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108TH CONGRESS, 1st Session | SENATE | REPORT 108–212

DISTRICT OF COLUMBIA BUDGET AUTONOMY ACT OF 2003

REPORT

OF THE

COMMITTEE ON GOVERNMENTAL AFFAIRS UNITED STATES SENATE

TO ACCOMPANY

S. 1267

TO AMEND THE DISTRICT OF COLUMBIA HOME RULE ACT TO PROVIDE THE DISTRICT OF COLUMBIA WITH AUTONOMY OVER ITS BUDGETS, AND FOR OTHER PURPOSES

NOVEMBER 25, 2003.—Ordered to be printed

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108TH CONGRESS *1st Session* | SENATE | REPORT 108–212

DISTRICT OF COLUMBIA BUDGET AUTONOMY ACT OF 2003

NOVEMBER 25, 2003.—Ordered to be printed

Ms. COLLINS, from the Committee on Governmental Affairs, submitted the following

R E P O R T

[To accompany S. 1267]

The Committee on Governmental Affairs, to whom was referred the bill (S. 1267) to amend the District of Columbia Home Rule Act to provide the District of Columbia with autonomy over its budgets, and for other purposes, having considered the same reports favorably thereon with an amendment and recommends that the bill do pass.

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I. PURPOSE AND SUMMARY

The purpose of S. 1267, the District of Columbia Budget Autonomy Act of 2003, is to amend the District of Columbia Home Rule Act to provide the District of Columbia with autonomy over its budgets, and for other purposes.

II. BACKGROUND

EARLY HISTORY OF LOCAL GOVERNANCE IN THE DISTRICT OF COLUMBIA

Under article I, section 8, clause 17 of the U.S. Constitution, Congress has responsibility over the seat of the federal government. Since the inception of the Nation and the creation of the seat of the federal government, Congress has delegated authority to various entities it created to govern the District of Columbia. The delegation of authority to a local governing body has been the subject of debate and discussion since the creation of the District. In writing about the citizens of the District of Columbia, James Madison highlighted in the Federalist Papers, "* * * a municipal legislature for local purposes, derived from their own suffrages, will of course be allowed to them * * *"[1]

Indeed, during much of the 1800s, the governance structure in the District was altered various times, beginning in 1801 with a Presidentially-appointed mayor and elected city council to the creation of a presidentially-appointed governor and 11-member Council, and an elected 22-member House of Delegates in 1871.

Following problems of financial mismanagement, in 1874, without debate, Congress abolished the then-existing local governance structure and replaced it with a three-member Board of Commissioners. This began a 94-year period in which the District had no elected representatives in the local government.[2] In 1967, under the District of Columbia Reorganization Plan No. 3, Congress replaced the three commissioners with a Mayor and a nine-member council, all of whom were presidentially-appointed.[3]

The current local governance structure was created when home rule was granted to the District in 1973 with the passage of the District of Columbia Self-Government and Governmental Reorganization Act (commonly referred to as the Home Rule Act).[4] The purpose of the Home Rule Act was to "grant to the inhabitants of the District of Columbia powers of local self-government; 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."[5] The Home Rule Act, among other things, provided for an elected Mayor and an elected city council. The Home Rule Act delegated authority to the Council 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" and it granted the Mayor authority to execute the laws of the District.[6]

But while Congress granted the District home rule, it still retained its ultimate legislative authority over the District,[7] retained

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[1] Federalist Paper No. 43.

[2] Report to the Attorney General on the Question of Statehood for the District of Columbia, Office of Legal Policy, U.S. Department of Justice, April 3, 1987, p. 10.

[3] 81 Stat. 948, as amended Pub. L. 90–623, §7(b), Oct. 22, 1968, 82 Stat. 1315.

[4] Public Law No. 93–198 (1973).

[5] D.C. Code section 1–201.02(a) (2003).

[6] D.C. Code section 1–204.04 (2003), Section 404 of the District of Columbia Home Rule Act; D.C. Code section 1–204.22 (2003), Section 422 of the District of Columbia Home Rule Act.

[7] See D.C. Code section 1–201.02(a) (2003).

exclusive authority over certain District functions,[8] and set limitations on the local government's exercise of its authority.[9] Among the authorities Congress retained was the power to enact the budget for the District of Columbia.[10]

FINANCIAL CRISIS AND THE CONTROL PERIOD

In 1995, the District was insolvent.[11] Congress reacted by enacting the District of Columbia Financial Responsibility and Management Assistance Act of 1995.[12] That Act created a five member financial control authority (Control Board), appointed by the President. The Act also strengthened the responsibilities of the D.C. Inspector General, created a five-year financial plan for the District, and created the position of Chief Financial Officer of the District of Columbia.

When the 1995 Act was passed, the city was spending at a rate that would exceed its fiscal year 1995 expenditure limits by $600 million.[13] The unpaid debts, which were accumulating, threatened city services provided by contractors.[14] Congress considered various solutions[15] and examined financial control boards that had been created by State legislatures to assist in the financial recovery of large cities, including Cleveland, New York City, and Philadelphia.[16]

In 1997, Congress passed the National Capital Revitalization and Self-Government Improvement Act, which expanded the oversight responsibilities of the Control Board.[17] The Control Board assumed administrative responsibility over nine major District agencies, including Administrative Services, Consumer and Regulatory Affairs, Corrections, Employment Services, Fire and Emergency Medical Services, Housing and Community Development, Human Services, Public Works, and Public Health.

FINANCIAL RECOVERY

Following the measures taken by Congress, the District's management of its finances improved. Because of progress the District had made in its financial recovery, in 1999, the District of Columbia Management Restoration Act was passed. This Act restored the Mayor's authority over the city's nine largest departments.[18] Then, in 2001, after four consecutive balanced budgets, the Control Board disbanded. Since that time, the District has continued to post balanced budgets. The District has improved its finances by moving from deficits to surpluses. At the same time, the District has moved from a BBB bond rating to a rating of A−.

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[8] See for example, D.C. Code section 1–204.31 (2003) (relating to Judicial powers) and D.C. Code section 1–206.02 (2003) (relating to limitations on the Council).

[9] See D.C. Code section 1–206.02(c) (2003) (relating to the congressional review period prior to local legislation going into effect).

[10] The Senate version of the Home Rule Act did provide for a local budget approval process; however, the final version of the Act did not contain those provisions. There is no clear legislative history that explains why the local budget process provisions were not included in the final bill.

[11] House Report No. 104–96, p. 5.

[12] Public Law No. 104–8.

[13] House Report No. 104–96, p. 5.

[14] Ibid.

[15] Ibid at 17–18.

[16] Ibid at 19–33.

[17] Title XI of the Balanced Budget Act of 1997, Public Law No. 105–33.

[18] Public Law No. 106–1.

To ensure continued fiscal responsibility, the District of Columbia Financial Responsibility and Management Assistance Act of 1995 provides for the reinstatement of the Control Board should the District encounter future financial problems. The creation of a strong, independent CFO through that Act has also assisted in ensuring appropriate financial management.

THE NEED FOR LEGISLATION

The District of Columbia Budget Autonomy Act would assist the District in improving its management of its finances, agencies, and services. S. 1267 would provide the District with autonomy over the local portion of the city's budget. Providing the District of Columbia with more autonomy over its local budget would help the Mayor and the Council of the District of Columbia better manage and run the city. Currently, the District of Columbia must submit its budget through the normal Federal appropriations process. Unfortunately, this process often extends past the start of the fiscal year. For example, the average delay for enactment of an appropriations bill for the District of Columbia has been three months past the start of the fiscal year. At times, the delay has been longer.

For a local community these delays affect programs, planning and management initiatives important to the everyday lives of the residents of the city. Last year's delay affected planned improvements in foster care, public schools and improved compensation for police and firefighters. In addition, the delays, due to the uncertainty of the federal appropriations process, are taken into account by bond rating agencies.[19]

Further, budget autonomy would allow the District to respond quickly to changing program and financial needs.[20] Unlike other budgets that are approved by Congress, the District budget directly effects the day-to-day lives of the residents of the city—everything from trash collection to social services to law enforcement—creating a unique problem for the District that no other city in the Nation has to face.

In addition, while Congress approves the local budget, Congress has very rarely changed items contained in the local portion of the budget. Notwithstanding, S. 1267 would allow a 30 calendar day review by Congress, and Congress would retain its authority to act should it object to any portion of the local budget. Federal funding for the District would continue to go through the normal federal appropriations process.

In February 2003, President Bush endorsed budget autonomy for the District in the FY2004 President's budget proposal. In the budget proposal, the President notes that the budget autonomy proposal "reflects the dramatic improvement in the District's ability to manage its budget processes in the post-Control Board era."[21]

THE CHIEF FINANCIAL OFFICER OF THE DISTRICT OF COLUMBIA

During the Committee Business Meeting at which S. 1267 was considered, Chairman Susan Collins and Senator Ted Stevens of-

[19] Testimony of Natwar M. Gandhi, Chief Financial Officer, Government of the District of Columbia, Before the Subcommittee on Public Interest, Council of the District of Columbia, September 22, 2003, p. 2.
[20] Ibid at 4.
[21] Fiscal Year 2004 Budget of the U.S. Government, p. 298.

fered, and the Committee adopted, the District of Columbia Independence of the Chief Financial Officer Act of 2003 as an amendment to S. 1267. Since its creation in 1995, the District's CFO has operated under authority provided to it in the District of Columbia Financial Responsibility and Management Assistance Act as well as authority delegated to it by the Control Board. In 2000, after the Control Board was phased out, section 155 of the District of Columbia Appropriations Act for FY2001 made permanent the responsibilities of the CFO.[22] However, section 155 did not include all the authorities the Control Board had vested in the CFO, and some of the omitted authorities were necessary to carry out the office's responsibilities to maintain financial management of the city.

In June of 2001, then-Chairman of the Appropriations Subcommittee on District of Columbia, Senator Mary Landrieu, proposed to include an extension of the CFO's personnel and procurement authorities in a supplemental appropriations bill. Because of concerns raised at that time about those authorities, the Senate-passed FY 2001 Supplemental Appropriations bill instead requested a report from the Mayor on the transition of the CFO's responsibilities under the Act to a non-control year.[23] In July of that year, the D.C. Council passed and the Mayor signed the Independence of the Chief Financial Officer Act of 2001.[24] This bill created a permanent CFO in local law and allowed for independent procurement and personnel authority for a two year period before reverting to the laws that govern other D.C. agencies. However, because the law creating the CFO is contained in a section of the Home Rule Act, unamendable by the Council, the local law can not take effect until Congress acts.

In the Fiscal Year 2002 District of Columbia Appropriations Act, Congress extended the CFO's independent personnel and procurement authorities until July 1, 2002. In April of 2002, Senator Landrieu introduced S. 2316, the District of Columbia Fiscal Integrity Act which would have provided D.C. with budget autonomy and strengthened the CFO. On April 8, 2002, a D.C. Superior Court decision, *District of Columbia Government et al.* v. *District of Columbia Public Employee Relations Board*, held that the CFO's authorities, as derived from the Control Board did not exempt the CFO from collective bargaining agreements. The decision also found that the CFO must rescind all personnel actions taken with respect to CFO employees made from April 1996 to the present, at a cost of upwards of $10 million.

In response, Congress, in the FY 2003 Emergency Wartime Supplemental Appropriations Act,[25] extended the personnel and procurement authorities of the CFO through September 30, 2004. The intention of the extension was not only to make it clear that the CFO's authority was maintained, but provide the authorizing committees time to act on permanent legislation. The effect of the extension of authority delayed the enforcement of the Court decision.

[22] Public Law No. 107–20.
[23] A "non-control year" is a year in which the Control Board is not in operation.
[24] D.C. Bill No. 14–254, D.C. Act 14–89 (2001).
[25] Public Law No. 108–11.

LOCAL RESPONSE TO PROPOSED CFO LANGUAGE

While the District has advocated for and supports strengthening the CFO, as evidenced by its passage of the local CFO law, District officials did express some concern regarding the section that would keep the CFO in the District charter, and, therefore, beyond the reach of the D.C. Council to enact changes without affirmative congressional action. The Committee understands that, generally, in keeping with the spirit of home rule principles, Congress ought to regularly examine the language in the charter. The District has asserted that Congress originally placed the CFO in the charter only as an emergency matter and argues that now that the District has posted seven years of balanced budgets with surpluses, maintains a cash reserve of $285 million (which equals seven percent of the District's FY04 annual budget), and enjoys a bond rating of A−, the emergency CFO provisions are no longer necessary. District officials also point out that the other District official recognized by the Control Board Act, the D.C. Inspector General, is not in the charter, but in District law, amendable by the D.C. Council. The District also asserts that retaining the CFO in the charter may unnecessarily insulate the CFO from accountability to District officials.

District officials have suggested that, instead of retaining the CFO in the charter, federal law could provide for special notice to Congress of any proposed changes to the law affecting the CFO, above and beyond existing notification requirements for other local bills. The Committee believes that, while this is an option worth examining at some point, the suggested approach may produce unwanted consequences. The Committee believes that such special notification could unintentionally encourage the use of resolutions of disapproval,[26] a practice that has been a rare occurrence.

However, the Committee believes that at a time when Congress may take a major step towards localizing the D.C. budget process, which would strengthen home rule for the District, it is important to maintain the status quo and retain the CFO in the District's charter. However, the Committee's action should not be construed as discouraging the reconsideration of this issue at some point in the future.

The Committee recognizes the significance of the District's passage of its own CFO bill, which, if approved by Congress, would have moved the office of the CFO into District law. Indeed, the overwhelming majority of the CFO language contained in S.1267 is identical to the locally passed language. For example, the Committee has adopted an important addition from the District's CFO bill by including a five-year term for the CFO. The CFO would continue to be appointed by the Mayor and confirmed by the D.C. Council. Further, while the language approved by the Committee has differing procurement and personnel language, it is the Committee's understanding that District officials support the Committee's approach taken in these areas; namely, holding the CFO to

[26] A resolution of disapproval is part of the process by which Congress would formally disapprove of an action taken by the Council. When local authorization bills are passed by the Council and signed by the Mayor, they are sent to Congress for a review period. If Congress does not act by the end of the review period, the bill becomes law. If Congress wanted to disapprove of local legislation, it would pass a resolution of disapproval. This action has been rarely taken.

existing District procurement rules (although the CFO will have its own procurement office), and preserving collective bargaining rights of CFO employees.

Another area of difference between the CFO language adopted by the Committee and the locally-passed version relates to the Lottery and Charitable Games Control Board (the Lottery Board). The Committee's CFO language retains the status quo by keeping the Lottery Board within the CFO's office. While the locally-passed version initially does the same, it would have eventually moved the Lottery Board out of the CFO's office. Notwithstanding the fact that the Committee's language would keep the Lottery Board in the CFO's office, the Committee does not intend to change the status quo and believes that the District and the D.C. Council will retain their authority to enact local legislation affecting the mission and functions of the Lottery Board consistent with the underlying law establishing the Lottery Board (Title 3, Chapter 13 of the D.C. Code). This interpretation is consistent with the CFO's current personnel, procurement and related operational authority over the Lottery Board.

As mentioned previously, the Committee would recommend that, at least every two years, the authorizing committees review the CFO provisions. It is the understanding of the Committee that District officials desire the opportunity to present testimony regarding their experience after the CFO law is enacted and after they have some time to evaluate the impact of the legislation.

III. Legislative History

S. 1267 was introduced on June 16, 2003 by Senators Collins, Lieberman, Stevens, Voinovich, Durbin, DeWine and Landrieu and referred to the Committee on Governmental Affairs. On June 20, 2003 the bill was referred to the Subcommittee on Government Management, the Workforce, and the District of Columbia. The bill was polled out of subcommittee on October 15, 2003. On October 22, 2003, the Committee considered S. 1267. An amendment was offered by Senators Collins and Stevens. The amendment was agreed to and, by voice vote, the Committee ordered the bill, as amended, reported.

IV. Section-by-Section Analysis

Section 1 entitles the bill as the District of Columbia Budget Autonomy Act of 2003.

Section 2(a) re-writes section 446 of the Home Rule Act (the section that describes how the District's budget gets enacted), to draw a distinction between budgets submitted during a control year and those submitted in a non-control year.

Section 2(b) updates section 602(c) of the Home Rule Act (the section that describes the congressional review process for local legislation) to read that, for budget related matters that fall under section 446, the 30-calendar-day period of congressional review applies. If the 30-day review period ends during a recess, Congress will have five additional days following recess to act. This section also applies the existing expedited review procedures in the Home Rule Act to resolutions of disapproval introduced in Congress to

disapprove of the budget. This 30-calendar-day congressional review period for the budget only applies during non-control years.

Section 2(c) makes technical corrections to the Home Rule Act, the Financial Responsibility and Management Assistance Act and the National Capital Revitalization and Self-Government Improvement Act to reflect the changes made to section 446 of the Home Rule Act.

Section 3(a) updates section 404(f) of the Home Rule Act (the section that explains how the Council can override mayoral vetoes, and for other purposes), to reflect that budgets will no longer be submitted by the President to the Congress (except during control years).

Section 3(b) makes technical changes to section 404(f) of the Home Rule Act to reflect the changes made in the previous subsection.

Section 4 updates section 447 of the Home Rule Act (the section that iterates that no employee can be hired without appropriate funding approved in the budget) to reflect that budgets will no longer be approved by Congress.

Section 5(a) updates section 603(a) of the Home Rule Act (stating that nothing in Home Rule changes the DC-federal relationship) to clarify that this legislation does change the local-federal relationship as it pertains to federal approval of the local budget.

Section 5(b) re-writes section 603(d) (essentially combining existing 603(d) and 603(f)) of the Home Rule Act to make it clear that, during a control year, the Council may not approve, and the Mayor may not submit, a budget that is inconsistent with the financial plan and budget established by the Control Board.

Section 5(c) inserts the definition of "control year" into the Home Rule Act.

Section 6(a) continues the application of any general provisions (e.g. social riders) contained in the federal appropriations bill in effect at the time of passage on this Act until the subsequent appropriations bill is enacted.

Section 6(b) authorizes the imposition of restrictions on the use of local funds through the federal appropriations process, notwithstanding local passage of the local portion of the budget.

Section 7 states that this legislation will take effect October 1, 2004, meaning that the FY05 budget would not require congressional approval.

Section 201 entitles Title II as the District of Columbia Independence of the Chief Financial Officer Act of 2003.

Section 202 amends section 424 of the Home Rule Act to replace the existing section with a new section as follows:

(a)(1) ESTABLISHMENT.—Establishes within the executive branch of the D.C. government, an Office of the Chief Financial Officer headed by the CFO.

(2) Changes the names of the following offices: Office of Budget and Management to the Office of Budget and Planning; The Department of Finance and Revenue to the Office of Tax and Revenue; the Office of Treasurer to the Office of Finance and Treasury; and consolidates the Office of the Controller and the Office of Information Services into the Office of Financial Operations and Systems.

(3) Transfers to the CFO the functions and personnel of the Office of Budget and Planning, the Office of Tax and Revenue, the Office of Research and Analysis, the Office of Financial Operations and Systems, the Office of Finance and Treasury, and the Lottery and Charitable Games Control Board.

(4) Indicates that the heads of these offices shall serve at the pleasure of the CFO.

(5) Indicates that the CFO shall appoint and may remove the heads of these offices after consultation with the Mayor and Council.

(6) Requires that the CFO prepare and annually submit to the Mayor annual estimates of expenditures and appropriations necessary for the operation of the Office of the CFO and all other D.C. accounting, budget, and financial management personnel, including personnel of executive branch independent agencies that report to the CFO.

(b) APPOINTMENT OF THE CHIEF FINANCIAL OFFICER.—

(1) The CFO will be appointed by the Mayor with the advice and consent of the Council.

(2) The first CFO appointed under the Act shall begin upon the effective date of the Act and the initial term shall end on June 30, 2007. All appointments after that date will be for a 5-year term, except for appointments made for unexpired terms. Any CFO may continue to serve beyond his term until a successor takes office. Vacancies will be filled in the same manner as the original appointment. Sets CFO pay at Level I of the Executive Schedule.

(c) REMOVAL OF THE CFO.—The CFO may only be removed for cause by the Mayor.

(d) DUTIES OF THE CFO.—Sets out the duties of the CFO including preparing the financial plan and budget for use by the Mayor; preparing the budgets of the District of Columbia for use by the Mayor; implementing procedures and programs, systems, and personnel policies within the CFO's authority; preparing annual estimates and quarterly re-estimates; supervising financial transactions; maintaining systems of accounting and internal control; submitting to the Council a financial statement; supervising the assessment of all property subject to assessments; supervising the levying and collections of taxes, special assessments, licensing fees and other revenues; maintaining custody of all public funds; maintaining custody of investment and invested funds; apportioning total of all appropriations and funds made available during the year; certifying all contracts and leases; prescribing the forms of receipts, vouchers and bills to be used by agencies; certifying and approving prior to payment all bills, invoices, payrolls, and other evidences of claims; coordinating with the Inspector General to perform internal audits of accounts and operations; exercising responsibility for the administration and supervision of the D.C. Treasurer; supervising and administering all borrowing programs secured by D.C.; administering the cash management program; administering the centralized payroll and retirement systems; governing the accounting policies and systems; preparing annual, quarterly, and monthly financial reports; preparing the complete financial statement and report on the activities of the government; preparing financial impact statement on regulations, multiyear

contracts, and contracts over $1M; preparing under the Mayor's directions, the budget for submission by the Mayor to the Council; certifying all collective bargaining agreements and nonunion pay proposals.

(e) APPOINTMENT OF CERTAIN EXECUTIVE BRANCH AGENCY CFOS.—All CFOs of all D.C. executive branch subordinate and independent agencies and associate CFOs shall be appointed by the CFO, in consultation with the agency head.

(f) FUNCTIONS OF THE TREASURER.—Restates functions of Treasurer as outlined in current law.

(g) TRANSITION PROVISIONS.—

(1) Any CFO appointed by the Mayor prior to the enactment of the Act may continue to serve until a new CFO is appointed.

(2) Any agency CFO appointed prior to the Act may continue to serve without reappointment.

Section 203 clarifies the CFO duties as they relate to the Mayor's responsibilities.

Section 204 amends the Home Rule Act to provide for a new section covering the CFO personnel authority. The new section indicates that, except as contained in any collective bargaining agreement entered into by the CFO, employees of the CFO shall serve at the pleasure of the CFO and are at-will employees. This section also provides the CFO with independent authority over legal personnel.

Section 205 amends the Home Rule Act to create a new section related to the CFO's procurement authority. This section also requires the CFO to follow local procurement laws, but authorized the CFO to maintain a separate procurement office.

Section 206 requires all permanent bills and resolutions of the Council be accompanied by fiscal impact statements.

V. ESTIMATED COST OF LEGISLATION

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 29, 2003.

Hon. SUSAN M. COLLINS,
Chairman, Committee on Governmental Affairs,
U.S. Senate, Washington, DC.

DEAR MADAM CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 1267, the District of Columbia Budget Autonomy Act of 2003.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Matthew Pickford.

Sincerely,

DOUGLAS HOLTZ-EAKIN,
Director.

Enclosure.

S. 1267—District of Columbia Budget Autonomy Act of 2003

S. 1267 would allow the District of Columbia to enact the portion of its annual budget that is locally funded. Under current law, the District of Columbia cannot spend any local or federal funds until its annual appropriation from the federal government has been en-

acted. CBO estimates that enacting S. 1267 would have no impact on the federal budget.

S. 1267 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on the District of Columbia.

The CBO staff contact is Matthew Pickford. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

VI. Evaluation of Regulatory Impact

Pursuant to the requirements of paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee has considered the regulatory impact of this bill. The Congressional Budget Office states that there are no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and no costs on state, local, or tribal governments. The legislation contains no other regulatory impact.

VII. Changes in Existing Law

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic and existing law, in which no change is proposed, is shown in roman):

DISTRICT OF COLUMBIA CODE

TITLE 1—GOVERNMENT ORGANIZATION

CHAPTER 2—DISTRICT OF COLUMBIA HOME RULE

Subchapter IV—The District Charter

[§ 1–204.46. Enactment of appropriations by Congress

[The Council, within 50 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 §§ 1–204.45a(b), 1–204.67(d), 1–204.71(c), 1–204.72(d)(2), 1–204.75(e)(2), 1–204.83(d), and 1–204.90(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 chapter, 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 chapter. 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.]

ENACTMENT OF LOCAL BUDGET

SEC. 446. (a) ADOPTION OF BUDGETS AND SUPPLEMENTS.—The Council, within 50 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.

(b) TRANSMISSION TO PRESIDENT DURING CONTROL YEARS.—In the case of a budget for a fiscal year which is a control year, the budget so adopted shall be submitted by the Mayor to the President for transmission by him to the Congress, except that the Mayor shall not transmit any such budget, or amendments or supplements thereto, to the President until the completion of the budget procedures contained in this Act and the District of Columbia Financial Responsibility and Management Assistance Act of 1995.

(c) PROHIBITING OBLIGATIONS AND EXPENDITURES NOT AUTHORIZED UNDER BUDGET.—Except as provided in section 445A(b), section 467(d), section 471(c), section 472(d), section 475(e), section 483(d), and subsections (f), (g), (h)(3), and (i)(3) of section 490, no amount may be obligated or expended by any officer or employee of the District of Columbia government unless—

(1) such amount has been approved by an Act of the Council (and then only in accordance with such authorization) and a copy of such Act has been transmitted by the Chairman to the Congress; or

(2) in the case of an amount obligated or expended during a control year, such amount has been approved by an Act of Congress (and then only in accordance with such authorization).

(d) RESTRICTIONS ON REPROGRAMMING OF AMOUNTS.—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.

(e) DEFINITION.—In this part, the term "control year" has the meaning given such term in section 305(4) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995.

* * * * * * *

DISTRICT OF COLUMBIA CODE

TITLE 1—GOVERNMENT ORGANIZATION

CHAPTER 2—DISTRICT OF COLUMBIA HOME RULE

Subchapter VI—The District Charter

§ 1–204.04. Powers of the Council

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[(f)] *(f)(1)* In the case of any budget act adopted by the Council pursuant to § 1–204.46 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 disapproves 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 10-day period, return a copy of the act and statement with his objections to the Council. If, within 30 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] *incorporated in such Act (or, in the case of an item or provision contained in a budget act for a control year, transmitted by the Chairman to the President)*. 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 [Chairman to the President of the United States] *incorporated in such Act (or, in the case of an item or provision contained in a budget act for a control year, transmitted by the Chairman to the President)*. In the case of any budget act for a fiscal year which is a control year [(as defined in § 47–393(4)), this subsection] *this paragraph* 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."

(2) In this subsection, the term "control year" has the meaning given such term in section 305(4) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995.

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§ 1–204.12. Acts, resolutions, and requirements for quorum

(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 chapter 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 §1–204.46 applies *for a fiscal year which is a control year described in such section*) shall be read twice in substantially the same form, with at least 13 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 take effect immediately upon enactment, such act shall be effective for a period of not to exceed 90 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.

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[§ 1–204.24a. Establishment of office

[(a) 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").

[(b) 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.

[(c) TRANSFER OF OTHER OFFICES.—Effective with the appointment of the first Chief Financial Officer under § 1–204.24b, the functions and personnel of the following offices are transferred to the Office:

[(1) The Controller of the District of Columbia;

[(2) The Office of the Budget;

[(3) The Office of Financial Information Services; and

[(4) The Department of Finance and Revenue.

[(d) SERVICE OF HEADS OF OTHER OFFICES.—

[(1) 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:

[(A) 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

[(B) During a control year, the Authority may remove such individuals from office for cause, after consultation with the Mayor.]

[(2) 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:

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

[(B) The Chief Financial Officer may remove such individuals from office for cause, after consultation with the Mayor.]

OFFICE OF THE CHIEF FINANCIAL OFFICER OF THE DISTRICT OF COLUMBIA

SEC. 424. (a) IN GENERAL.—

(1) ESTABLISHMENT.—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 ("Office"), which shall be headed by the Chief Financial Officer of the District of Columbia ("Chief Financial Officer").

(2) ORGANIZATIONAL ANALYSIS.—

(A) OFFICE OF BUDGET AND PLANNING.—The name of the Office of Budget and Management, established by Commissioner's Order 69–96, issued March 7, 1969, is changed to the Office of Budget and Planning.

(B) OFFICE OF TAX AND REVENUE.—The name of the Department of Finance and Revenue, established by Commissioner's Order 69–96, issued March 7, 1969, is changed to the Office of Tax and Revenue.

(C) OFFICE OF FINANCE AND TREASURY.—The name of the Office of Treasurer, established by Mayor's Order 89–244, dated October 23, 1989, is changed to the Office of Finance and Treasury.

(D) OFFICE OF FINANCIAL OPERATIONS AND SYSTEMS.—The Office of the Controller, established by Mayor's Order 89–243, dated October 23, 1989, and the Office of Financial Information Services, established by Mayor's Order 89–244, dated October 23, 1989, are consolidated into the Office of Financial Operations and Systems.

(3) TRANSFERS.—Effective with the appointment of the first Chief Financial Officer under subsection (b), the functions and personnel of the following offices are established as subordinate offices within the Office of the Chief Financial Officer:

(A) The Office of Budget and Planning, headed by the Deputy Chief Financial Officer for the Office of Budget and Planning.

(B) The Office of Tax and Revenue, headed by the Deputy Chief Financial Officer for the Office of Tax and Revenue.

(C) The Office of Research and Analysis, headed by the Deputy Chief Financial Officer for the Office of Research and Analysis.

(D) The Office of Financial Operations and Systems, headed by the Deputy Chief Financial Officer for the Office of Financial Operations and Systems.

(E) The Office of Finance and Treasury, headed by the District of Columbia Treasurer.

(F) The Lottery and Charitable Games Control Board, established by the Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia, effective March 10, 1981 (D.C. Law 3–172; D.C. Official Code section 3–1301 et seq.).

(4) SUPERVISOR.—The heads of the offices listed in paragraph (3) of this section shall serve at the pleasure of the Chief Financial Officer.

(5) APPOINTMENT AND REMOVAL OF OFFICE EMPLOYEES.—The Chief Financial Officer shall appoint the heads of the subordinate offices designated in paragraph (3), after consultation with the Mayor and the Council. The Chief Financial Officer may remove the heads of the offices designated in paragraph (3), after consultation with the Mayor and the Council.

(6) ANNUAL BUDGET SUBMISSION.—The Chief Financial Officer of the District of Columbia shall prepare and annually submit to the Mayor of the District of Columbia, for inclusion in the annual budget of the District of Columbia government for a fiscal year, annual estimates of the expenditures and appropriations necessary for the year for the operation of the Office of the Chief Financial Officer and all other District of Columbia accounting, budget, and financial management personnel (including personnel of executive branch independent agencies) that report to the Office of the Chief Financial Officer pursuant to this Act.

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[§ 1–204.24b. Appointment and dismissal

[(a) IN GENERAL.

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

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

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

[(C) After the expiration of the 7-day period which begins on the date the Mayor notifies the Council of the nomination under subparagraph (B) of this paragraph, the Mayor shall notify the Authority of the nomination.

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

[(2) 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 of review and comment before the appointment takes effect.

[(b) REMOVAL.—

[(1) 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.

[(2) 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 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.

[(c) 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.]

(b) APPOINTMENT OF THE CHIEF FINANCIAL OFFICER.—

(1) IN GENERAL.—The Chief Financial Officer shall be appointed by the Mayor with the advice and consent, by resolution, of the Council.

(2) TERM.—

(A) IN GENERAL.—All appointments made after June 30, 2007, shall be for a term of 5 years, except for appointments made for the remainder of unexpired terms. The appointments shall have an anniversary date of July 1.

(B) TEMPORARY.—The term of office of the Chief Financial Officer first appointed pursuant to subsection (a) shall begin upon the date of enactment of the District of Columbia Independence of the Chief Financial Officer Act of 2003. The initial term shall end on June 30, 2007.

(C) CONTINUANCE.—Any Chief Financial Officer may continue to serve beyond his term until a successor takes office.

(D) VACANCIES.—Any vacancy in the Office of Chief Financial Officer shall be filled in the same manner as the original appointment under paragraph (1).

(E) PAY.—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.

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[§1–204.24c. 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 subpart B of subchapter VII of Chapter 3 of Title 47;

[(2) Preparing the budgets of the District of Columbia for the year for the use of the Mayor for purposes of §§1–204.41 to 1–204.53 and 1–204.55 to 1–204.56e.

[(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 [Pub. L. 104–8];

[(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 §§ 1–204.41 to 1–204.53 and 1–204.55 to 1–204.56e, 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; and

[(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 § 1–204.48(a)(4).]

(c) REMOVAL OF THE CHIEF FINANCIAL OFFICER.—The Chief Financial Officer may only be removed for cause by the Mayor.

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[§ 1–204.24d. 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; and

[(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; and

[(E) Monthly reports reflecting a detailed summary analysis of long-term and short-term borrowings inclusive of debt as authorized by § 1–206.03, 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; and

[(2) Such other functions assigned to the Chief Financial Officer under § 1–204.24c as the Chief Financial Officer may delegate.]

(d) DUTIES OF THE CHIEF FINANCIAL OFFICER.—The Chief Financial Officer shall have the following duties and shall take such steps as are necessary to perform these duties:

(1) Preparing the financial plan and the budget for the use of the Mayor for purposes of subpart B of subchapter VII of chapter 3 of title 47 of the D.C. Code and preparing the 5-year financial plan based upon the adopted budget for submission with the District of Columbia budget by the Mayor to Congress.

(2) Preparing the budgets of the District of Columbia for the year for the use of the Mayor for purposes of sections 441–444, 446, 448–452, 455 of the District of Columbia Home Rule Act, approved (87 Stat. 798–803; D.C. Official Code sections 1–204.41 through 1–204.44, 1–204.46, 1–204.48 through 1–204.52, 1–204.55), section 445a of the District of Columbia Home Rule Act, approved August 6, 1996 (110 Stat. 1698; D.C. Official Code section 1–204.45a), section 453 of the District of Columbia Home Rule Act, approved April 17, 1991 (105 Stat. 539; D.C. Official Code section 1–204.53), sections 456(a) through 456(d) of the District of Columbia Home Rule Act, approved October 19, 1994 (108 Stat. 3488; D.C. Official Code sections 1–204.56a through 1–204.56d), and section 456(e) of the District of Columbia Home Rule Act, approved April 17, 1995 (109 Stat. 140; D.C. Official Code section 1–204.56e).

(3) 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 and to ensure that appropriations are not exceeded.

(4) Preparing and submitting to the Mayor and the Council and making public—

(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 sections 441 through 444, 446, 448 through 452, and

455 of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 798–803; D.C. Official Code sections 1–204.41 through 1–204.44, 1–204.46, 1–204.48 through 1–204.52, 1–204.55), section 445a of the District of Columbia Home Rule Act, approved August 6, 1996 (110 Stat. 1698; D.C. Official Code section 1–204.45a), section 453 of the District of Columbia Home Rule Act, approved April 17, 1991 (105 Stat. 539; D.C. Official Code section 1–204.53), sections 456(a) through 456(d) of the District of Columbia Home Rule Act, approved October 19, 1994 (108 Stat. 3488; D.C. Official Code sections 1–204.56a through 1–204.56d), and section 456(e) of the District of Columbia Home Rule Act, approved April 17, 1995 (109 Stat. 140; D.C. Official Code section 1–204.56e), 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.

(5) Supervising and assuming responsibility for financial transactions to ensure adequate control of revenues and resources.

(6) 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) accounting 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.

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

(8) 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).

(9) 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 District of Columbia Financial Responsibility and Management Assistance Authority).

(10) 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.

(11) 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.

(12) 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.

(13) Certifying all contracts and leases (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 and leases during the year.

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

(15) Certifying and approving prior to payment of 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.

(16) 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.

(17) 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).

(18) Supervising and administering all borrowing programs secured by the full faith and credit of the District government for the issuance of long-term and short-term indebtedness.

(19) 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.

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

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

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

(23) 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) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 801; D.C. Official Code section 1–204.48(a)(4)).

(24) Preparing fiscal impact statements on regulations, multiyear contracts, contracts over $1,000,000 and on legislation, as required by section 4a of the General Legislative Procedures Act of 1975.

(25) Preparing under the direction of the Mayor, who has the specific responsibility for formulating budget policy using Chief Financial Officer technical and human resources, the budget for submission by the Mayor to the Council and to the public and upon final adoption to Congress and to public.

(26) Certifying all collective bargaining agreements and nonunion pay proposals prior to submission to the Council for approval as to the availability of funds to meet the obligations expected to be incurred by the District government under such collective bargaining agreements and nonunion pay proposals during the year.

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[§ 1–204.24e. Definitions

[In this part:

[(1) The term "Authority" means the District of Columbia Financial Responsibility and Management Assistance Authority established under § 47–391.01(a);

[(2) The term "control year" has the meaning given such term under §47–393(4); and

[(3) The term "District government" has the meaning given such term under § 47–393(5).]

(e) APPOINTMENT OF CERTAIN EXECUTIVE BRANCH AGENCY CHIEF FINANCIAL OFFICERS.—The chief financial officers of all District of Columbia executive branch subordinate and independent agencies not included in subsection a(3) and associate chief financial officers shall be appointed by the Chief Financial Officer, in consultation with the agency head, where applicable. The appointment shall be made from a list of qualified candidates developed by the Chief Financial Officer.

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(f) 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 which 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 re-

flect 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—

(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; and

(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; and

(E) monthly reports reflecting a detailed summary analysis of long-term and short-term borrowings inclusive of debt as authorized by section 1–206.03, 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 un-issued 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 (d) as the Chief Financial Officer may delegate.

(g) TRANSITION PROVISIONS.—

(1) CFO.—Any Chief Financial Officer appointed by the Mayor prior to the date of enactment of the District of Columbia Independence of the Chief Financial Officer Act of 2003 may continue to serve in that capacity without reappointment until a new appointment under subsection (a) becomes effective.

(2) EXECUTIVE BRANCH CFO.—any executive branch agency chief financial officer appointed prior to the date of enactment of the District of Columbia Independence of the Chief Financial Officer Act of 2003 may continue to serve in that capacity without reappointment.

SEC. 424h. (a) IN GENERAL.—Notwithstanding any provision of law or regulation, employees of the Office of the Chief Financial Officer, including personnel described in subsection (b), shall be appointed by, shall serve at the pleasure of, and shall act under the direction and control of the Chief Financial Officer of the District of Columbia, and shall be considered at-will employees, except that the Chief Financial Officer shall comply with any collective bargaining agreement entered into by the Office of the Chief Financial Officer.

(b) PERSONNEL.—The personnel described in this subsection are as follows:

(1) The Office of the General Counsel within the Office of the Chief Financial Officer of the District of Columbia, such office shall include the General Counsel to the Chief Financial Officer and individuals hired or retained as attorneys by the Chief Financial Officer or any office under the personnel authority of the Office of the Chief Financial Officer, all such attorneys shall act under the direction and control of the General Counsel to the Chief Financial Officer.

(2) Personnel of the Office not described in paragraph (1).

(3) The heads and all personnel of the offices described in subsection (c) and the Chief Financial Officers of all District of Columbia executive branch subordinate and independent agencies, Associate chief financial officers, together with all other District of Columbia accounting, budget, and financial management personnel (including personnel of executive branch independent agencies).

(c) OFFICES DESCRIBED.—The offices referred to in this subsection are as follows:

(1) The Office of Finance and Treasury (or any successor office).

(2) The Office of Financial Operations and Systems (or any successor office).

(3) The Office of the Budget and Planning (or any successor office).

(4) The Office of Tax and Revenue (or any successor office).

(5) The District of Columbia Lottery and Charitable Games Control Board.

(d) INDEPENDENT AUTHORITY OVER LEGAL PERSONNEL.—Sections 851 through 862 of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2–260; D.C. Official Code section 1–608.51–1–608.62) shall not apply to attorneys employed by the Office of the Chief Financial Officer.

SEC. 424i. The Office of the Chief Financial Officer's procurement practices shall be governed by the provisions of chapter 3 of title 2 of the D.C. Official Code, except that the Office of the Chief Financial Officer shall maintain a procurement office or division that shall operate independent of, and shall not be governed by, the Office of Contracting and Procurement, established by section 2–301.05, or its successor office.

* * * * * * *

§1–204.47. Consistency of budget, accounting, and personnel systems

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**]** *act of the Council (or Act of Congress, in the case of a year which is a control year).* Employees shall be assigned in accordance with the program, organization, and fund categories specified in the **[**act of Congress**]** *act of the Council (or Act of Congress, in the case of a year which is a control year)* authorizing such position. Hiring of temporary employees and temporary employee transfers among programs shall be consistent with applicable **[**acts of Congress**]** *acts of the Council (or Acts of Congress, in the case of a year which is a control year*) and reprogramming procedures to insure that costs are accurately associated with programs and sources of funding.

* * * * * * *

§ 1–204.48. Financial duties of Mayor

(a) Subject to the limitations in **[**§ 1–206.03,**]** *section 603 and except to the extent provided under section 424(d),* the Mayor shall have charge of the administration of the financial affairs of the District and to that end he shall:

* * * * * * *

§ 1–204.49. Accounting supervision and control

[The Mayor**]** *Except to the extent provided under section 424(d), the Mayor* shall:

(1) Prescribe the forms of receipts, vouchers, bills, and claims to be used by all the agencies, offices, and instrumentalities of the District government;

* * * * * * *

§ 1–204.67. Authority to create security interests in District revenues

* * * * * * *

(d) OBLIGATIONS AND EXPENDITURES NOT SUBJECT TO APPROPRIATION.—**[**The fourth sentence of §1–204.46**]***Section 446(c)* shall not apply to any obligation or expenditure of any District revenues to

secure any general obligation bond or note under subsection (a) of this section.

* * * * * * *

DISTRICT OF COLUMBIA CODE

TITLE 1—GOVERNMENT ORGANIZATION

CHAPTER 2—DISTRICT OF COLUMBIA HOME RULE

Subchapter VI—The District Charter

§ 1–204.71. Borrowing to meet appropriations

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(c) [The 4th sentence of §1–204.46] *Section 446(c)* 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) of this section.

* * * * * * *

§ 1–204.72. Borrowing in anticipation of revenues

* * * * * * *

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

(1) EFFECTIVE DATE.—Notwithstanding § 1–206.02(c)(1), any act of the Council authorizing the issuance of revenue anticipation notes under subsection (a) of this section shall take effect:

(A) if such act is enacted during a control year (as defined in § 47–393(4)), 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 § 1–204.46] *Section 446(c)* 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) of this section.

* * * * * * *

§ 1–204.75. Bond anticipation notes

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

(1) EFFECTIVE DATE.—Notwithstanding § 1–206.02(c)(1), any act of the Council authorizing the renewal of bond anticipation notes under subsection (c) [subsection (d)] or the issuance of general obligation bonds under § 1–204.61(a) to refund any bond anticipation notes shall take effect—

(A) if such act is enacted during a control year (as defined in § 47–393(4)), on the date of approval by the Dis-

trict 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 § 1–204.46] *Section 446(c)* 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.

* * * * * * *

§ 1–204.83. Payment of the general obligation bonds and notes

* * * * * * *

(d) [The 4th sentence of § 1–204.46] *Section 446(c)* shall not apply to:

(1) Any amount set aside in a debt service fund under § 1–204.81(a);

* * * * * * *

§ 1–204.90. Revenue bonds and other obligations

(f) [The fourth sentence of § 1–204.46] *Section 446(c)* 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) of this section;

(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) of this section;

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

(g)(1) The Council may delegate to any housing finance agency established by it (whether established before or after April 12, 1980) the authority of the Council under subsection (a) of this section 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 April 12, 1980) 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) of this subsection 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 4th sentence of § 1–204.46**]** *Section 446(c)* 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 paragraph (1) of 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 under paragraph (1) of this subsection; and

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

(h)(1) The Council may delegate to the District of Columbia Water and Sewer Authority established pursuant to § 34–2202.02 the authority of the Council under subsection (a) of this section 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) of this section). 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 August 6, 1996) 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) of this subsection 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 § 1–204.46**]** *Section 446(c)* 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 obligate or expended to secure any revenue bond, not, or other obligation issued pursuant to this subsection; or

(D) Any amount obligated or expended for repair, maintenance, and capita 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 subchapter III of Chapter 18 of Title 7 the authority of the Council under subsection (a) to issue revenue bonds, notes, and other obli-

gations 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 subchapter III of Chapter 18 of Title 7.

(2) Revenue bonds, notes, and other obligations issued by the Corporation under a delegation of authority described in paragraph (1) of this subsection 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 § 1–204.46**]** *Section 446(c)* shall not apply to:

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DISTRICT OF COLUMBIA CODE

TITLE 1—GOVERNMENT ORGANIZATION

CHAPTER 2—DISTRICT OF COLUMBIA HOME RULE

Subchapter VI—Reservation of Congressional Authority

§ 1–206.02. Limitations on the Council

* * * * * * *

(c)(1) Except acts of the Council which are submitted to the President in accordance with Chapter 11 of Title 31, United States Code, any act which the Council determines, according to § 1–204.12(a), should take effect immediately because of emergency circumstances, and acts proposing amendments to subchapter IV of this chapter and except as provided in § 1–204.62(c) and § 1–204.72(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)**]** *paragraphs (2) and (4)* of this subsection, 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 3 days, or an adjournment of more than 3 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 § 1–206.04, 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 § 1–206.04, 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.

(4) In the case of any Act transmitted under the first sentence of paragraph (1) to which section 446 applies and for which the fiscal year involved is not a control year, such Act shall take effect upon the expiration of the 30-calendar-day period beginning on the day such Act is transmitted, 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. If such 30-day period expires on 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, the period applicable under the previous sentence shall be extended for 5 additional days (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). In any case in which any such joint resolution disapproving such an Act has, within the applicable period, passed both Houses of Congress and has been transmitted to the President, such resolution, upon becoming law, subsequent to the expiration of such period, shall be deemed to have repealed such Act, as of the date such resolution becomes law. The provisions of section 604 shall apply with respect to any joint resolution disapproving any Act pursuant to this paragraph.

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§1–206.03. Budget process; limitations on borrowing and spending

(a) Nothing in this chapter 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 *for a fiscal year which is a control year.*

* * * * * * *

[(d) Except as provided in subsection (f) of this section, the Mayor shall not forward to the President for submission to Congress a budget which is not balanced according to the provision of subsection (c) of this section.**]** *(d) In the case of a fiscal year which is a control year, 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 the District of Columbia Financial Responsibility and Management Assistance Act of 1995.*

* * * * * * *

[(f) In the case of a fiscal year which is a control year (as defined in §47–393(4)), 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 part B of subchapter VII of chapter 3 of Title 47.**]** *(f) In this section, the term "control year" has the meaning given such term in section 305(4) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995.*

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CHAPTER 3—SPECIFIED GOVERNMENTAL AUTHORITY

Subchapter I—Additional Governmental Powers and Responsibilities

§ 1–301.47. Definition of terms set forth in acts and resolutions [Formerly § 1–232]

For the purposes of any act or resolution of the Council of the District of Columbia, unless specifically provided otherwise:

(1) The term "Council" means the Council of the District of Columbia established under § 1–204.01.

(2) The term "Mayor" means the Mayor of the District of Columbia established under § 1–204.21.

(3) The term "Act" means an Act of the Congress.

(4) The term "act" means an act of the Council.

§ 1–301.47a. * * *

(a) BILLS AND RESOLUTIONS.—

(1) IN GENERAL.—Notwithstanding any other law, except as provided in subsection (c), all permanent bills and resolutions shall be accompanied by a fiscal impact statement before final adoption by the Council.

(2) CONTENTS.—The fiscal impact statement shall include the estimate of the costs which will be incurred by the District as a result of the enactment of the measure in the current and each of the first four fiscal years for which the act or resolution is in effect, together with a statement of the basis for such estimate.

(b) APPROPRIATIONS.—Permanent and emergency acts which are accompanied by fiscal impact statements which reflect unbudgeted costs, shall be subject to appropriations prior to becoming effective.

(c) APPLICABILITY.—Subsection (a) shall not apply to emergency declaration, ceremonial, confirmation, and sense of the Council resolutions.

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CHAPTER 6—MERIT PERSONNEL SYSTEM

Subchapter VIII–B—Government Attorneys

§ 1–608.62. Applicability

The provisions of this subchapter shall apply on April 20, 1999, except as follows:

(1) Section 1–608.52 shall include attorneys employed by the District of Columbia Board of Education as part of the new Legal Service only as long as there is no Congressional statutory requirement that attorneys employed by the District of Columbia public schools be classified as Educational Service employees.

[(2) The provisions of this subchapter shall apply to attorneys employed by the Office of the Chief Financial Officer when the District of Columbia is no longer in a control period, as defined in § 47–393(3).**]**

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TITLE 2—GOVERNMENT ADMINISTRATION

Chapter 3—Procurement

§ 2–301.04. Application of chapter

(a) Except as provided in § 2–303.20, this chapter shall apply to all departments, agencies, instrumentalities, and employees of the District government, including agencies which are subordinate to the Mayor, independent agencies, boards, and commissions, but excluding the Council of the District of Columbia, District of Columbia courts, the District of Columbia Financial Responsibility and Management Assistance Authority, and District of Columbia Advisory Neighborhood Commissions.

(b) This chapter shall apply to any contract for procurement of goods and services, including construction and legal services, but shall not apply to a contract or agreement receiving or making grants-in-aid or for federal financial assistance.

(c) The Council of the District of Columbia, the Corporation Counsel, Inspector General, Auditor, and Chief Financial Officer may contract for the services of accountants, lawyers, and other ex-

perts when they determine and state in writing that good reason exists why such services should be procured independently of the CPO. [During a control year, as defined by §47–393(4), the Office of the Chief Financial Officer of the District of Columbia shall be exempt from the provisions of this chapter, and shall adopt, within 30 days of April 12, 1997, the procurement rules and regulations adopted by the District of Columbia Financial Responsibility and Management Assistance Authority. During years other than control years, the Office of the Chief Financial Officer shall be bound by the provisions contained in this chapter.]

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TITLE 24—PRISONERS AND THEIR TREATMENT

CHAPTER 1—TRANSFER OF PRISON SYSTEM TO FEDERAL AUTHORITY

Subchapter I—Corrections

§ 24–106. Permitting expenditure of funds to carry out certain sewer agreement

Notwithstanding the [fourth sentence of § 1–204.46] *section 446(c)*, 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.

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TITLE 47—TAXATION, LICENSING, PERMITS, ASSESSMENTS, AND FEES

CHAPTER 3—BUDGET AND FINANCIAL MANAGEMENT; BORROWING; DEPOSIT OF FUNDS

Subchapter VII—Financial Responsibility and Management Assistance

§ 47–392.02. Process for submission and approval of financial plan and annual District budget

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(c) Action upon approval of Mayor's preliminary financial plan and budget.

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(2) ADOPTION OF FINANCIAL PLAN AND BUDGET BY COUNCIL AFTER RECEIPT OF APPROVED FINANCIAL PLAN AND BUDGET.—Notwithstanding [the first sentence of § 1–204.46] *section 446(a)*, not later than 30 days after receiving the financial plan and budget for the fiscal year from the Mayor under paragraph (1)(A)(ii) of this subsection, the Council shall by Act adopt a fi-

nancial 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.

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(d) Action upon disapproval of Mayor's preliminary financial plan and budget.

* * * * * * *

(3) ACTION BY COUNCIL.

(A) ADOPTION OF FINANCIAL PLAN AND BUDGET.—Notwithstanding [the first sentence of § 1–204.46] *section 446(a)*, not later than 30 days after receiving the Mayor's approved revised financial plan and budget for the fiscal year under paragraph (2)(B) of this subsection 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) of this subsection, 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.

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