council. The Commission shall cease to exist 90 days after the transmittal of recommendations to the Council or on the last date on which timely recommendations may be made if the Commission is unable to agree on such recommendations.

(f) RECOMMENDATIONS FOR IMPLEMENTATION.—In fulfilling its responsibilities, the Commission may adopt by a vote of not less than 6 of the members and transmit to the Superior Court of the District of Columbia recommended rules and principles for determining the sentence to be imposed, including—

(1) whether to impose a sentence of probation, a term of imprisonment and/or a fine, and the amount or length thereof, and including intermediate sanctions in appropriate cases; and

(2) whether multiple sentences of terms of imprisonment should run concurrently or consecutively.

(g) POWERS.—The Commission is authorized—

(1) to hold hearings and call witnesses that might assist the Commission in the exercise of its powers;

(2) to perform such other functions as may be necessary to carry out the purposes of this section; and

(3) except as otherwise provided, to conduct business, exercise powers, and fulfill duties by the vote of a majority of the members present at any meeting.

(h) FELONIES DESCRIBED.—The felonies described in this subsection are violations of any of the following provisions of law:

(1) The following provisions relating to arson:

(A) Section 820 of the Act entitled “An Act to establish a code of law for the District of Columbia,” approved March 3, 1901 (DC Code, sec. 22-401).

(B) Section 821 of the Act entitled “An Act to establish a code of law for the District of Columbia,” approved March 3, 1901 (DC Code, sec. 22-402).

(2) The following provisions relating to felony assault:

(A) Section 803 of the Act entitled “An Act to establish a code of law for the District of Columbia,” approved March 3, 1901 (DC Code, sec. 22-501).

(B) Section 804 of the Act entitled “An Act to establish a code of law for the District of Columbia,” approved March 3, 1901 (DC Code, sec. 22-502).

(C) Section 805 of the Act entitled “An Act to establish a code of law for the District of Columbia,” approved March 3, 1901 (DC Code, sec. 22-503).

(D) Section 806a of the Act entitled “An Act to establish a code of law for the District of Columbia,” approved March 3, 1901 (DC Code, sec. 22-504.1).

(E) Section 432 of the Revised Statutes, relating to the District of Columbia (DC Code, sec. 22-505).

(F) Section 807 of the Act entitled “An Act to establish a code of law for the District of Columbia,” approved March 3, 1901 (DC Code, sec. 22-506).

(3) Section 502 of the District of Columbia Theft and White Collar Crimes Act of 1982 (DC Code, sec. 22-722) (relating to obstruction of justice).

(4) Section 3 of the Act of February 13, 1885 (chapter 58; 23 Stat. 303) (DC Code, sec. 22-901) (relating to cruelty to children).

(5) Section 823 of the Act entitled “An Act to establish a code of law for the District of Columbia,” approved March 3, 1901 (DC Code, sec. 22-1801) (relating to first degree burglary).

(6) Section 812 of the Act entitled “An Act to establish a code of law for the District of Columbia,” approved March 3, 1901 (DC Code, sec. 22-2101) (relating to kidnapping).

(7) The following provisions relating to murder and manslaughter:

(A) Section 798 of the Act entitled “An Act to establish a code of law for the District of Columbia,” approved March 3, 1901 (DC Code, sec. 22-2401).

- (B) Section 799 of the Act entitled “An Act to establish a code of law for the District of Columbia,” approved March 3, 1901 (DC Code, sec. 22-2402).
- (C) Section 800 of the Act entitled “An Act to establish a code of law for the District of Columbia,” approved March 3, 1901 (DC Code, sec. 22-2403).
- (D) Section 801 of the Act entitled “An Act to establish a code of law for the District of Columbia,” approved March 3, 1901 (DC Code, sec. 22-2404).
- (E) Section 802 of the Act entitled “An Act to establish a code of law for the District of Columbia,” approved March 3, 1901 (DC Code, sec. 22-2405).
- (F) Section 802a of the Act entitled “An Act to establish a code of law for the District of Columbia,” approved March 3, 1901 (DC Code, sec. 22-2406).
- (8) Section 8 of the Act of July 15, 1932 (chapter 492; 47 Stat. 698) (DC Code, sec. 22-2601) (relating to prison breach).
- (9) The Act entitled “An Act to prohibit the introduction of contraband into the District of Columbia penal institutions,” approved December 15, 1941 (DC Code, sec. 22-2603).
- (10) Section 810 of the Act entitled “An Act to establish a code of law for the District of Columbia,” approved March 3, 1901 (DC Code, sec. 22-2901) (relating to robbery).
- (11) Section 811a of the Act entitled “An Act to establish a code of law for the District of Columbia,” approved March 3, 1901 (DC Code, sec. 22-2903) (relating to carjacking).
- (12) The Dangerous Weapons Act (DC Code, sec. 22-3201 et seq.).
- (13) The following provisions relating to sex offenses:
- (A) Section 201 of the Anti-Sexual Abuse Act of 1994 (DC Code, sec. 22-4102).
- (B) Section 202 of the Anti-Sexual Abuse Act of 1994 (DC Code, sec. 22-4103).
- (C) Section 203 of the Anti-Sexual Abuse Act of 1994 (DC Code, sec. 22-4104).
- (D) Section 204 of the Anti-Sexual Abuse Act of 1994 (DC Code, sec. 22-4105).
- (E) Section 207 of the Anti-Sexual Abuse Act of 1994 (DC Code, sec. 22-4108).
- (F) Section 208 of the Anti-Sexual Abuse Act of 1994 (DC Code, sec. 22-4109).
- (G) Section 209 of the Anti-Sexual Abuse Act of 1994 (DC Code, sec. 22-4110).
- (H) Section 212 of the Anti-Sexual Abuse Act of 1994 (DC Code, sec. 22-4113).
- (I) Section 213 of the Anti-Sexual Abuse Act of 1994 (DC Code, sec. 22-4114).
- (J) Section 214 of the Anti-Sexual Abuse Act of 1994 (DC Code, sec. 22-4115).
- (K) Section 215 of the Anti-Sexual Abuse Act of 1994 (DC Code, sec. 22-4116).
- (L) Section 217 of the Anti-Sexual Abuse Act of 1994 (DC Code, sec. 22-4118).
- (M) Section 219 of the Anti-Sexual Abuse Act of 1994 (DC Code, sec. 22-4120).

(14) Section 401 of the District of Columbia Uniform Controlled Substances Act of 1981 (D.C. Code, sec. 33-541) (relating to recidivist drug offenders), but only in the case of a second or subsequent violation.

**SEC. 11213. DATA COLLECTION.**

(a) DATA FOR ATTORNEY GENERAL.—The Commission, the Superior Court of the District of Columbia, the District of Columbia Department of Corrections, and other agencies as necessary shall provide to the Attorney General such data as are requested in furtherance of this Act.

(b) SUPERIOR COURT.—The Superior Court of the District of Columbia, in connection with defendants sentenced in such Court, shall provide to the Commission and the Attorney General such data as are requested for planning, statistical analysis or projecting future prison population levels.

**SEC. 11214. ENACTMENT OF AMENDMENTS TO DISTRICT OF COLUMBIA CODE.**

If, within 270 days after the date of the enactment of this Act, the Council of the District of Columbia has failed to amend the District of Columbia Code to enact in whole the recommendations of the Commission under this chapter, or if the Commission fails to make such recommendations within the deadline established under such section, the Attorney General (after consultation with the Commission) shall promulgate within 90 days amendments to the District of Columbia Code with respect to the sentences to be imposed for all offenses committed on or after 3 years after the date of the enactment of this Act. Such amendments shall be consistent with the standards of subsections (a) through (d) of section 11212. Such amendments shall take effect 30 days after the Attorney General transmits the recommendations to Congress.

**CHAPTER 3—OFFENDER SUPERVISION AND PAROLE**

**SEC. 11231. PAROLE.**

(a) PAROLING JURISDICTION.—

(1) JURISDICTION OF PAROLE COMMISSION TO GRANT OR DENY PAROLE AND TO IMPOSE CONDITIONS.—Not later than one year after date of the enactment of this Act, the United States Parole Commission shall assume the jurisdiction and authority of the Board of Parole of the District of Columbia to grant and deny parole, and to impose conditions upon an order of parole, in the case of any imprisoned felon who is eligible for parole or reparole under the District of Columbia Code. The Parole Commission shall have exclusive authority to amend or supplement any regulation interpreting or implementing the parole laws of the District of Columbia with respect to felons, provided that the Commission adheres to the rulemaking procedures set forth in section 4218 of title 18, United States Code.

(2) JURISDICTION OF PAROLE COMMISSION TO REVOKE PAROLE OR MODIFY CONDITIONS.—On the date in which the Court Services and Offender Supervision Agency for the District of Columbia is established under section 11233, the United States Parole Commission shall assume any remaining powers, duties, and jurisdiction of the Board of Parole of the District of

Columbia, including jurisdiction to revoke parole and to modify the conditions of parole, with respect to felons.

(3) JURISDICTION OF SUPERIOR COURT.—On the date on which the Court Services and Offender Supervision Agency for the District of Columbia is established under section 11233, the Superior Court of the District of Columbia shall assume the jurisdiction and authority of the Board of Parole of the District of Columbia to grant, deny, and revoke parole, and to impose and modify conditions of parole, with respect to misdemeanants.

(b) ABOLITION OF THE BOARD OF PAROLE.—On the date on which the Court Services and Offender Supervision Agency for the District of Columbia is established under section 11233, the Board of Parole established in the District of Columbia Board of Parole Amendment Act of 1987 shall be abolished.

(c) RULEMAKING AND LEGISLATIVE RESPONSIBILITY FOR PAROLE MATTERS.—The Parole Commission shall exercise the authority vested in it by this section pursuant to the parole laws and regulations of the District of Columbia, except that the Council of the District of Columbia and the Board of Parole of the District of Columbia may not revise any such laws or regulations (as in effect on the date of the enactment of this Act) without the concurrence of the Attorney General.

(d) INCREASE IN THE AUTHORIZED NUMBER OF UNITED STATES PAROLE COMMISSIONERS.—Section 2(c) of the Parole Commission Phaseout Act of 1996 (Public Law 104–232) is amended to read as follows:

“(c) The United States Parole Commission shall have no more than five members.”.

**SEC. 11232. PRETRIAL SERVICES, PAROLE, ADULT PROBATION AND OFFENDER SUPERVISION TRUSTEE.**

(a) APPOINTMENT AND REMOVAL.—

(1) APPOINTMENT.—The Attorney General, in consultation with the Chairman of the District of Columbia Financial Responsibility and Management Assistance Authority (hereafter in this section referred to as the “D.C. Control Board”) and the Mayor of the District of Columbia, shall appoint a Pretrial Services, Parole, Adult Probation and Offender Supervision Trustee, who shall be an independent officer of the government of the District of Columbia, to effectuate the reorganization and transition of functions and funding relating to pretrial services, defense services, parole, adult probation and offender supervision.

(2) REMOVAL.—The Trustee may be removed by the Mayor with the concurrence of the Attorney General. The Attorney General shall have the authority to remove the Trustee for misfeasance or malfeasance in office. At the request of the Trustee, the District of Columbia Financial Responsibility and Management Assistance Authority may exercise any of its powers and authorities on behalf of the Trustee.

(b) AUTHORITY.—Beginning on the date of appointment, and continuing until the Court Services and Offender Supervision Agency for the District of Columbia is established under section 11233, the Trustee shall—

(1)<sup>5</sup> have the authority to exercise all powers and functions authorized for the Director of the Court Services and Offender Supervision Agency for the District of Columbia;

(2) have the authority to direct the actions of all agencies of the District of Columbia whose functions will be assumed by or within the Court Services and Offender Supervision Agency for the District of Columbia, and of the Board of Parole of the District of Columbia, including the authority to discharge or replace any officers or employees of these agencies;

(3) exercise financial oversight over all agencies of the District of Columbia whose functions will be assumed by or within the Court Services and Offender Supervision Agency for the District of Columbia, and over the Board of Parole of the District of Columbia, and allocate funds to these agencies as appropriated by Congress and allocated by the President;

(4) receive and transmit to the District of Columbia Pretrial Services Agency all funds appropriated for such agency; and

(5) receive and transmit to the District of Columbia Public Defender Service all funds appropriated for such agency.

(c) COMPENSATION.—The Trustee shall be compensated at a rate not to exceed the basic pay payable for Level IV of the Executive Schedule. The Trustee may appoint and fix the pay of additional staff without regard to the provisions of the District of Columbia Code governing appointments and salaries, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of Chapter 53 of title 5, United States Code, relating to classification and General Schedule pay rates. Upon request of the Trustee, the head of any Federal department or agency may, on a reimbursable or non-reimbursable basis, provide services and/or detail any personnel of that department or agency to the Trusteeship to assist in carrying out its duties.

(d) PROCUREMENT AND JUDICIAL REVIEW.—The provisions of the District of Columbia Code governing procurement shall not apply to the Trustee. The Trustee may enter into such contracts as the Trustee considers appropriate to carry out the Trustee's duties. The Trustee may seek judicial enforcement of the Trustee's authority to carry out the Trustee's duties.

<sup>5</sup> Section 166(b) of the District of Columbia Appropriations Act, 2000 (Public Law 106-113, 113 Stat. 1530) provides as follows:

(b) AUTHORITY DURING TRANSITION TO FULL OPERATION OF AGENCY.—

(1) AUTHORITY OF PRETRIAL SERVICES, PAROLE, ADULT PROBATION AND OFFENDER SUPERVISION TRUSTEE.—Notwithstanding section 11232(b)(1) of the National Capital Revitalization and Self-Government Improvement Act of 1997 (D.C. Code, sec. 24-1232(b)(1)), the Pretrial Services, Parole, Adult Probation and Offender Supervision Trustee appointed under section 11232(a) of such Act (hereafter referred to as the "Trustee") shall, in accordance with section 11232 of such Act, exercise the powers and functions of the Court Services and Offender Supervision Agency for the District of Columbia (hereafter referred to as the "Agency") relating to sex offender registration (as granted to the Agency under any District of Columbia law) only upon the Trustee's certification that the Trustee is able to assume such powers and functions.

(2) AUTHORITY OF METROPOLITAN POLICE DEPARTMENT.—During the period that begins on the date of the enactment of the Sex Offender Registration Emergency Act of 1999 and ends on the date the Trustee makes the certification described in paragraph (1), the Metropolitan Police Department of the District of Columbia shall have the authority to carry out any powers and functions relating to sex offender registration that are granted to the Agency or to the Trustee under any District of Columbia law.

**(e) PRESERVATION OF RETIREMENT AND CERTAIN OTHER RIGHTS OF FEDERAL EMPLOYEE WHO BECOMES THE TRUSTEE OR FEDERAL EMPLOYEES WHO BECOME EMPLOYED BY THE TRUSTEE.—**

(1) **IN GENERAL.**—A Federal employee who, within 3 days after separating from the Federal Government, is appointed Trustee or becomes employed by the Trustee—

(A) shall be treated as an employee of the Federal Government for purposes of chapters 83, 84, 87, and 89 of title 5 of the United States Code; and

(B) if, after serving with the Trustee, such employee becomes reemployed by the Federal Government, shall be entitled to credit for the full period of such individual's service with the Trustee, for purposes of determining the applicable leave accrual rate.

(2) **REGULATIONS.**—The Office of Personnel Management shall prescribe such regulations as may be necessary to carry out this subsection.

**(f) TREATMENT AS FEDERAL EMPLOYEES.—**

(1) **IN GENERAL.**—The Trustee and employees of the Trustee who are not covered under subsection (e) shall be treated as employees of the Federal Government solely for purposes of the following provisions of title 5, United States Code:

(A) Chapter 83 (relating to retirement).

(B) Chapter 84 (relating to the Federal Employees' Retirement System).

(C) Chapter 87 (relating to life insurance).

(D) Chapter 89 (relating to health insurance).

(2) **EFFECTIVE DATES OF COVERAGE.**—The effective dates of coverage of the provisions of paragraph (1) are as follows:

(A) In the case of the Trustee and employees of the Office of the Trustee and the Office of Adult Probation, August 5, 1997, or the date of appointment, whichever is later.

(B) In the case of employees of the Office of Parole, October 11, 1998, or the date of appointment, whichever is later.

(C) In the case of employees of the Pretrial Services Agency, January 3, 1999, or the date of appointment, whichever is later.

(3) **RATE OF CONTRIBUTIONS.**—The Trustee shall make contributions under the provisions referred to in paragraph (1) at the same rates applicable to agencies of the Federal Government.

(4) **REGULATIONS.**—The Office of Personnel Management shall issue such regulations as are necessary to carry out this subsection.

(g) **FUNDING.**—Funds available for operations of the Trustee shall be made available to the extent provided in appropriations acts to the Trustee, through the State Justice Institute. Funding requests shall be proposed by the Trustee to the President and Congress for each Fiscal Year.

**(h) LIABILITY AND LITIGATION AUTHORITY.—**

(1) **LIABILITY.**—The District of Columbia shall defend any civil action or proceeding brought in any court or other official Federal, state, or municipal forum against the Trustee, or

against the District of Columbia or its officers, employees, or agents, and shall assume any liability resulting from such an action or proceeding, if the action or proceeding arises from the—

(A) supervision of offenders on probation, parole, or supervised release;

(B) provision of pretrial services by the District of Columbia; or

(C) activities of the District of Columbia Board of Parole.

(2) LITIGATION.—

(A) CORPORATION COUNSEL.—Subject to subparagraph (B), the Corporation Counsel of the District of Columbia shall provide litigation services to the Trustee, except that the Trustee may instead elect, either generally or in relation to particular cases or classes of cases, to hire necessary staff and personnel or enter into contracts for the provision of litigation services at the Trustee's expense.

(B) ATTORNEY GENERAL.—

(i) IN GENERAL.—Notwithstanding subparagraph (A), with respect to any litigation involving the Trustee, the Attorney General may—

(I) direct the litigation of the Trustee, and of the District of Columbia on behalf of the Trustee; and

(II) provide on a reimbursable or non-reimbursable basis litigation services for the Trustee at the Trustee's request or on the Attorney General's own initiative.

(ii) APPROVAL OF SETTLEMENT.—With respect to any litigation involving the Trustee, the Trustee may not agree to any settlement involving any form of equitable relief without the approval of the Attorney General. The Trustee shall provide to the Attorney General such notice and reports concerning litigation as the Attorney General may direct.

(iii) DISCRETION.—Any decision to exercise any authority of the Attorney General under this paragraph shall be in the sole discretion of the Attorney General and shall not be reviewable in any court.

(3) LIMITATIONS.—Nothing in this section shall be construed—

(1) as a waiver of sovereign immunity, or as limiting any other defense or immunity that would otherwise be available to the United States, the District of Columbia, their agencies, officers, employees, or agents; or

(2) to obligate the District of Columbia to represent or indemnify the Corrections Trustee or any officer, employee, or agent where the Trustee (or any person employed by or acting under the authority of the Trustee) acts beyond the scope of his authority.

(i) **CERTIFICATION.**—The Court Services and Offender Supervision Agency for the District of Columbia<sup>6</sup> shall assume its duties pursuant to section 11233 when, within the period beginning one year after the date of the enactment of this subtitle and ending three years after the date of the enactment of this subtitle, the Trustee certifies to the Attorney General and the Attorney General concurs that the Agency can carry out the functions described in section 11233 and the United States Parole Commission can carry out the functions described in section 11231.

(j) **EXERCISE OF AUTHORITY ON BEHALF OF PUBLIC DEFENDER SERVICE.**—At the request of the Director of the District of Columbia Public Defender Service, the Trustee may exercise any of the powers and authorities of the Trustee on behalf of such Service in the same manner and to the same extent as the Trustee may exercise such powers and authorities in relation to any agency described in subsection (b).

**SEC. 11233. COURT SERVICES AND OFFENDER SUPERVISION AGENCY.**

(a) **ESTABLISHMENT.**— There is established within the executive branch of the Federal Government the Court Services and Offender Supervision Agency for the District of Columbia (hereafter in this section referred to as the “Agency”) which shall assume its duties not less than one year or more than three years after the enactment of this Act.

(b) **DIRECTOR.**—

(1) **APPOINTMENT AND COMPENSATION.**—The Agency shall be headed by a Director appointed by the President, by and with the advice and consent of the Senate, for a term of six years. The Director shall be compensated at the rate prescribed for Level IV of the Executive Schedule, and may be removed from office prior to the expiration of term only for neglect of duty, malfeasance in office, or other good cause shown.

(2) **POWERS AND DUTIES OF DIRECTOR.**—The Director shall—

(A) submit annual appropriation requests for the Agency to the Office of Management and Budget;

(B) determine, in consultation with the Chief Judge of the United States District Court for the District of Columbia, the Chief Judge of the Superior Court of the District of Columbia, and the Chairman of the United States Parole Commission, uniform supervision and reporting practices for the Agency;

(C) hire and supervise supervision officers and support staff for the Agency;

(D) direct the use of funds made available to the Agency;

(E) enter into such contracts, leases, and cooperative agreements as may be necessary for the performance of the Agency’s functions, including contracts for substance abuse and other treatment and rehabilitative programs;

<sup>6</sup>The amendment made by section 7(c)(2)(B) of Public Law 105-274 (112 Stat. 2426) striking “the District of Columbia Offender Supervision, Defender, and Courts Services Agency” and inserting “the Court Services and Offender Supervision Agency for the District of Columbia” was executed to reflect the probable intent of Congress. The amendment should have referred to “The”, not “the”.

(F) develop and operate intermediate sanctions programs for sentenced offenders;

(G) arrange for the supervision of District of Columbia paroled offenders in jurisdictions outside the District of Columbia; and

(H) carry out all functions which have heretofore been carried out by the Social Services Division of the Superior Court relating to supervision of adults subject to protection orders or provision of services for or related to such persons.

(c) FUNCTIONS.—

(1) IN GENERAL.—The Agency shall provide supervision, through qualified supervision officers, for offenders on probation, parole, and supervised release pursuant to the District of Columbia Code. The Agency shall carry out its responsibilities on behalf of the court or agency having jurisdiction over the offender being supervised.

(2) SUPERVISION OF RELEASED OFFENDERS.—The Agency shall supervise any offender who is released from imprisonment for any term of supervised release imposed by the Superior Court of the District of Columbia. Such offender shall be subject to the authority of the United States Parole Commission until completion of the term of supervised release. The United States Parole Commission shall have and exercise the same authority as is vested in the United States district courts by paragraphs (d) through (i) of section 3583 of title 18, United States Code, except that—

(A) the procedures followed by the Commission in exercising such authority shall be those set forth in chapter 311 of title 18, United States Code; and

(B) an extension of a term of supervised release under subsection (e)(2) of section 3583 may only be ordered by the Superior Court upon motion from the Commission.

(3) SUPERVISION OF PROBATIONERS.—Subject to appropriations and program availability, the Agency shall supervise all offenders placed on probation by the Superior Court of the District of Columbia. The Agency shall carry out the conditions of release imposed by the Superior Court (including conditions that probationers undergo training, education, therapy, counseling, drug testing, or drug treatment), and shall make such reports to the Superior Court with respect to an individual on probation as the Superior Court may require.

(4) SUPERVISION OF DISTRICT OF COLUMBIA PAROLEES.—The Agency shall supervise all individuals on parole pursuant to the District of Columbia Code. The Agency shall carry out the conditions of release imposed by the United States Parole Commission or, with respect to a misdemeanor, by the Superior Court of the District of Columbia, and shall make such reports to the Commission or Court with respect to an individual on parole supervision as the Commission or Court may require.

(5) SEX OFFENDER REGISTRATION.—The Agency shall carry out sex offender registration functions in the District of Columbia, and shall have the authority to exercise all powers and functions relating to sex offender registration that are granted to the Agency under any District of Columbia law.

(d) **AUTHORITY OF OFFICERS.**—The supervision officers of the Agency shall have and exercise the same powers and authority as are granted by law to United States Probation and Pretrial Officers.

(e) **PRETRIAL SERVICES AGENCY.**—

(1) **INDEPENDENT ENTITY.**—The District of Columbia Pretrial Services Agency established by subchapter I of chapter 13 of title 23, District of Columbia Code shall function as an independent entity within the Agency.

(2) **SUBMISSION ON BEHALF OF PRETRIAL SERVICES.**—The Director of the Agency shall submit, on behalf of the District of Columbia Pretrial Services Agency and with the approval of the Director of the Pretrial Services Agency, an annual appropriation request to the Office of Management and Budget. Such request shall be separate from the request submitted for the Agency.

(3) **LIABILITY OF DISTRICT OF COLUMBIA.**—The District of Columbia shall defend any civil action or proceeding brought in any court or other official Federal, state, or municipal forum against the District of Columbia Pretrial Services Agency or the District of Columbia or its officers, employees, or agents, and shall assume any liability resulting from such an action or proceeding, if the action or proceeding arises from the activities of the District of Columbia Pretrial Services Agency prior to the date on which the Offender Supervision, Defender and Courts Services Agency assumes its duties.

(4) **LITIGATION.**—

(A) **CORPORATION COUNSEL.**—Subject to subparagraph (B), the Corporation Counsel of the District of Columbia shall provide litigation services to the District of Columbia Pretrial Services Agency, except that the District of Columbia Pretrial Services Agency may instead elect, either generally or in relation to particular cases or classes of cases, to hire necessary staff and personnel or enter into contracts for the provision of litigation services at such agency's expense.

(B) **ATTORNEY GENERAL.**—

(i) **IN GENERAL.**—Notwithstanding subparagraph (A), with respect to any litigation involving the District of Columbia Pretrial Services Agency, the Attorney General may—

(I) direct the litigation of the agency, and of the District of Columbia on behalf of the agency; and

(II) provide on a reimbursable or non-reimbursable basis litigation services for the agency at the agency's request or on the Attorney General's own initiative.

(ii) **APPROVAL OF SETTLEMENT.**—With respect to any litigation involving the District of Columbia Pretrial Services Agency, the agency may not agree to any settlement involving any form of equitable relief without the approval of the Attorney General. The agency shall provide to the Attorney General such notice and

reports concerning litigation as the Attorney General may direct.

(iii) DISCRETION.—Any decision to exercise any authority of the Attorney General under this paragraph shall be in the sole discretion of the Attorney General and shall not be reviewable in any court.

(f) RECEIPT AND TRANSMITTAL OF APPROPRIATIONS FOR PUBLIC DEFENDER SERVICE.—The Director of the Agency shall receive and transmit to the District of Columbia Public Defender Service all funds appropriated for such agency.

**SEC. 11234. AUTHORIZATION OF APPROPRIATIONS.**

There are authorized to be appropriated in each fiscal year such sums as may be necessary for the following:

- (1) District of Columbia Pretrial Services Agency.
- (2) Supervision of offenders on probation, parole, or supervised release for offenses under the District of Columbia Code.
- (3) Operation of the parole system for offenders convicted of offenses under the District of Columbia Code.
- (4) Operation of the Trusteeship described in section 11232.

**CHAPTER 4—DISTRICT OF COLUMBIA COURTS**

**Subchapter A—Transfer of Administration and Financing of Courts to Federal Government**

**SEC. 11241. AUTHORIZATION OF APPROPRIATIONS.**

(a) AUTHORIZATIONS.—There are authorized to be appropriated for payment to the Joint Committee on Judicial Administration in the District of Columbia in each fiscal year such sums as may be necessary for the following:

- (1) The Superior Court of the District of Columbia.
- (2) The District of Columbia Court of Appeals.
- (3) The District of Columbia Court System.

(b) SUBMISSION TO OMB.—The Joint Committee on Judicial Administration in the District of Columbia shall include in its submissions to the Office of Management and Budget and the Congress, the budget and appropriations requests of the Superior Court of the District of Columbia, the District of Columbia Court of Appeals, and the District of Columbia Court System.

**SEC. 11242. ADMINISTRATION OF COURTS UNDER DISTRICT OF COLUMBIA CODE.**

(a) SUBMISSION OF ANNUAL BUDGET REQUESTS BY JOINT COMMITTEE ON JUDICIAL ADMINISTRATION.—Section 11–1701(b)(4), District of Columbia Code, is amended to read as follows:

“(4) Submission of the annual budget requests of the District of Columbia Court of Appeals, the Superior Court of the District of Columbia, and the District of Columbia Court System as the integrated budget of the District of Columbia courts, except that such requests may be modified upon the concurrence of four of the five members of the Joint Committee.”.

(b) AUDIT OF ACCOUNTS OF COURTS.—Section 11–1723(a)(3), District of Columbia Code, is amended to read as follows:

“(3) The Fiscal Officer shall be responsible for the approval of vouchers and the internal auditing of the accounts of the courts and shall arrange for an annual independent audit of the accounts of the courts.”.

(c) APPOINTMENT AND REMOVAL OF COURT PERSONNEL.—Section 11–1725(b) of the District of Columbia Code is amended to read as follows:

“(b) The Executive Officer shall appoint, and may remove, the Director of Social Services, the clerks of the courts, the Auditor-Master, and all other nonjudicial personnel for the courts (other than the Register of Wills and personal law clerks and secretaries of the judges) as may be necessary, subject to—

“(1) regulations approved by the Joint Committee; and

“(2) the approval of the chief judge of the court to which the personnel are or will be assigned.

Appointments and removals of court personnel shall not be subject to the laws, rules, and limitations applicable to District of Columbia employees.”.

(d) PROCUREMENT OF EQUIPMENT AND SUPPLIES.—Section 11–1742(b), District of Columbia Code, is amended to read as follows:

“(b) The Executive Officer shall be responsible for the procurement of necessary equipment, supplies, and services for the courts and shall have power, subject to applicable law, to reimburse the District of Columbia government for services provided and to contract for such equipment, supplies, and services as may be necessary.”.

(e) BUDGET AND EXPENDITURES.—

(1) IN GENERAL.—Section 11–1743, District of Columbia Code, is amended to read as follows:

**“§ 11–1743. Annual Budget and Expenditures.**

“(a) The Joint Committee shall prepare and submit to the Mayor and the Council of the District of Columbia annual estimates of the expenditures and appropriations necessary for the maintenance and operations of the District of Columbia courts, and shall submit such estimates to Congress and the Director of the Office of Management and Budget after submitting them to the Mayor and the Council. All such estimates shall be included in the budget without revision by the President but subject to the President’s recommendations.

“(b) The District of Columbia Courts may make such expenditures as may be necessary to execute efficiently the functions vested in the Courts.

“(c) All expenditures of the Courts shall be allowed and paid upon presentation of itemized vouchers signed by the certifying officer designated by the Joint Committee. All such expenditures shall be paid out of moneys appropriated for purposes of the Courts.”.

(2) CLERICAL AMENDMENT.—The item relating to section 11–1743 in the table of sections for subchapter III of chapter 17 of title 11, District of Columbia Code, is amended to read as follows:

“11–1743. Annual budget and expenditures.”.

**SEC. 11243. BUDGETING AND FINANCING REQUIREMENTS FOR COURTS UNDER HOME RULE ACT.**

(a) BUDGET OF COURTS.—Section 445 of the District of Columbia Self-Government and Governmental Reorganization Act (DC Code, Title 11 App.) is amended to read as follows:

“SEC. 445. The District of Columbia courts shall prepare and annually submit to the Director of the Office of Management and Budget, for inclusion in the annual budget, annual estimates of the expenditures and appropriations necessary for the maintenance and operation of the District of Columbia court system. The courts shall submit as part of their budgets both a multiyear plan and a multiyear capital improvements plan and shall submit a statement presenting qualitative and quantitative descriptions of court activities and the status of efforts to comply with reports of the Comptroller General of the United States.”.

(b) FINANCIAL DUTIES OF THE MAYOR.—Section 448(a)(6) of such Act (DC Code, sec. 47–310(a)(6)) is amended to read as follows:

“(6) supervise and be responsible for the levying and collection of all taxes, special assessments, license fees, and other revenues of the District, as required by law, and receive all moneys receivable by the District from the Federal Government or from any agency or instrumentality of the District, except that this paragraph shall not apply to moneys from the District of Columbia Courts.”.

(c) FUNDS OF THE DISTRICT.—Section 450 of such Act (DC Code, sec. 47–130), is amended to read as follows:

“SEC. 450. The General Fund of the District shall be composed of those District revenues which on the effective date of this title are paid into the Treasury of the United States and credited either to the General Fund of the District or its miscellaneous receipts, but shall not include any revenues which are applied by law to any special fund existing on the date of enactment of this title. The Council may from time to time establish such additional special funds as may be necessary for the efficient operation of the government of the District. All money received by any agency, officer, or employee of the District in its or his official capacity shall belong to the District government and shall be paid promptly to the Mayor for deposit in the appropriate fund, except that all money received by the District of Columbia Courts shall be deposited in the Treasury of the United States or the Crime Victims Fund.”.

(d) REDUCTIONS IN BUDGETS OF INDEPENDENT AGENCIES.—Section 453(c) of such Act (DC Code, sec. 47–304.1(c)) is amended to read as follows:

“(c) Subsection (a) shall not apply to amounts appropriated or otherwise made available to the Council or to the District of Columbia Financial Responsibility and Management Assistance Authority established under section 101(a) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995.”.

(e) TREATMENT OF COURT FEES IN CALCULATION OF LIMITS ON DISTRICT BORROWING.—Section 603 of such Act (DC Code, sec. 47–313) is amended—

- (1) in subsection (b)—
  - (A) in paragraph (1)—

(i) in the first sentence, by striking “less court fees, any fees” and inserting “less any fees”; and

(ii) in the second sentence, by striking “section 2501 , title 47 of the District of Columbia Code, as amended” and inserting “title VI of the District of Columbia Revenue Act of 1939”;

(B) in paragraph (3)(A), by striking “less court fees, any fees” and inserting “less any fees”; and

(2) in subsection (c), by striking the last sentence (relating to budget estimates of the District of Columbia courts).

**SEC. 11244. AUDITING OF ACCOUNTS OF COURT SYSTEM.**

(a) **POWERS OF DISTRICT OF COLUMBIA AUDITOR.**—Section 455 of the District of Columbia Self-Government and Governmental Reorganization Act (DC Code, sec. 47–117) is amended by adding at the end the following new subsection:

“(g) This section shall not apply to the District of Columbia Courts or the accounts and operations thereof.”

(b) **SUBMISSION OF GAO AUDIT REPORTS TO MAYOR AND COUNCIL.**—Section 715(b) of title 31, United States Code (DC Code, sec. 47–118.1(b)), is amended by striking “and the Mayor” and inserting “and (other than the audit reports of the District of Columbia Courts) the Mayor”.

(c) **INDEPENDENT ANNUAL AUDIT.**—Section 4 of Public Law 94–399 (DC Code, sec. 47–119) is amended by adding at the end the following new subsection:

“(d) This section shall not apply to the District of Columbia Courts or the financial operations thereof.”

**SEC. 11245. MISCELLANEOUS BUDGETING AND FINANCING REQUIREMENTS FOR COURTS UNDER DISTRICT LAW.**

(a) **DEPOSIT OF PUBLIC FUNDS.**—Section 2(21) of the District of Columbia Depository Act of 1977 (DC Code, sec. 47–341(21)) is amended by striking “a court, agency” and inserting “an agency”.

(b) **REPROGRAMMING OF BUDGET AMOUNTS.**—Section 4(h) of D.C. Law 3–100 (DC Code, sec. 47–363(h)) is amended by striking “the District of Columbia courts,”

(c) **CONTROL OF GRANT FUNDS.**—(1) Section 3(1) of D.C. Law 3–104 (DC Code, sec. 47–382(1)) is amended to read as follows:

“(1) ‘Agency’ means the highest organizational structure of the District at which budgeting data is aggregated, but shall not include the District of Columbia Courts.”

(2) Section 4(b) of D.C. Law 3–104 (DC Code, sec. 47–383(b)) is amended to read as follows:

“(b) The Trustees of the University of the District of Columbia, the Board of Education, and the D.C. General Hospital Commission shall submit to the Mayor two copies of the application and completed approval form, as an advisory notice, concurrent with submitting the application and completed approval form to a grant-making agency in accordance with rules and regulations issued pursuant to subsection (c) of this section.”

**SEC. 11246. OTHER PROVISIONS RELATING TO ADMINISTRATION OF DISTRICT OF COLUMBIA COURTS.**

(a) **JUROR FEES.**—Section 11–1912(a), District of Columbia Code, is amended to read as follows:

“(a) Notwithstanding section 602(a) of the District of Columbia Self-Government and Governmental Reorganization Act, grand and petit jurors serving in the Superior Court shall receive fees and expenses at rates established by the Board of Judges of the Superior Court”, except that such fees and expenses may not exceed the respective rates paid to such jurors in the Federal system.”.

(b) COMPENSATION AND BENEFITS FOR COURT PERSONNEL.—

(1) IN GENERAL.—Section 11–1726, District of Columbia Code, is amended to read as follows:

**“§ 11–1726. Compensation and benefits for court personnel.**

“(a) In the case of nonjudicial employees of the District of Columbia courts whose compensation is not otherwise fixed by this title, the Executive Officer shall fix the rates of compensation of such employees without regard to chapter 51 and subchapter III of chapter 53 of title 5, United States Code. Any rates so established shall be subject to the limitation on pay fixed by administrative action in section 5373 of such title. In fixing the rates of compensation of nonjudicial employees under this section, the Executive Officer may be guided by the rates of compensation fixed for employees in the executive and judicial branches of the Federal Government or State or local governments occupying the same or similar positions or occupying positions of similar responsibility, duty, and difficulty.

“(b)(1) Nonjudicial employees of the District of Columbia courts shall be treated as employees of the Federal Government solely for purposes of any of the following provisions of title 5, United States Code:

“(A) Subchapter 1 of chapter 81 (relating to compensation for work injuries).

“(B) Chapter 83 (relating to retirement).

“(C) Chapter 84 (relating to the Federal Employees’ Retirement System).

“(D) Chapter 87 (relating to life insurance).

“(E) Chapter 89 (relating to health insurance).

“(2) The employing agency shall make contributions under the provisions referred to paragraph (1) at the same rates applicable to agencies of the Federal Government.

“(3) An individual who is a nonjudicial employee of the District of Columbia courts on the date of the enactment of the Balanced Budget Act of 1997 may make, within 60 days after such date, an election under section 8351 or section 8432 of title 5, United States Code, to participate in the Thrift Savings Plan for Federal employees.

“(c)(1) Judicial employees of the District of Columbia courts shall be treated as employees of the Federal Government for purposes of any of the following provisions of title 5, United States Code:

“(A) Subchapter 1 of chapter 81 (relating to compensation for work injuries).

“(B) Chapter 87 (relating to life insurance).

“(C) Chapter 89 (relating to health insurance).

“(2) The employing agency shall make contributions under the provisions referred to paragraph (1) at the same rates applicable to agencies of the Federal Government.

“(3) For purposes of section 8706(b) and section 8901(3)(B) of title 5, United States Code, benefits paid from the retirement system for judicial employees of the District of Columbia courts or from the system providing benefits to survivors of such employees shall be considered an annuity.

“(4) For purposes of section 8901(3)(A) of title 5, United States Code, the retirement system for judicial employees of the District of Columbia courts shall be considered a retirement system for employees of the Government.”.

(2) CONFORMING AMENDMENTS TO INTERNAL REVENUE CODE AND SOCIAL SECURITY.—(A) Section 3121(b)(7)(C) of the Internal Revenue Code of 1986 (relating to the definition of employment for service performed in the employ of the District of Columbia) is amended by inserting “(other than the Federal Employees Retirement System provided in chapter 84 of title 5, United States Code)” after “law of the United States”.

(B) Section 210(a)(7)(D) of the Social Security Act (42 U.S.C. 410(a)(7)(D)) (relating to the definition of employment for service performed in the employ of the District of Columbia), is amended by inserting “(other than the Federal Employees Retirement System provided in chapter 84 of title 5, United States Code)” after “law of the United States”

(3) CLERICAL AMENDMENT.—The table of sections for subchapter II of chapter 15 of title 11, District of Columbia Code, is amended by amending the item relating to section 11–1726 to read as follows:

“11–1726. Compensation and benefits for court personnel.”.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to all months beginning after the date on which the Director of the Office of Personnel Management issues regulations to carry out section 11–1726, District of Columbia Code (as amended by paragraph (1)).

(c) RETIREMENT PERIOD FOR EXECUTIVE OFFICER.—Section 11–1703(d), District of Columbia Code, is amended by striking the period at the end and inserting the following: “, except that the Executive Officer (if initially hired after October 1, 1997) shall be eligible for retirement under subchapter III of chapter 15 when the Executive Officer has completed 7 years of service as Executive Officer, whether continuous or not.”.

### **Subchapter B—Judicial Retirement Program**

#### **SEC. 11251. JUDICIAL RETIREMENT AND SURVIVORS ANNUITY FUND.**

(a) ESTABLISHMENT OF FUND.—Section 11–1570, District of Columbia Code, is amended to read as follows:

#### **“§ 11–1570. The District of Columbia Judicial Retirement and Survivors Annuity Fund.**

“(a) There is established in the Treasury a fund known as the District of Columbia Judicial Retirement and Survivors Annuity Fund (hereafter in this section referred to as the ‘Fund’), which shall consist of the following assets:

“(1) Amounts deposited by, or deducted and withheld from the salary and retired pay of, a judge under section 1563 or

1567 of this title, which shall be credited to an individual account of the judge.

“(2) Amounts transferred from the District of Columbia Judges’ Retirement Fund under section 124(c)(1) of the District of Columbia Retirement Reform Act, as amended by section 11252 of the Balanced Budget Act of 1997.

“(3) Amounts deposited under subsection (d).

“(4) Any return on investment of the assets of the Fund.

“(b)(1) The Secretary of the Treasury (hereafter in this section referred to as the ‘Secretary’) shall be responsible for the administration of the Fund. The Secretary may carry out such responsibilities through an agreement with a Trustee or contractor (who may be the Trustee or contractor appointed to carry out responsibilities relating to Federal benefit payments under subtitle A of title XI of the Balanced Budget Act of 1997) and an enrolled actuary (as defined in section 7701(a)(35) of the Internal Revenue Code of 1986) who is a member of the American Academy of Actuaries (who may be the enrolled actuary engaged under such Act). Notwithstanding any other provision of District law or any other law, rule, or regulation, any Trustee, contractor, or enrolled actuary selected by the Secretary under this subsection may, with the approval of the Secretary, enter into one or more subcontracts with the District of Columbia government or any person to provide services to such Trustee, contractor, or enrolled actuary in connection with its performance of its agreement with the Secretary. Such Trustee, contractor, or enrolled actuary shall monitor the performance of any subcontract to which it is a party and enforce its provisions.

“(2) The Secretary shall submit to the President an annual estimate of the expenditures necessary for the maintenance and operation of the Fund, and such supplemental estimates as may be required from time to time for the same purposes, according to law.

“(3) The Secretary may cause periodic examinations of the Fund to be made by an enrolled actuary (as defined in section 7701(a)(35) of the Internal Revenue Code of 1986) who is a member of the American Academy of Actuaries.

“(c)(1) Amounts in the Fund are available—

“(A) for the payment of judges retirement pay, annuities, refunds, and allowances under this subchapter;

“(B) to cover the reasonable and necessary expenses of administering the Fund under any agreement entered into with a Trustee, contractor, or enrolled actuary under subsection (b)(1), including any agreement with a department, agency or instrumentality of the United States; and

“(C) to cover the reasonable and necessary administrative expenses incurred by the Secretary in carrying out the Secretary’s responsibilities under this subchapter.

“(2) Notwithstanding any other provision of District law or any other law, rule, or regulation—

“(A) the Secretary may review benefit determinations under this subchapter made prior to the date of the enactment of the Balanced Budget Act of 1997, and shall make initial benefit determinations after such date; and

“(B) the Secretary may recoup or recover, or waive recoupment or recovery of, any amounts paid under this subchapter as a result of errors or omissions by any person.”

“(d)(1) The Secretary shall pay into the Fund from the General Fund of the Treasury, not later than the close of each fiscal year, an amount equal to the sum of—

“(A) the normal cost for the year;

“(B) the annual amortization amount for the year (which may not be less than zero); and

“(C) the covered administrative expenses for the year.

“(2) For purposes of this subsection:

“(A) The ‘original unfunded liability’ is the amount that is the present value as of September 30, 1997, of future benefits payable from the Fund (net of the sum of the present value of future normal costs and plan assets as of such date).

“(B) The ‘annual amortization amount’ is the amount determined by the enrolled actuary to be necessary to amortize in equal annual installments (until fully amortized)—

“(i) the original unfunded liability over a 30-year period;

“(ii) a net experience gain or loss over a 10-year period; and

“(iii) any other changes in actuarial liability over a 20-year period.

“(C) The ‘covered administrative expenses’ are the expenses determined by the Secretary (on an annual basis) to be necessary to administer the Fund.

“(3) Deposits made under this subsection shall not be credited to the account of any individual.

“(e) The Secretary shall invest such portion of the Fund as is not in the judgment of the Secretary required to meet current withdrawals. Such investments shall be in public debt securities with maturities suitable to the needs of the Fund, as determined by the Secretary, and bearing interest at rates determined by the Secretary, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturities.

“(f) None of the moneys mentioned in this subchapter shall be assignable, either in law or in equity, or be subject to execution, levy, attachment, garnishment, or other legal process (except to the extent permitted pursuant to the District of Columbia Spouse Equity Act of 1988).

“(g) Notwithstanding any other provision of District law, rule, or regulation, any civil action brought—

“(1) by an individual to enforce or clarify rights to benefits from the Fund; or

“(2) by the Secretary—

“(A) to enforce any claim arising (in whole or in part) under this section or any contract entered into to carry out this section,

“(B) to recover benefits improperly paid from the Fund or to clarify an individual’s rights to benefits from the Fund, or

“(C) to enforce any provision of this section or any contract entered into to carry out this section,

shall be brought in the United States District Court for the District of Columbia.

“(h) For purposes of the Internal Revenue Code of 1986—

“(1) the Fund shall be treated as a trust described in section 401(a) of the Code that is exempt from taxation under section 501(a) of the Code;

“(2) any transfer to or distribution from the Fund shall be treated in the same manner as a transfer to or distribution from a trust described in section 401(a) of the Code; and

“(3) the benefits provided by the Fund shall be treated as benefits provided under a governmental plan maintained by the District of Columbia.

“(i) For purposes of the Employee Retirement Income Security Act of 1974, the benefits provided by the Fund shall be treated as benefits provided under a governmental plan maintained by the District of Columbia.

“(j) To the extent that any provision of subpart A of part I of subchapter D of the chapter 1 of the Internal Revenue Code of 1986 (26 U.S.C. 401 et seq.) is amended after the date of the enactment of this subsection, such provision as amended shall apply to the Fund only to the extent the Secretary determines that application of the provision as amended is consistent with the administration of this subchapter.

“(k) Federal obligations for benefits under this subchapter are backed by the full faith and credit of the United States.”.

(b) REGULATIONS; EFFECT ON REFORM ACT.—Title 11, District of Columbia Code, is amended by adding the following new section:

**“§ 11-1572. Regulations; effect on Reform Act.**

“(a) The Secretary is authorized to issue regulations to implement, interpret, administer and carry out the purposes of this subchapter, and, in the Secretary’s discretion, those regulations may have retroactive effect, except that nothing in this subsection may be construed to permit the Secretary to issue any regulation to retroactively reduce or eliminate the benefits to which any individual is entitled under this subchapter.

“(b) This subchapter supersedes any provision of the District of Columbia Retirement Reform Act (Public Law 96-122) inconsistent with this subchapter and the regulations thereunder.”.

(c) CLERICAL AMENDMENTS.—

(1) The table of sections for subchapter III of chapter 15 of title 11, District of Columbia Code, is amended by amending the item relating to section 11-1570 to read as follows:

“11-1570. The District of Columbia Judicial Retirement and Survivors Annuity Fund.”.

(2) The table of sections for subchapter III of chapter 15 of title 11, District of Columbia Code, is amended by adding at the end the following new item:

“11-1572. Regulations; effect on Reform Act.”.

**SEC. 11252. TERMINATION OF CURRENT FUND AND PROGRAM.**

(a) TERMINATION OF JUDGES’ RETIREMENT FUND.—Section 124 of the District of Columbia Retirement Reform Act (DC Code, sec. 1-714) is amended by striking subsection (c) and inserting the following (except as provided in section 11-1570, District of Columbia Code):

“(c)(1) Notwithstanding any other provision of this Act or the amendments made by this Act, upon the date the assets of the Re-

tirement Fund described in subtitle A of title XI of the Balanced Budget Act of 1997 are transferred, the assets of the District of Columbia Judges' Retirement Fund established under subsection (a) shall be transferred to the District of Columbia Judicial Retirement and Survivors Annuity Fund under section 11-1570, District of Columbia Code, and no amounts shall be deposited into the District of Columbia Judges' Retirement Fund after the date on which the assets are so transferred.

"(2) In accordance with the direction of the Secretary, the District of Columbia Judges' Retirement Fund established under subsection (a) shall be continued at the Board and appropriated for the purposes provided in this Act until such time as all amounts in such Fund have been expended or transferred to the District of Columbia Judicial Retirement and Survivors Annuity Fund pursuant to paragraph (1). Thereafter any payments of retirement pay, annuities, refunds, and allowances for judicial personnel of the District of Columbia shall be paid from the District of Columbia Judicial Retirement and Survivors Annuity Fund in accordance with subchapter III of chapter 15 of title 11, District of Columbia Code."

(b) TRANSITION FROM DISTRICT OF COLUMBIA ADMINISTRATION.—Sections 11023, 11032(b)(2), 11033(d), and 11041 shall apply to the administration of the District of Columbia Judges Retirement Fund established under section 124 of the District of Columbia Retirement Reform Act (DC Code, sec. 1-714), the District of Columbia Judicial Retirement and Survivors Annuity Fund established under section 11-1570, District of Columbia Code, and the retirement program for judges under subchapter III of chapter 15 of title 11, District of Columbia Code, except as follows:

(1) In applying each such section—

(A) any reference to this subtitle shall instead refer to subchapter III of chapter 15 of title 11, District of Columbia Code;

(B) any reference to the District Retirement Program shall be deemed to include the retirement program for judges under subchapter III of chapter 15 of title 11, District of Columbia Code;

(C) any reference to the District Retirement Fund shall be deemed to include the District of Columbia Judges Retirement Fund established under section 124 of the District of Columbia Retirement Reform Act;

(D) any reference to Federal benefit payments shall be deemed to include judges retirement pay, annuities, refunds and allowances under subchapter III of chapter 15 of title 11, District of Columbia Code;

(E) any reference to the Trust Fund shall instead refer to the District of Columbia Judicial Retirement and Survivors Annuity Fund established under section 11-1570, District of Columbia Code;

(F) any reference to section 11033 shall instead refer to section 124 of the District of Columbia Retirement Reform Act, as amended by section 11252; and

(G) any reference to chapter 2 shall instead refer to section 11-1570, District of Columbia Code.

(2) In applying section 11023—

(A) any reference to the contract shall instead refer to the agreement referred to in section 11-1570(b), District of Columbia Code; and

(B) any reference to the Trustee shall instead refer to the Trustee or contractor referred to in section 11-1570(b), District of Columbia Code.

(3) In applying section 11033(d)—

(A) any reference to this section shall instead refer to section 124 of the District of Columbia Retirement Reform Act, as amended by section 11252; and

(B) any reference to the Trustee shall instead refer to the Secretary or the Trustee or contractor referred to in section 11-1570(b), District of Columbia Code.

(4) In applying section 11041(b), any reference to the Trustee shall instead refer to the Trustee or contractor referred to in section 11-1570(b), District of Columbia Code.

(c) REMOVAL OF JUDGES FROM RETIREMENT BOARD.—Section 121(b)(1)(A) of the District of Columbia Retirement Reform Act (DC Code, sec. 1-711(b)(1)(A)) is amended—

(1) in the matter preceding clause (i), by striking “13” and inserting “12”;

(2) by striking clause (vii); and

(3) by redesignating clauses (viii) and (ix) as clauses (vii) and (viii).

(d) EFFECTIVE DATE.—The provisions of subsection (c) shall take effect on the date on which the assets of the District of Columbia Judges Retirement Fund are transferred to the District of Columbia Judicial Retirement and Survivors Annuity Fund.

**SEC. 11253. CONFORMING AMENDMENTS.**

(a) TRANSFER OF AUTHORITY OVER FUND TO SECRETARY OF TREASURY.—Title 11, District of Columbia Code, is amended as follows:

(1) In sections 11-1561(8)(C), 11-1562(c), 11-1563(b), 11-1563(c), 11-1564(d)(6), 11-1564(d)(7), 11-1566(a), and 11-1570(c), by striking “Commissioner [Mayor]” each place it appears and inserting “Secretary of the Treasury”.

(2) In sections 11-1566(b)(2), 11-1567(a), 11-1567(b), by striking “Mayor” each place it appears and inserting “Secretary of the Treasury”.

(3) In sections 11-1564(d)(2)(A) and 11-1568.1(1)(B), by striking “Mayor of the District of Columbia” each place it appears and inserting “Secretary of the Treasury”.

(4) In section 11-1563(a), by striking “paid to the Custodian of Retirement Funds (as defined in section 102(6) of the District of Columbia Retirement Reform Act)” and inserting “paid to the Secretary of the Treasury”.

(b) DEFINITION OF FUND.—Section 11-1561(4), District of Columbia Code, is amended to read as follows:

“(4) The term ‘fund’ means the District of Columbia Judicial Retirement and Survivors Annuity Fund established by section 11-1570.”.

(c) TREATMENT OF FEDERAL SERVICE OF JUDGES.—Section 11-1564, District of Columbia Code, is amended—

(1) in subsection (d)(2)(A), by striking “section 1–1814” and inserting “section 1–714) or the District of Columbia Judicial Retirement and Survivors Annuity Fund (established by section 11–1570)”;

(2) in subsection (d)(4), by striking “Judges Retirement Fund established by section 124(a) of the District of Columbia Retirement Reform Act” and inserting “Judicial Retirement and Survivors Annuity Fund under section 11–1570.”

(d) REDEPOSITS TO FUND.—Section 11–1568.1(4)(A), District of Columbia Code, is amended by striking “Judges Retirement Fund” and inserting “Judicial Retirement and Survivors Annuity Fund.”

### **Subchapter C—Miscellaneous Conforming and Administrative Provisions**

#### **SEC. 11261. TREATMENT OF COURTS UNDER MISCELLANEOUS DISTRICT LAWS.**

(a) FINANCIAL RESPONSIBILITY AND MANAGEMENT ASSISTANCE ACT.—Paragraph (5) of section 305 of the District of Columbia Financial Responsibility and Management Assistance Act of 1995 (DC Code, sec. 47–393(5)) is amended to read as follows:

“(5) The term ‘District government’ means the government of the District of Columbia, including any department, agency or instrumentality of the government of the District of Columbia; any independent agency of the District of Columbia established under part F of title IV of the District of Columbia Self-Government and Governmental Reorganization Act or any other agency, board, or commission established by the Mayor or the Council; the Council of the District of Columbia; and any other agency, public authority, or public benefit corporation which has the authority to receive monies directly or indirectly from the District of Columbia (other than monies received from the sale of goods, the provision of services, or the loaning of funds to the District of Columbia), except that such term does not include the Authority.”

(b) MERIT PERSONNEL ACT.—(1) Section 201 of the District of Columbia Comprehensive Merit Personnel Act of 1978 (DC Code, sec. 1–602.1) is amended—

(A) by striking “(a) Except as provided in subsection (b) or unless” and inserting “Unless”; and

(B) by striking subsection (b).

(2) Section 301(13) of the District of Columbia Comprehensive Merit Personnel Act of 1978 (DC Code, sec. 1–603.1(13)) is amended by striking “, the Superior Court of the District of Columbia, and the District of Columbia Court of Appeals shall be considered independent agencies” and inserting “shall be considered an independent agency”.

#### **SEC. 11262. REPRESENTATION OF INDIGENTS IN CRIMINAL CASES.**

(a) BUDGET.—Section 11–2607, District of Columbia Code, is amended to read as follows:

##### **“§ 11–2607. Preparation of Budget.**

“The joint committee shall prepare and include in its annual budget requests for the District of Columbia court system estimates of the expenditures and appropriations necessary for furnishing

representation by private attorneys to persons entitled to representation in accordance with section 2601 of this title.”.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 11–2608 of the District of Columbia Code is amended to read as follows:

**“§ 11–2608. Authorization of appropriations.**

“There are authorized to be appropriated through the State Justice Institute such sums as may be necessary to pay for representation by private attorneys and related services under this chapter. When so specified in appropriation Acts, such appropriations shall remain available until expended.”.

(c) REPEAL AUTHORITY OF COUNCIL.—

(1) IN GENERAL.—Section 11–2609, District of Columbia Code, is repealed.

(2) CLERICAL AMENDMENT.—The table of sections for chapter 26 of title 11, District of Columbia Code, is amended by striking the item relating to section 11–2609.

**CHAPTER 5—PRETRIAL SERVICES AGENCY AND PUBLIC DEFENDER SERVICE**

**SEC. 11271. AMENDMENTS AFFECTING PRETRIAL SERVICES AGENCY.**

(a) IN GENERAL.—Sections 23–1304 through 23–1308 of the District of Columbia Code are amended to read as follows:

**“§ 23–1304. Executive committee; composition; appointment and qualifications of Director**

“(a) The agency shall be advised by an executive committee of seven members, of which four members shall constitute a quorum. The Executive Committee shall be composed of the following persons or their designees: the Chief Judge of the United States Court of Appeals for the District of Columbia Circuit, the Chief Judge of the United States District Court for the District of Columbia, the Chief Judge of the District of the Columbia Court of Appeals, the Chief Judge of the Superior Court of the District of Columbia, the United States Attorney for the District of Columbia, the Director of the District of Columbia Public Defender Service, and the Director of the District of Columbia Offender Supervision, Defender and Courts Services Agency.

“(b) The Chief Judge of the United States Court of Appeals for the District of Columbia Circuit and the Chief Judge of the United States District Court for the District of Columbia, in consultation with the other members of the executive committee, shall appoint a Director of the agency who shall be a member of the bar of the District of Columbia.

**“§ 23–1305. Duties of director; compensation**

“(a) The Director of the agency shall be responsible for the supervision and execution of the duties of the agency. The Director shall be compensated as a member of the Senior Executive Service pursuant to subchapter VIII of chapter 53 of title 5, United States Code.

**“§ 23–1306. Chief assistant and other agency personnel; compensation**

“The Director shall employ a chief assistant who shall be compensated as a member of the Senior Executive Service pursuant to section 5382 of title 5, United States Code. The Director shall employ such agency personnel as may be necessary properly to conduct the business of the agency. All employees other than the chief assistant shall receive compensation that is comparable to levels of compensation established for Federal pretrial services agencies.

**“§ 23–1307. Annual reports**

“(a) The Director shall each year submit to the executive committee and to the Director of the District of Columbia Offender Supervision, Defender and Courts Services Agency a report as to the Pretrial Services Agency’s administration of its responsibilities for the previous fiscal year. The Director shall include in the report a statement of financial condition, revenues, and expenses for the past fiscal year.

**“§ 23–1308. Appropriation; budget**

“There are authorized to be appropriated through the State Justice Institute in each fiscal year such sums as may be necessary to carry out the provisions of this subchapter. Funds appropriated by Congress for the District of Columbia Pretrial Services Agency shall be received by the Director of the District of Columbia Offender Supervision, Defender and Courts Services Agency, and shall be disbursed by that Director to and on behalf of the District of Columbia Pretrial Services Agency. The District of Columbia Pretrial Services Agency shall submit to the Director of the District of Columbia Offender Supervision, Defender and Courts Services Agency at the time and in the form prescribed by that Director, reports of its activities and financial position and its proposed budget.”.

(b) CLERICAL AMENDMENT.—The table of sections for subchapter I of chapter 13 of title 23, District of Columbia Code, is amended by striking the items relating to sections 23–1304 through 23–1308 and inserting the following:

“23–1304. Executive committee; composition; appointment and qualifications of Director.

“23–1305. Duties of director; compensation.

“23–1306. Chief assistant and other agency personnel; compensation.

“23–1307. Annual reports.

“23–1308. Appropriation; budget.”.

**[SEC. 11272. REPEALED. 7]**

**CHAPTER 6—MISCELLANEOUS PROVISIONS****SEC. 11281. TECHNICAL ASSISTANCE AND RESEARCH.**

There are authorized to be appropriated to the National Institute of Justice in each fiscal year (beginning with fiscal year 1998) such sums as may be necessary for the following activities:

- (1) Research and demonstration projects, evaluations, and technical assistance to assess and analyze the crime problem

<sup>7</sup> Section 7(d) of the District of Columbia Courts and Justice Technical Corrections Act of 1998 (Public Law 105–274, 112 Stat. 2427, Oct. 21, 1998) repealed section 11272.

in the District of Columbia, and to improve the ability of the criminal justice and other systems and entities in the District of Columbia to prevent, solve, and punish crimes.

(2) The establishment of a locally-based corporation or institute in the District of Columbia supporting research and demonstration projects relating to the prevention, solution, or punishment of crimes in the District of Columbia, including the provision of related technical assistance.

**SEC. 11282. EXEMPTION FROM PERSONNEL AND BUDGET CEILINGS FOR TRUSTEES AND RELATED AGENCIES.**

The Trustees described in sections 11202 and 11232 and the activities and personnel of, and the funds allocated or otherwise available to, the Trustees and the agencies over which the Trustees exercise financial oversight pursuant to those sections, shall not be subject to any general personnel or budget limitations which otherwise apply to the District of Columbia government or its agencies in any appropriations act.

## **Subtitle D—Privatization of Tax Collection and Administration**

**SEC. 11301. FINDINGS.**

Congress finds as follows:

(1) The District of Columbia government has historically had a poor record of determining and collecting all revenue it is due under its revenue code.

(2) The impact on the District's financial condition of poor administration and collection is significant and has contributed both to the size of its accumulated operating deficit and to the difficulty in balancing the budget going forward.

(3) More complete collection of taxes would not only increase District of Columbia revenues, but would give residents and businesses a sense of equity and that all were paying their fair share.

(4) Once District tax processing and collection is competently managed it will be possible for the District government to accurately assess the true value of its many taxes and determine that some may be reduced or eliminated without a significant negative impact on revenues.

(5) Any reduction or elimination of non-productive or counterproductive taxes or taxes which cost more to administer than they produce in revenue would significantly improve the negative atmosphere surrounding the District of Columbia tax system and its enforcement.

**SEC. 11302. AUTHORIZING CHIEF FINANCIAL OFFICER TO PRIVATIZE TAX ADMINISTRATION AND COLLECTION.**

The Chief Financial Officer of the District of Columbia may enter into contracts with a private entity for the administration and collection of taxes of the District of Columbia.

## Subtitle E—Financing of District of Columbia Accumulated Deficit

### SEC. 11401. FINDINGS.

Congress finds as follows:

(1) The District of Columbia government sold accumulated deficit financing bonds in 1991.

(2) Between 1991 and the end of fiscal year 1997 the District of Columbia government is expected to accumulate an operating deficit in excess of \$500,000,000.

(3) Requiring the District of Columbia budget for fiscal year 1998 to be balanced will ensure that no further addition is made to the accumulated operating deficit.

(4) In every other example of an American city in financial crisis, a vital and necessary component of recovery was to finance the accumulated operating deficit.

(5) Carrying forward an accumulated operating deficit of more than \$500,000,000 has a significant negative impact on the District of Columbia's cash flow and financial condition and on its ability to improve its credit rating.

(6) It is not feasible to carry forward such a debt with an expectation of paying it off gradually from future budget surpluses.

(7) Financing the accumulated deficit would improve the District's cash management position and allow more normal cash management techniques.

### SEC. 11402. AUTHORIZATION FOR INTERMEDIATE-TERM ADVANCES OF FUNDS BY THE SECRETARY OF THE TREASURY TO LIQUIDATE THE ACCUMULATED GENERAL FUND DEFICIT OF THE DISTRICT OF COLUMBIA.

Title VI of the District of Columbia Revenue Act of 1939 (DC Code, sec. 47-3401 et seq.) is amended—

(1) by redesignating sections 602 through 605 as sections 603 through 606, respectively; and

(2) by inserting after section 601 the following:

#### “SEC. 602. INTERMEDIATE-TERM ADVANCES FOR LIQUIDATION OF DEFICIT.

“(a) IN GENERAL.—If the conditions in subsection (b) are satisfied, the Secretary shall make an advance of funds from time to time, out of any money in the Treasury not otherwise appropriated and to the extent provided in advance in annual appropriations Acts, for the purpose of assisting the District government in liquidating the outstanding accumulated operating deficit of the general fund of the District government existing as of September 30, 1997.

“(b) CONDITIONS TO MAKING ANY INTERMEDIATE-TERM ADVANCE.—The Secretary shall make an advance under this section if—

“(1) the Mayor delivers to the Secretary the following instruments, in form and substance satisfactory to the Secretary—

“(A) a financing agreement in which the Mayor agrees to procedures for requisitioning advances;

“(B) a requisition for an advance under this section;

and

- “(C) a promissory note evidencing the District government’s obligation to reimburse the Treasury for the requisitioned advance, which note may be a general obligation bond issued under section 461(a) of the District of Columbia Self-Government and Governmental Reorganization Act by the District government to the Secretary if the Secretary determines that such a bond is satisfactory;
- “(2) the date on which the requisitioned advance is requested to be made is not later than 3 years from the date of enactment of the Balanced Budget Act of 1997;
- “(3) the District government delivers to the Secretary—
- “(A) evidence demonstrating to the satisfaction of the Secretary that, at the time of the Mayor’s requisition for an advance, the District government is effectively unable to obtain credit in the public credit markets or elsewhere in sufficient amounts and on sufficiently reasonable terms to meet the District government’s need for financing to accomplish the purpose described in subsection (a); and
- “(B) a schedule setting out the anticipated timing and amounts of requisitions for advances under this section;
- “(4) the Authority certifies to the Secretary that—
- “(A) there is an approved financial plan and budget in effect under the District of Columbia Financial Responsibility and Management Assistance Act of 1995 for the fiscal year in which the requisition is to be made;
- “(B) at the time that the Mayor’s requisition for an advance is delivered to the Secretary, the District government is in compliance with the approved financial plan and budget;
- “(C) both the receipt of funds from such advance and the reimbursement of Treasury for such advance are consistent with the approved financial plan and budget for the year;
- “(D) such advance will not adversely affect the financial stability of the District government; and
- “(E) at the time that the Mayor’s requisition for an advance is delivered to the Secretary, the District government is effectively unable to obtain credit in the public credit markets or elsewhere in sufficient amounts and on sufficiently reasonable terms to meet the District government’s need for financing to accomplish the purpose described in subsection (a);
- “(5) the Inspector General of the District of Columbia certifies to the Secretary the information described in subparagraphs (A) through (D) of paragraph (4), and in making this certification, the Inspector General may rely upon an audit conducted by an outside auditor engaged by the Inspector General under section 208(a)(4) of the District of Columbia Procurement Practices Act of 1985 if, after reasonable inquiry, the Inspector General concurs in the findings of such audit;
- “(6) the Secretary determines that—
- “(A) there is reasonable assurance of reimbursement for the requisitioned advance; and
- “(B) the debt owed by the District government to the Treasury on account of the requisitioned advance will not

be subordinate to any other debt owed by the District or to any other claims against the District; and

“(7) the Secretary receives from such persons as the Secretary determines to be appropriate such additional certifications and opinions relating to such matters as the Secretary determines to be appropriate.

“(c) AMOUNT OF ANY INTERMEDIATE-TERM ADVANCE.—

“(1) IN GENERAL.—Except as provided in paragraph (3), if the conditions in paragraph (2) are satisfied, each advance made under this section shall be in the amount designated by the Mayor in the Mayor’s requisition for such advance.

“(2) CONDITIONS APPLICABLE TO DESIGNATED AMOUNT.—Paragraph (1) applies if—

“(A) the Mayor certifies that the amount designated in the Mayor’s requisition for such advance is needed to accomplish the purpose described in subsection (a) within 30 days of the time that the Mayor’s requisition is delivered to the Secretary; and

“(B) the Authority concurs in the Mayor’s certification under subparagraph (A).

“(3) MAXIMUM AMOUNT.—Notwithstanding paragraph (1), the aggregate amount of all advances made under this section shall not be greater than \$300,000,000.

“(d) MATURITY OF ANY INTERMEDIATE-TERM ADVANCE.—

“(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), each advance made under this section shall mature on the date designated by the Mayor in the Mayor’s requisition for such advance.

“(2) LATEST PERMISSIBLE MATURITY DATE.—Notwithstanding paragraph (1), the maturity date for any advance made under this section shall not be later than 10 years from the date on which the first advance under this section is made.

“(4) SECRETARY’S RIGHT TO REQUIRE EARLY REIMBURSEMENT.—Notwithstanding paragraph (1), if the Secretary determines, at any time while any advance made under this section has not been fully reimbursed, that the District is able to obtain credit in the public credit markets or elsewhere in sufficient amounts and on sufficiently reasonable terms, in the judgment of the Secretary, to refinance all or a portion of the unpaid balance of such advance in the public credit markets or elsewhere without adversely affecting the financial stability of the District government, the Secretary may require reimbursement for all or a portion of the unpaid balance of such advance at any time after the Secretary makes the determination.

“(e) INTEREST RATE.—Each advance made under this section shall bear interest at an annual rate equal to a rate determined by the Secretary at the time that the Secretary makes such advance taking into consideration the prevailing yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the repayment schedule of such advance, plus  $\frac{1}{8}$  of 1 percent.

“(f) OTHER TERMS AND CONDITIONS.—Each advance made under this section shall be on such other terms and conditions, including repayment schedule, as the Secretary determines to be appropriate.

“(g) DEPOSIT OF ADVANCES.—As provided in section 204(b) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, advances made under this section for the account of the District government shall be deposited by the Secretary into an escrow account held by the Authority.”.

**SEC. 11403. CONFORMING AMENDMENTS.**

(a) AMENDMENT TO SECTION 601.—Section 601 of the District of Columbia Revenue Act of 1939 (DC Code, sec. 47-3401) is amended—

(1) in subsection (c)(2)(B)(i)(IV), by striking “602(b)” and inserting “603(b)”; and

(2) in subsection (d)(2)(B)(iii), by striking “602(b)” and inserting “603(b)”.

(b) AMENDMENT TO SECTION 604.—Section 604 of the District of Columbia Revenue Act of 1939 (DC Code, sec. 47-3401.3) is amended—

(1) in subsection (a)(2)(A)(i), by striking “602” and inserting “603”; and

(2) in subsection (a)(2)(B)(i), by striking “602” and inserting “603”.

**SEC. 11404. TECHNICAL CORRECTIONS.**

Section 601 of the District of Columbia Revenue Act of 1939 (DC Code, sec. 47-3401) is amended—

(1) in subsection (a)(3)(D), by striking “September 30, 1995” and inserting “September 30, 1996”;

(2) in subsection (b)(2)(E), by striking “September 30, 1996” and inserting “September 30, 1997”;

(3) in subsection (c)(2)(B)(i), by striking “October 1, 1995” and inserting “September 30, 1995”;

(4) in subsection (d)(2)(B)(i)(II), by striking “September 30, 1997” and inserting “September 30, 1998”;

(5) in subsection (d)(2)(B)(ii)—

(A) by striking “September 30, 1995” and inserting “October 1, 1995”; and

(B) by striking “September 30, 1997” and inserting “October 1, 1997”; and

(6) in subsection (d)(2)(C)(iv), by striking “September 30, 1997” and inserting “September 30, 1998”.

**SEC. 11405. AUTHORIZATION FOR ISSUANCE OF GENERAL OBLIGATION BONDS BY THE DISTRICT OF COLUMBIA TO FINANCE OR REFUND ITS ACCUMULATED GENERAL FUND DEFICIT.**

Section 461(a) of the District of Columbia Self-Government and Governmental Reorganization Act (DC Code, sec. 47-321(a)) is amended—

(1) in paragraph (1), by inserting “to finance or refund the outstanding accumulated operating deficit of the general fund of the District of \$500,000,000, existing as of September 30, 1997,” after “existing as of September 30, 1990,”; and

(2) in paragraph (2), by inserting “existing as of September 30, 1990” after “operating deficit”.

## Subtitle F—District of Columbia Bond Financing Improvements

### SEC. 11501. SHORT TITLE.

This subtitle may be cited as the “District of Columbia Bond Financing Improvements Act of 1997”.

### SEC. 11502. FINDINGS.

Congress finds as follows:

(1) The bond authorization provision of the District of Columbia Self-Government and Governmental Reorganization Act (commonly known as the “Home Rule Act”) have not been updated to conform with changes in the municipal securities marketplace.

(2) The Home Rule Act unduly limits the ability of the District to take advantage of cost savings, investment opportunities, and other efficiencies generally available to municipal securities issuers.

(3) Section 461 of the Home Rule Act limits the ability of the District government to implement cost-effective capital planning to the extent that it does not permit the District access to interim capital financing in anticipation of its periodic long-term borrowings.

(4) Section 462 of the Home Rule Act prevents the reprogramming of unused bond proceeds from dormant projects to other pending, authorized, and viable projects.

(5) Section 466 of the Home Rule Act requires that the District undertake competitive bond sales even under circumstances in which greater efficiencies can be achieved through negotiated sales.

(6) Section 490 of the Home Rule Act does not permit the issuance and sale of taxable and tax-exempt bonds for the full range of economic development and governmental purposes permitted the States and their political subdivisions.

### SEC. 11503. AMENDMENT TO SECTION 462 (RELATING TO CONTENTS OF BORROWING LEGISLATION AND ELECTIONS ON ISSUING GENERAL OBLIGATION BONDS).

Section 462(a) of the District of Columbia Self-Government and Governmental Reorganization Act (DC Code, sec. 47-322(a)) is amended to read as follows:

“(a) The Council may by act authorize the issuance of general obligation bonds for the purposes specified in section 461. Such an Act shall contain, at least, provisions—

“(1) briefly describing the projects or categories of projects to be financed by the Act;

“(2) identifying the act authorizing each such project or category of projects;

“(3) setting forth the maximum amount of the principal of the indebtedness which may be incurred for the projects to be financed;

“(4) setting forth the maximum rate of interest to be paid on such indebtedness;

“(5) setting forth the maximum allowable maturity for the issue and the maximum debt service payable in any year; and

“(6) setting forth, in the event that the Council determines in its discretion to submit the question of issuing such bonds to a vote of the qualified voters of the District, the manner of holding such election, the date of such election, the manner of voting for or against the incurring of such indebtedness, and the form of ballot to be used at such election.”

**SEC. 11504. AMENDMENT TO SECTION 466 (RELATING TO PUBLIC OR NEGOTIATED SALE OF GENERAL OBLIGATION BONDS).**

Section 466 of the District of Columbia Self-Government and Governmental Reorganization Act (DC Code, sec. 47-326) is amended by striking all after the heading and inserting the following:

“SEC. 466. General obligation bonds issued under this part may be sold at a private sale on a negotiated basis (in such manner as the Mayor may determine to be in the public interest), or may be sold at public sale upon sealed proposals after publication of a notice of such public sale at least once not less than 10 days prior to the date fixed for sale in a daily newspaper carrying municipal bond notices and devoted primarily to financial news or to the subject of State and municipal bonds published in the city of New York, New York, and in 1 or more newspapers of general circulation published in the District. Such notice of public sale shall state, among other things, that no proposal shall be considered unless there is deposited with the District as a down payment a certified check, cashier’s check, or surety for an amount equal to at least 2 percent of the par amount of general obligation bonds bid for, and the Mayor shall reserve the right to reject any and all bids.”

**SEC. 11505. AMENDMENT TO SECTION 467 (RELATING TO AUTHORITY TO CREATE SECURITY INTERESTS IN DISTRICT REVENUES).**

Section 467 of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code Sec. 47-326.1.) is amended by striking all after the heading and inserting the following:

“SEC. 467. (a) IN GENERAL.—An act of the Council authorizing the issuance of general obligation bonds or notes under section 461(a), section 471(a), section 472(a), or section 475(a) may create a security interest in any District revenues as additional security for the payment of the bonds or notes authorized by such act.

“(b) CONTENTS OF ACTS.—Any such act creating a security interest in District revenues may contain provisions (which may be part of the contract with the holders of such bonds or notes)—

“(1) describing the particular District revenues which are subject to such security interest;

“(2) creating a reasonably required debt service reserve fund or any other special fund;

“(3) authorizing the Mayor of the District to execute a trust indenture securing the bonds or notes;

“(4) vesting in the trustee under such a trust indenture such properties, rights, powers, and duties in trust as may be necessary, convenient, or desirable;

“(5) authorizing the Mayor of the District to enter into and amend agreements concerning—

“(A) the custody, collection, use, disposition, security, investment, and payment of the proceeds of the bonds or

notes and the District revenues which are subject to such security interest; and

“(B) the doing of any act (or the refraining from doing any act) that the District would have the right to do in the absence of such an agreement;

“(6) prescribing the remedies of the holders of the bonds or notes in the event of a default; and

“(7) authorizing the Mayor to take any other actions in connection with the issuance, sale, delivery, security, and payment of the bonds or notes.

“(c) **TIMING AND PERFECTION OF SECURITY INTERESTS.**—Notwithstanding article 9 of title 28 of the District of Columbia Code, any security interest in District revenues created under subsection (a) shall be valid, binding, and perfected from the time such security interest is created, with or without the physical delivery of any funds or any other property and with or without any further action. Such security interest shall be valid, binding, and perfected whether or not any statement, document, or instrument relating to such security interest is recorded or filed. The lien created by such security interest is valid, binding, and perfected with respect to any individual or legal entity having claims against the District, whether or not such individual or legal entity has notice of such lien.

“(d) **OBLIGATIONS AND EXPENDITURES NOT SUBJECT TO APPROPRIATION.**—The fourth sentence of section 446 shall not apply to any obligation or expenditure of any District revenues to secure any general obligation bond or note under subsection (a).”.

**SEC. 11506. AMENDMENT TO SECTION 472 (RELATING TO BORROWING IN ANTICIPATION OF REVENUES).**

Section 472 of the District of Columbia Self-Government and Governmental Reorganization Act (DC Code, sec. 47-328) is amended by striking all after the heading and inserting the following:

“SEC. 472. (a) **IN GENERAL.**—In anticipation of the collection or receipt of revenues for a fiscal year, the Council may by act authorize the issuance of general obligation notes for such fiscal year, to be known as revenue anticipation notes.

“(b) **LIMIT ON AGGREGATE NOTES OUTSTANDING.**—The total amount of all revenue anticipation notes issued under subsection (a) outstanding at any time during a fiscal year shall not exceed 20 percent of the total anticipated revenue of the District for such fiscal year, as certified by the Mayor under this subsection. The Mayor shall certify, as of a date which occurs not more than 15 days before each original issuance of such revenue anticipation notes, the total anticipated revenue of the District for such fiscal year.

“(c) **PERMITTED OUTSTANDING DURATION.**—Any revenue anticipation note issued under subsection (a) may be renewed. Any such note, including any renewal note, shall be due and payable not later than the last day of the fiscal year during which the note was originally issued.

“(d) **EFFECTIVE DATE OF AUTHORIZATION ACTS; PAYMENTS NOT SUBJECT TO APPROPRIATION.**—

“(1) **EFFECTIVE DATE.**—Notwithstanding section 602(c)(1), any act of the Council authorizing the issuance of revenue anticipation notes under subsection (a) shall take effect—

“(A) if such act is enacted during a control year (as defined in section 305(4) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995), on the date of approval by the District of Columbia Financial Responsibility and Management Assistance Authority; or

“(B) if such act is enacted during any other year, on the date of enactment of such act.

“(2) PAYMENTS NOT SUBJECT TO APPROPRIATION.—The fourth sentence of section 446 shall not apply to any amount obligated or expended by the District for the payment of the principal of, interest on, or redemption premium for any revenue anticipation note issued under subsection (a).”.

**SEC. 11507. ADDITION OF NEW SECTION 475 (RELATING TO GENERAL OBLIGATION BOND ANTICIPATION NOTES).**

(a) IN GENERAL.—Subpart 2 of part E of title IV of the District of Columbia Self-Government and Governmental Reorganization Act is amended by adding at the end the following new section:

“BOND ANTICIPATION NOTES

“SEC. 475. (a) AUTHORIZING ISSUANCE.—

“(1) IN GENERAL.—In anticipation of the issuance of general obligation bonds, the Council may by act authorize the issuance of general obligation notes to be known as bond anticipation notes in accordance with this section.

“(2) PURPOSES; PERMITTING ISSUANCE OF GENERAL OBLIGATION BONDS TO COVER INDEBTEDNESS.—The proceeds of bond anticipation notes issued under this section shall be used for the purposes for which general obligation bonds may be issued under section 461, and such notes shall constitute indebtedness which may be refunded through the issuance of general obligation bonds under such section.

“(b) MAXIMUM ANNUAL DEBT SERVICE AMOUNT.—The Act of the Council authorizing the issuance of bond anticipation notes shall set forth for the bonds anticipated by such notes an estimated maximum annual debt service amount based on an estimated schedule of annual principal payments and an estimated schedule of annual interest payments (based on an estimated maximum average annual interest rate for such bonds over a period of 30 years from the earlier of the date of issuance of the notes or the date of original issuance of prior notes in anticipation of those bonds). Such estimated maximum annual debt service amount as estimated at the time of issuance of the original bond anticipation notes shall be included in the calculation required by section 603(b) while such notes or renewal notes are outstanding.

“(c) PERMITTED OUTSTANDING DURATION.—Any bond anticipation note, including any renewal note, shall be due and payable not later than the last day of the third fiscal year following the fiscal year during which the note was originally issued.

“(d) GENERAL AUTHORITY OF COUNCIL.—If provided for in Act of the Council authorizing such an issue of bond anticipation notes, bond anticipation notes may be issued in succession, in such amounts, at such times, and bearing interest rates within the permitted maximum authorized by such Act.

“(e) EFFECTIVE DATE OF AUTHORIZATION ACTS; PAYMENTS NOT SUBJECT TO APPROPRIATION.—

“(1) EFFECTIVE DATE.—Notwithstanding section 602(c)(1), any act of the Council authorizing the renewal of bond anticipation notes under subsection (c) or the issuance of general obligation bonds under section 461(a) to refund any bond anticipation notes shall take effect—

“(A) if such act is enacted during a control year (as defined in section 305(4) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995), on the date of approval by the District of Columbia Financial Responsibility and Management Assistance Authority; or

“(B) if such act is enacted during any other year, on the date of enactment of such act.

“(2) PAYMENT NOT SUBJECT TO APPROPRIATION.—The fourth sentence of 446 shall not apply to any amount obligated or expended by the District for the payment of the principal of, interest on, or redemption premium for any bond anticipation note issued under this section.”.

(b) CLERICAL AMENDMENT.—The table of contents for the District of Columbia Self-Government and Governmental Reorganization Act is amended by adding at the end of the items relating to subpart 2 of part E of title IV the following new item:

“Sec. 475. Bond anticipation notes.”.

**SEC. 11508. AMENDMENT TO SECTION 490 (RELATING TO REVENUE BONDS AND OTHER OBLIGATIONS).**

Section 490 of the District of Columbia Self-Government and Governmental Reorganization Act (DC Code, sec. 47-334), as amended by section 2 of the District of Columbia Water and Sewer Authority Act of 1996, is amended—

(1) in subsection (a)—

(A) by amending paragraphs (1) through (3) to read as follows:

“(a)(1) Subject to paragraph (2), the Council may by act or by resolution authorize the issuance of taxable and tax-exempt revenue bonds, notes, or other obligations to borrow money to finance, refinance, or reimburse and to assist in the financing, refinancing, or reimbursing of or for capital projects and other undertakings by the District or by any District instrumentality, or on behalf of any qualified applicant, including capital projects or undertakings in the areas of housing; health facilities; transit and utility facilities; manufacturing; sports, convention, and entertainment facilities; recreation, tourism and hospitality facilities; facilities to house and equip operations of the District government or its instrumentalities; public infrastructure development and redevelopment; elementary, secondary and college and university facilities; educational programs which provide loans for the payment of educational expenses for or on behalf of students; facilities used to house and equip operations related to the study, development, application, or production of innovative commercial or industrial technologies and social services; water and sewer facilities (as defined in paragraph (5)); pollution control facilities; solid and hazardous waste disposal facilities; parking facilities, industrial and commer-

cial development; authorized capital expenditures of the District; and any other property or project that will, as determined by the Council, contribute to the health, education, safety, or welfare, of, or the creation or preservation of jobs for, residents of the District, or to economic development of the District, and any facilities or property, real or personal, used in connection with or supplementing any of the foregoing; lease-purchase financing of any of the foregoing facilities or property; and any costs related to the issuance, carrying, security, liquidity or credit enhancement of or for revenue bonds, notes, or other obligations, including, capitalized interest and reserves, and the costs of bond insurance, letters of credit, and guaranteed investment, forward purchase, remarketing, auction, and swap agreements. Any such financing, refinancing, or reimbursement may be effected by loans made directly or indirectly to any individual or legal entity, by the purchase of any mortgage, note, or other security, or by the purchase, lease, or sale of any property.

“(2) Any revenue bond, note, or other obligation issued under paragraph (1) shall be a special obligation of the District and shall be a negotiable instrument, whether or not such revenue bond, note, or other obligation is a security as defined in section 28:8-102(1)(a) of title 28 of the District of Columbia Code.

“(3) Any revenue bond, note, or other obligation issued under paragraph (1) shall be paid and secured (as to principal, interest, and any premium) as provided by the act or resolution of the Council authorizing the issuance of such revenue bond, note, or other obligation. Any act or resolution of the Council, or any delegation of Council authority under subsection (a)(6), authorizing the issuance of revenue bonds, notes, or other obligations may provide for (A) the payment of such revenue bonds, notes, or other obligations from any available revenues, assets, property (including water and sewer enterprise fund revenues, assets, or other property in the case of bonds, notes, or obligations issued with respect to water and sewer facilities), and (B) the securing of such revenue bond, note, or other obligation by the mortgage of real property or the creation of a security interest in available revenues, assets, or other property (including water and sewer enterprise fund revenues, assets, or other property in the case of bonds, notes, or obligations issued with respect to water and sewer facilities).”

(B) by amending paragraph (4)(A) to read as follows:

“(4)(A) In authorizing the issuance of any revenue bond, note, or other obligation under paragraph (1), the Council may enter into, or authorize the Mayor to enter into, any agreement concerning the acquisition, use, or disposition of any available revenues, assets, or property. Any such agreement may create a security interest in any available revenues, assets, or property, may provide for the custody, collection, security, investment, and payment of any available revenues (including any funds held in trust) for the payment of such revenue bond, note, or other obligation, may mortgage any property, may provide for the acquisition, construction, maintenance, and disposition of the undertaking financed or refinanced using the proceeds of such revenue bond, note, or other obligation, and may provide for the doing of any act (or the refraining from doing of any act) which the District has the right to do in the

absence of such agreement. Any such agreement may be assigned for the benefit of, or made a part of any contract with, any holder of such revenue bond, note, or other obligation issued under paragraph (1).”, and

(C) by adding at the end the following new paragraph:

“(6)(A) The Council may by act delegate to any District instrumentality the authority of the Council under subsection (a)(1) to issue taxable or tax-exempt revenue bonds, notes, or other obligations to borrow money for the purposes specified in this subsection. For purposes of this paragraph, the Council shall specify for what undertakings revenue bonds, notes, or other obligations may be issued under each delegation made pursuant to this paragraph. Any District instrumentality may exercise the authority and the powers incident thereto delegated to it by the Council as described in the first sentence of this paragraph only in accordance with this paragraph and shall be consistent with this paragraph and the terms of the delegation.

“(B) Revenue bonds, notes, or other obligations issued by a District instrumentality under a delegation of authority described in subparagraph (A) shall be issued by resolution of that instrumentality, and any such resolution shall not be considered to be an act of the Council.

“(C) Nothing in this paragraph shall be construed as restricting, impairing, or superseding the authority otherwise vested by law in any District instrumentality.”;

(2) by amending subsection (b) to read as follows:

“(b) No property owned by the United States may be mortgaged or made subject to any security interest to secure any revenue bond, note, or other obligation issued under subsection (a)(1).”;

(3) by amending subsection (c) to read as follows:

“(c) Any and all such revenue bonds, notes, or other obligations issued under subsection (a)(1) shall not be general obligations of the District, shall not be a pledge of or involve the faith and credit or taxing power of the District (other than with respect to any dedicated taxes) and shall not constitute a debt of the District, and shall not constitute lending of the public credit for private undertakings for purposes of section 602(a)(2).”;

(4) by amending subsection (f) to read as follows:

“(f) The fourth sentence of section 446 shall not apply to—

“(1) any amount (including the amount of any accrued interest or premium) obligated or expended from the proceeds of the sale of any revenue bond, note, or other obligations issued under subsection (a)(1);

“(2) any amount obligated or expended for the payment of the principal of, interest on, or any premium for any revenue bond, note, or other obligation issued under subsection (a)(1);

“(3) any amount obligated or expended pursuant to provisions made to secure any revenue bond, note, or other obligations issued under subsection (a)(1); and

“(4) any amount obligated or expended pursuant to commitments made in connection with the issuance of revenue bonds, notes, or other obligations for repair, maintenance, and capital improvements relating to undertakings financed

through any revenue bond, note, or other obligation issued under subsection (a)(1).”; and

(5) by adding at the end the following new subsections:

“(i) The revenue bonds, notes, or other obligations issued under subsection (a)(1) are not general obligation bonds of the District government and shall not be included in determining the aggregate amount of all outstanding obligations subject to the limitation specified in section 603(b).

“(j) The issuance of revenue bonds, notes, or other obligations by the District where the ultimate obligation to repay such revenue bonds, notes, or other obligations is that of one or more non-governmental persons or entities may be authorized by resolution of the Council. The issuance of all other revenue bonds, notes, or other obligations by the District shall be authorized by act of the Council.

“(k) During any control period (as defined in section 209 of the District of Columbia Financial Responsibility and Management Assistance Act of 1995), any act or resolution of the Council authorizing the issuance of revenue bonds, notes, or other obligations under subsection (a)(1) shall be submitted to the District of Columbia Financial Responsibility and Management Assistance Authority for certification in accordance with section 204 of that Act. Any certification issued by the Authority during a control period shall be effective for purposes of this subsection for revenue bonds, notes, or other obligations issued pursuant to such act or resolution of the Council whether the revenue bonds, notes, or other obligations are issued during or subsequent to that control period.

“(l) The following provisions of law shall not apply with respect to property acquired, held, and disposed of by the District in accordance with the terms of any lease-purchase financing authorized pursuant to subsection (a)(1):

“(1) The Act entitled ‘An Act authorizing the sale of certain real estate in the District of Columbia no longer required for public purposes’, approved August 5, 1939 (53 Stat. 1211; DC Code sec. 9-401 et seq.).

“(2) Subchapter III of chapter 13 of title 16, District of Columbia Code.

“(3) Any other provision of District of Columbia law that prohibits or restricts lease-purchase financing.

“(m) For purposes of this section, the following definitions shall apply:

“(1) The term ‘revenue bonds, notes, or other obligations’ means special fund bonds, notes, or other obligations (including refunding bonds, notes, or other obligations) used to borrow money to finance, assist in financing, refinance, or repay, restore or reimburse moneys used for purposes referred to in subsection (a)(1) the principal of and interest, if any, on which are to be paid and secured in the manner described in this section and which are special obligations and to which the full faith and credit of the District of Columbia is not pledged.

“(2) The term ‘District instrumentality’ means any agency or instrumentality (including an independent agency or instrumentality), authority, commission, board, department, division, office, body, or officer of the District of Columbia government duly established by an act of the Council or by the laws of the United States, whether established before or after the date of

enactment of the District of Columbia Bond Financing Improvements Act of 1997.

“(3) The term ‘available revenues’ means gross revenues and receipts, other than general fund tax receipts, lawfully available for the purpose and not otherwise exclusively committed to another purpose, including enterprise funds, grants, subsidies, contributions, fees, dedicated taxes and fees, investment income and proceeds of revenue bonds, notes, or other obligations issued under this section.

“(4) The term ‘enterprise fund’ means a fund or account for operations that are financed or operated in a manner similar to private business enterprises, or established so that separate determinations may more readily be made periodically of revenues earned, expenses incurred, or net income for management control, accountability, capital maintenance, public policy, or other purposes.

“(5) The term ‘dedicated taxes and fees’ means taxes and surtaxes, portions thereof, tax increments, or payments in lieu of taxes, and fees that are dedicated pursuant to law to the payment of the debt service on revenue bonds, notes, or other obligations authorized under this section, the provision and maintenance of reserves for that purpose, or the provision of working capital for or the maintenance, repair, reconstruction or improvement of the undertaking to which the revenue bonds, notes, or other obligations relate.

“(6) The term ‘tax increments’ means taxes, other than the special tax provided for in section 481 and pledged to the payment of general obligation indebtedness of the District, allocable to the increase in taxable value of real property or the increase in sales tax receipts, each from a certain date or dates, in prescribed areas, to the extent that such increases are not otherwise exclusively committed to another purpose and as further provided for pursuant to an act of the Council.”

**SEC. 11509. CONFORMING AMENDMENT.**

The fourth sentence of section 446 of the District of Columbia Self-Government and Governmental Reorganization Act (DC Code, sec. 47-304) is amended to read as follows: “Except as provided in section 467(d), section 471(c), section 472(d)(2), section 475(e)(2), section 483(d), and section 490(f), (g), and (h)(3), no amount may be obligated or expended by any officer or employee of the District of Columbia government unless such amount has been approved by Act of Congress, and then only according to such Act.”

## **Subtitle G—District of Columbia Government Budget**

**SEC. 11601. ELIMINATION OF THE ANNUAL FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA.**

(a) **ELIMINATION OF PAYMENT.**—

(1) **IN GENERAL.**—Title V of the District of Columbia Self-Government and Governmental Reorganization Act (DC Code, sec. 47-3406 et seq.) is hereby repealed.

(2) **CLERICAL AMENDMENT.**—The table of contents of such Act is amended by striking the items relating to title V.

(b) CONFORMING AMENDMENTS.—

(1) HOME RULE ACT.—The District of Columbia Self-Government and Governmental Reorganization Act is amended as follows:

(A) In section 103(10) (DC Code, sec. 1–202(10)), by striking “the annual Federal payment to the District authorized under title V,”.

(B) In section 483 (DC Code, sec. 47–331.2), by striking subsection (c).

(C) In section 603(c) (DC Code, sec. 47–313(c)), by striking the fourth sentence.

(D) In section 603(f)(1) (DC Code, sec. 47–313(f)(1)), by striking “(other than the fourth sentence)”.

(2) FINANCIAL RESPONSIBILITY AND MANAGEMENT ASSISTANCE ACT.—The District of Columbia Financial Responsibility and Management Assistance Act of 1995 is amended—

(A) by striking section 205 (DC Code, sec. 47–392.5); and

(B) in the table of contents for such Act, by striking the item relating to section 205.

(3) PROCUREMENT PRACTICES ACT.—Section 208(a)(2) of the District of Columbia Procurement Practices Act of 1985 (DC Code, sec. 1–1182.8(a)(2)) is amended—

(1) by striking subparagraph (B);

(2) by redesignating subparagraph (C) as subparagraph (B); and

(3) in subparagraph (B), as so redesignated, by striking “Amounts deposited in the dedicated fund described in subparagraph (B)” and inserting “Amounts appropriated for the Inspector General”.

(4) DISTRICT OF COLUMBIA REVENUE ACT OF 1939.—The District of Columbia Revenue Act of 1939 (DC Code, sec. 47–3401 et seq.) is amended as follows:

(A) In section 603(b) (as redesignated by section 11402)—

(i) in paragraph (5), by adding “and” at the end;

(ii) in paragraph (6), by striking “; and” and inserting a period; and

(iii) by striking paragraph (7).

(B) In section 603(c) (as redesignated by section 11402), by amending subparagraph (C) to read as follows:

“(C) APPLICABLE LIMIT DEFINED.—In this paragraph, the ‘applicable limit’ for a fiscal year is equal to 15 percent of the total anticipated revenues of the District government for such fiscal year, as certified by the Mayor at the time of the Mayor’s requisition for an advance.”.

(C) In section 605(b) (as redesignated by section 11402)—

(i) by striking paragraph (1) and redesignating paragraphs (2) through (4) as paragraphs (1) through (3);

(ii) in paragraph (1) (as so redesignated), by striking “OTHER” in the heading;

(iii) in paragraph (1) (as so redesignated), by striking “If, after” and all that follows through “the Secretary” and inserting “The Secretary”;

(iv) in paragraph (1) (as so redesignated), by striking “to individuals,” and inserting “to individuals (including any Federal contribution authorized to be appropriated pursuant to section 11601(c)(2) of the Balanced Budget Act of 1997)”;

(v) in paragraph (2) (as so redesignated), by striking “paragraphs (1) and (2)” and inserting “paragraph (1)”;

(vi) in paragraph (3) (as so redesignated), by striking “(1) through (3)” and inserting “(1) and (2)”.

(c) FEDERAL CONTRIBUTION TO OPERATIONS OF GOVERNMENT OF NATION’S CAPITAL.—

(1) FINDINGS.—Congress finds as follows:

(A) Congress has restricted the overall size of the District of Columbia’s economy by limiting the height of buildings in the District and imposing other limitations relating to the Federal presence in the District.

(B) Congress has imposed limitations on the District’s ability to tax income earned in the District of Columbia.

(C) The unique status of the District of Columbia as the seat of the government of the United States imposes unusual costs and requirements which are not imposed on other jurisdictions and many of which are not directly reimbursed by the Federal government.

(D) These factors play a significant role in causing the relative tax burden on District residents to be greater than the burden on residents in other jurisdictions in the Washington, D.C. metropolitan area and in other cities of comparable size.

(2) FEDERAL CONTRIBUTION.—There is authorized to be appropriated a Federal contribution towards the costs of the operation of the government of the Nation’s capital—

(A) for fiscal year 1998, \$190,000,000; and

(B) for each subsequent fiscal year, such amount as may be necessary for such contribution.

In determining the amount appropriated pursuant to the authorization under this paragraph, Congress shall take into account the findings described in paragraph (1).

**SEC. 11602. REQUIREMENT THAT THE DISTRICT OF COLUMBIA BALANCE ITS BUDGET IN FY 1998.**

(a) IN GENERAL.—Section 201(c)(1) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995 is amended—

(1) in subparagraph (A), by striking “1999” and inserting “1998”; and

(2) in subparagraph (B), by striking “1996, 1997, and 1998,” and inserting “1996 and 1997.”

(b) CONFORMING AMENDMENT.—Section 603(f) of the District of Columbia Self-Government and Governmental Reorganization Act (DC Code, sec. 47-313(f)) is amended by striking “Act of 1995—” and all that follows through “(2) the Council” and inserting “Act of 1995, the Council”.

**SEC. 11603. PERMITTING EXPEDITED SUBMISSION AND APPROVAL OF CONSENSUS BUDGET AND FINANCIAL PLAN.**

(a) FINDINGS.—Congress finds the following:

(1) The District of Columbia Financial Responsibility and Management Assistance Act (hereafter in this subsection referred to as the “Act”) was structured as to preserve the maximum prerogatives of each branch of elected self-government consistent with returning the District of Columbia to full financial stability and health.

(2) The Act was intended to eliminate unnecessary bureaucratic barriers and procedures throughout the District government, including the budget process.

(3) Preservation of home rule and self-government are consistent with cooperation between elected officials and the Authority in drawing the annual budget and other matters affecting the District of Columbia government, and are preferable to achieve greater efficiency, communication among the parties, and avoidance of conflict and delay.

(b) IN GENERAL.—Section 202 of the District of Columbia Financial Responsibility and Management Assistance Act of 1995 is amended by adding at the end the following new subsection:

“(i) EXPEDITED SUBMISSION AND APPROVAL OF CONSENSUS BUDGET AND FINANCIAL PLAN.—Notwithstanding any other provision of this section, if the Mayor, the Council, and the Authority jointly develop a financial plan and budget for the fiscal year which meets the requirements applicable under section 201 and which the Mayor, Council, and Authority certify reflects a consensus among them—

“(1) such financial plan and budget shall serve as the budget of the District government for the fiscal year adopted by the Council under section 446 of the District of Columbia Self-Government and Governmental Reorganization Act; and

“(2) the Mayor shall transmit the financial plan and budget to the President and Congress under such section.”.

(c) EFFECTIVE DATE.—The amendment made by subsection (b) shall apply with respect to fiscal years beginning with fiscal year 1998.

**SEC. 11604. INCREASE IN MAXIMUM AMOUNT OF PERMITTED DISTRICT BORROWING.**

Section 603(b) of the District of Columbia Self-Government and Governmental Reorganization Act (DC Code, sec. 47–313(b)) is amended by striking “14 per centum” each place it appears in paragraph (1) and paragraph (3) and inserting “17 percent”.

## **Subtitle H—Miscellaneous Provisions**

### **CHAPTER 1—REGULATORY REFORM IN THE DISTRICT OF COLUMBIA**

**SEC. 11701. REVIEW AND REVISION OF REGULATIONS AND PERMIT AND APPLICATION PROCESSES.**

(a) REVIEW OF CURRENT REGULATIONS BY AUTHORITY.—

(1) IN GENERAL.—Not later than 6 months after the date of the enactment of this title, the District of Columbia Financial Responsibility and Management Assistance Authority shall

complete a review of regulations of the District of Columbia in effect as of the date of the enactment of this title and analyze the extent to which such regulations unnecessarily and inappropriately impair economic development in the District of Columbia and the financial stability and management efficiency of the District of Columbia government. In carrying out such review, the Authority shall include an explicit reference to each recommendation made by the Business Regulatory Reform Commission pursuant to the Business Regulatory Reform Commission Act of 1994 (D.C. Code, sec. 2-4101 et seq.), together with specific findings and conclusions with respect to each such recommendation. The Authority shall transmit the findings of its review to the Mayor, Council, and Congress.

(2) REVISION.—Based on the review conducted under paragraph (1) and taking into account actions by the Council and the Executive Branch of the District of Columbia government, the Authority shall take such additional actions as it considers appropriate to repeal or revise the regulations of the District of Columbia, in accordance with (and subject to the terms and conditions described in) section 207 of the District of Columbia Financial Responsibility and Management Assistance Act of 1995.

(b) SURVEY AND REVISION OF PERMIT AND APPLICATION PROCESSES.—

(1) IN GENERAL.—Not later than 6 months after the date of the enactment of this title, the Authority shall complete a review of the current processes of the District of Columbia for obtaining permits and applications of all types and analyze the extent to which such processes and their completion times vary from the processes applicable in other jurisdictions. To the greatest extent possible, such review shall take into account the work and recommendations of the Business Regulatory Reform Commission pursuant to the Business Regulatory Reform Commission Act of 1994 (DC Code, sec. 2-4101 et seq.) and other existing and ongoing public and private regulatory reform efforts. The Authority shall transmit the findings of its review to the Mayor, Council, and Congress.

(2) REVISION.—Based on the review conducted under paragraph (1) and taking into account actions by the Council and the Executive Branch of the District of Columbia government, the Authority shall take such additional actions as it considers appropriate to repeal or revise the permit and application processes (and their completion times) of the District of Columbia, in accordance with (and subject to the terms and conditions described in) section 207 of the District of Columbia Financial Responsibility and Management Assistance Act of 1995. In carrying out such repeals or revisions, the Authority shall seek to ensure that the average time required to obtain a permit or application from the District of Columbia is consistent with the average time for other similar jurisdictions in the United States.

(c) REPORTS TO CONGRESS.—Upon the expiration of the 6-month period which begins on the date of the enactment of this title and on a quarterly basis thereafter, the Authority shall submit a report to Congress describing the steps taken to carry out the re-

quirements of this section and the effectiveness of the regulatory, permit, and application processes of the District of Columbia.

**SEC. 11702. REPEAL OF CLEAN AIR COMPLIANCE FEE ACT OF 1994.**

(a) REPEAL.—

(1) IN GENERAL.—Effective March 21, 1995, the Clean Air Compliance Fee Act of 1994 is hereby repealed (DC Code, sec. 47-2731 et seq.), except as provided in subsection (b).

(2) CONFORMING AMENDMENT.—Section 2(b)(2) of the Stable and Reliable Source of Revenues for WMATA Act of 1982 (DC Code, sec. 1-2466(b)(2)) is amended by striking subparagraph (H).

(b) EXCEPTION FOR PROVISIONS EXEMPTING DELIVERY OF NEWSPAPERS FROM APPLICATION OF CERTAIN TAXES.—Subsection (a) shall not apply to section 14 of the Clean Air Compliance Fee Act of 1994.

**SEC. 11703. REPEAL REQUIREMENT FOR CONGRESSIONAL AUTHORIZATION OF CERTAIN MERGERS INVOLVING DISTRICT OF COLUMBIA PUBLIC UTILITY CORPORATIONS.**

Section 11 of the Act of March 4, 1913 (37 Stat. 1006; DC Code, sec. 43-802) is hereby repealed.

**SEC. 11704. EXEMPTION OF CERTAIN CONTRACTS FROM COUNCIL REVIEW.**

(a) IN GENERAL.—Section 451 of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 1-1130, D.C. Code) is amended by adding at the end the following new subsection:

“(d) EXEMPTION FOR CERTAIN CONTRACTS.—The requirements of this section shall not apply with respect to any of the following contracts:

“(1) Any contract entered into by the Washington Convention Center Authority for preconstruction activities, project management, design, or construction.

“(2) Any contract entered into by the District of Columbia Water and Sewer Authority established pursuant to the Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996, other than contracts for the sale or lease of the Blue Plains Wastewater Treatment Plant.

“(3) At the option of the Council, any contract for a highway improvement project carried out under title 23, United States Code.”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to contracts entered into on or after the date of the enactment of this title.

**CHAPTER 2—OTHER MISCELLANEOUS PROVISIONS**

**SEC. 11711. REVISIONS TO FINANCIAL RESPONSIBILITY AND MANAGEMENT ASSISTANCE ACT.**

(a) USE OF INTEREST ON ACCOUNTS OF AUTHORITY FOR BENEFIT OF DISTRICT.—Section 106 of the District of Columbia Financial Responsibility and Management Assistance Act of 1995 (DC Code, sec. 47-391.6) is amended by adding at the end the following new subsection:

“(d) USE OF INTEREST ON ACCOUNTS FOR DISTRICT.—

“(1) IN GENERAL.—Notwithstanding any other provision of this Act, the Authority may transfer or otherwise expend any amounts derived from interest earned on accounts held by the Authority on behalf of the District of Columbia for such purposes as it considers appropriate to promote the economic stability and management efficiency of the District government.

“(2) SPENDING NOT SUBJECT TO APPROPRIATION BY CONGRESS.—Notwithstanding subsection (a)(3), any amounts transferred or otherwise expended pursuant to paragraph (1) may be obligated or expended without approval by Act of Congress.”.

(b) APPOINTMENT OF INSPECTOR GENERAL.—Section 303(e)(1) of such Act (DC Code, sec. 1-1182.8 note) is amended by striking “the Authority” and inserting “the Mayor”.

**SEC. 11712. COOPERATIVE AGREEMENTS BETWEEN FEDERAL AGENCIES AND METROPOLITAN POLICE DEPARTMENT.**

(a) AGREEMENTS.—Each covered Federal law enforcement agency may enter into a cooperative agreement with the Metropolitan Police Department of the District of Columbia to assist the Department in carrying out crime prevention and law enforcement activities in the District of Columbia, including taking appropriate action to enforce subsection (e) (except that nothing in such an agreement may be construed to grant authority to the United States to prosecute violations of subsection (e)).

(b) CONTENTS OF AGREEMENT.—An agreement entered into between a covered Federal law enforcement agency and the Metropolitan Police Department pursuant to this section may include agreements relating to—

(1) sending personnel of the agency on patrol in areas of the District of Columbia which immediately surround the area of the agency’s jurisdiction, and granting personnel of the agency the power to arrest in such areas;

(2) sharing and donating equipment and supplies with the Metropolitan Police Department;

(3) operating on shared radio frequencies with the Metropolitan Police Department;

(4) permitting personnel of the agency to carry out processing and papering of suspects they arrest in the District of Columbia; and

(5) such other items as the agency and the Metropolitan Police Department may agree to include in the agreement.

(c) COORDINATION WITH U.S. ATTORNEY’S OFFICE.—Agreements entered into pursuant to this section shall be coordinated in advance with the United States Attorney for the District of Columbia.

(d) COVERED FEDERAL LAW ENFORCEMENT AGENCIES DESCRIBED.—In this section, the term “covered Federal law enforcement agency” means any of the following:

(1) United States Capitol Police.

(2) United States Marshals Service.

(3) Library of Congress Police.

(4) Bureau of Engraving and Printing Police Force.

(5) Supreme Court Police.

(6) Amtrak Police Department.

(7) Department of Protective Services, United States Holocaust Museum.

- (8) Government Printing Office Police.
- (9) United States Park Police.
- (10) Bureau of Alcohol, Tobacco, and Firearms.
- (11) Drug Enforcement Administration.
- (12) Federal Bureau of Investigation.
- (13) Criminal Investigation Division, Internal Revenue Service.
- (14) Department of the Navy Police Division, Naval District Washington.
- (15) Naval Criminal Investigative Service.
- (16) 11th Security Police Squadron, Bolling Air Force Base.
- (17) United States Army Military District of Washington.
- (18) United States Customs Service.
- (19) Immigration and Naturalization Service.
- (20) Postal Inspection Service, United States Postal Service.
- (21) Uniformed Division, United States Secret Service.
- (22) United States Secret Service.
- (23) National Zoological Park Police.
- (24) Federal Protective Service, General Services Administration, National Capital Region.
- (25) Defense Protective Service, Department of Defense Washington Headquarters Services.
- (26) Office of Protective Services, Smithsonian Institution.
- (27) Office of Protective Services, National Gallery of Art.
- (28) United States Army Criminal Investigation Command, Department of the Army Washington District, 3rd Military Police Group.
- (29) Marine Corps Law Enforcement.
- (30) Department of State Diplomatic Security.
- (31) United States Coast Guard.
- (32) United States Postal Police.
- (33) Any other law enforcement agency of the Federal government that the Chief of the Metropolitan Police Department and the United States Attorney for the District of Columbia deem appropriate to enter into an agreement pursuant to this section.

(e) CERTAIN PROHIBITED ACTIVITY.—Effective with respect to conduct occurring on or after the date of the enactment of this title, whoever in the District of Columbia knowingly and willfully obstructs any bridge connecting the District of Columbia and the Commonwealth of Virginia—

(1) shall be fined not less than \$1,000 and not more than \$5,000, and in addition may be imprisoned not more than 30 days; or

(2) if applicable, shall be subject to prosecution by the District of Columbia under the provisions of District law and regulation amended by the Safe Streets Anti-Prostitution Amendment Act of 1996 (D.C. Law 11-130).

**SEC. 11713. PERMITTING GARNISHMENT OF WAGES OF OFFICERS AND EMPLOYEES OF DISTRICT OF COLUMBIA GOVERNMENT.**

Section 2 of D.C. Law 2-14 (DC Code, sec. 1-516) is amended—

(1) by striking “After July 25” and inserting “(a) After July 25”; and

(2) by adding at the end the following new subsection:

“(b) After October 1, 1997, wages salaries, annuities, retirement and disability benefits, and other remuneration based upon employment, or other income owed by, due from, and payable by the government of the District of Columbia to any individual shall be subject to attachment, garnishment, assignment, or withholding in accordance with subchapter III of chapter 5 of title 16 of the District of Columbia Code in the same manner and to the same extent as if the government of the District of Columbia were a private person.”.

**SEC. 11714. PERMITTING EXCESS APPROPRIATIONS BY WATER AND SEWER AUTHORITY FOR CAPITAL PROJECTS.**

(a) IN GENERAL.—Section 445A of the District of Columbia Self-Government and Governmental Reorganization Act (DC Code, sec. 43-1691), as added by section 4(a) of the District of Columbia Water and Sewer Authority Act of 1996, is amended—

(1) by striking “The District” and inserting “(a) IN GENERAL.—The District”; and

(2) by adding at the end the following new subsection:

“(b) PERMITTING EXPENDITURE OF EXCESS REVENUES FOR CAPITAL PROJECTS IN EXCESS OF BUDGET.—Notwithstanding the amount appropriated for the District of Columbia Water and Sewer Authority for capital projects for a fiscal year, if the revenues of the Authority for the year exceed the estimated revenues of the Authority provided in the annual budget of the District of Columbia for the fiscal year, the Authority may obligate or expend an additional amount for capital projects during the year equal to the amount of such excess revenues.”.

(b) CONFORMING AMENDMENT.—The fourth sentence of section 446 of such Act (DC Code, sec. 47-304), as amended by section 2(c)(2) of the District of Columbia Water and Sewer Authority Act of 1996, is amended by striking “in section 467(d)” and inserting “in section 445A(b), section 467(d)”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to fiscal years beginning on or after October 1, 1996.

**[SEC. 11715. REPEALED.<sup>8</sup>]**

**SEC. 11716. REPEAL TERM OF DEED OF CONVEYANCE TO CERTAIN HOSPITAL.**

Section 2 of the Act of June 6, 1952 (chapter 486; 66 Stat. 288) (DC Code, sec. 32-121) is hereby repealed.

**SEC. 11717. SHORT TITLE OF HOME RULE ACT.**

(a) IN GENERAL.—Section 101 of the District of Columbia Self-Government and Governmental Reorganization Act is amended by striking “District of Columbia Self-Government and Governmental Reorganization Act” and inserting “District of Columbia Home Rule Act”.

(b) REFERENCES IN LAW.—Any reference in law or regulation to the District of Columbia Self-Government and Governmental Reorganization Act shall be deemed to be a reference to the District of Columbia Home Rule Act.

<sup>8</sup>Section 157(f) of the District of Columbia Appropriations Act, 1998 (Public Law 105-100, 111 Stat. 2187, Nov. 19, 1997) repealed section 11715.

**CHAPTER 3—EFFECTIVE DATE; GENERAL PROVISIONS**

**SEC. 11721. [18 U.S.C. 4246 note] EFFECTIVE DATE.**

Except as otherwise provided in this title, the provisions of this title shall take effect on the later of October 1, 1997, or the day the District of Columbia Financial Responsibility and Management Assistance Authority certifies that the financial plan and budget for the District government for fiscal year 1998 meet the requirements of section 201(c)(1) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, as amended by this title.

**SEC. 11722. TECHNICAL ASSISTANCE.**

Any Federal agency (as defined in section 101 of title 31, United States Code) may provide, at the discretion of the head of the agency, technical assistance to, and training for, personnel of the Government of the District of Columbia. Such assistance shall be limited to assistance that does not interfere with the mission of the agency. The authority provided by this section shall expire three years from the date of enactment of this statute.

**SEC. 11723. LIABILITY.**

(a) **DISTRICT OF COLUMBIA.**—The District of Columbia shall defend any civil action or proceeding pending on the effective date of this title in any court or other official municipal, state, or federal forum against the District of Columbia or its officers, employees, or agents, and shall assume any liability resulting from such an action or proceeding.

(b) **STATE JUSTICE INSTITUTE.**—The State Justice Institute shall not be liable for damages or equitable relief on the basis of the activities or operations of any federal or District of Columbia agency which receives funds through the State Justice Institute pursuant to this title.

(c) **UNITED STATES.**—The United States, its officers, employees, and agents, and its agencies shall not—

(1) be responsible for the payment of any judgments, liabilities or costs resulting from any action or proceeding against the District of Columbia or its agencies, officers, employees, or agents;

(2) be subject to liability in any case on the basis of the activities of the District of Columbia or its agencies, officers, employees, or agents; or

(3) be subject to liability in any case under section 1979 of the Revised Statutes (42 U.S.C. 1983).

(d) **LIMITATIONS.**—Nothing in this section shall be construed as a waiver of sovereign immunity, or as limiting any other defense or immunity that would otherwise be available to the United States, the District of Columbia, their agencies, officers, employees, or agents.