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DISTRICT OF COLUMBIA APPROPRIATIONS

WHY A CONTROL BOARD

It is important to remember why we have a Control Board and why the subcommittee is reviewing a budget prepared by the Control Board in the first place. The city of Washington is not delivering its services in a manner that meets the needs of the citizens who live in the Nation's Capital. Two years ago, problems became

MANAGEMENT REFORM

None of the plans to rescue the city currently before the Congress provides for management reform. The rescue plan developed by the President would shift a number of functions from the city to the Federal Government, but a management crisis would still remain. I continue to believe that any legislation which attempts to rescue the city must also rescue it from mismanagement.

I remain strongly opposed to the inclusion of any District of Co-

ernment work, and I will ask Mayor Barry if he would begin his testimony.

STATEMENT OF MARION BARRY

Mayor BARRY. Good morning, Mr. Chairman and members of the committee. Allow me to begin this morning by taking some time to commend you, in that you have demonstrated as chair of the com-

therefore, we were not supportive of any major increases in their budget. On the other hand, the Mayor and the Council believe that we ought to have local funding for summer jobs. The Control Board reduced and cut out, eliminated these summer jobs.

SUMMER JOBS PROGRAM

This law is unlike any other in the country in the sense that elected officials were not part of the Board, as they were in New York or in Philadelphia. Again, that does not foster a cooperative

reductions. They just made some arrangement with the unions to cut costs.

So we have done a great deal, and if you do not believe we have done that, you ask some of these people whose services have been reduced. We have gotten so stringent, Mr. Chairman, we have got-

eral Government downsizes and the District government downsizes, you lose jobs.

We have had, really, a small net increase in jobs in the private sector. We have slowed down the hemorrhaging of the middle-class in Washington, when you look at the numbers.

And so my point here is that the District has made substantial movement in managing our affairs. Our procurement system,

that went on the streets 3 months ago—on the streets in uniform. The chief has added another 500, starting at the end of this week and the early part of next week, where you are going to see police officers riding bicycles and in cars and walking the beat.

no wonder that the differences between the District's official budget and that of the authority are really minimal. Allow me to put these differences into perspective:
—*Government direction and support*

new direction for the government of the District of Columbia and the people of the

in an unprecedented manner. We are making adjustments in our workforce and the way in which we provide services in order to ensure true fiscal solvency. Good

tions that were made earlier in the year to address a projected budget gap, the funding for this program was significantly reduced. Consequently, over 1,000 youth are

The authority made the decision to completely eliminate the Summer Youth Employment Program. I have spoken about this program earlier in my testimony but would like to reiterate—this program too, is a down payment for the ultimate recovery of the District. I urge the committee to seriously consider restoring the \$2.8 million reduction to this program.

Despite our financial difficulties, Washington, D.C. remains one of the Nation's top tourism destinations. We have an Office of Tourism and Promotions whose primary focus is to coordinate the activities of the tourism industry—which incidentally is the largest employer in the District of Columbia after the Federal Government.

C

achievement comes 1 year earlier than the congressional mandate. That is no small task, and no other city in such circumstance achieved this task that we have, in balancing our budget 1 year earlier.

We also agreed that the budget would not be premised upon additional Federal aid. And both of these budgets accomplish that.

The Council and the Authority were particularly successful in working responsibly with one another. The Council attempted to

type of reduction. The home purchase assistance loan, for example, is one which lower middle-class individuals would be able to use to stay in the District when they do not qualify for Federal programs.

The Mayor and the Council had already embarked on the path of eliminating this program totally. We had great concerns with the impact on homelessness for this particular program, particularly since there was already a reduction in the homelessness budget.

priority area of the schools, the Council increased that budget by \$15.5 million. For public works, the increase was \$2.9 million.

To allow for various increases and decreases that amounted to

structural flaws. And I have been suggesting that "The Orphan Capital," by Carol O'Claircain, from the Brookings Institute, is a very good document, that really lays out the structural flaws that

health institution. No other city at all. Those are structural problems.

And, yes, we have some management flaws, management problems. I am the first to admit that. But I am also saying that I am willing, as well as this Council, to roll up our sleeves and do the

I and my staff are available to work with the Subcommittee to work out solutions. Let me quickly recap those areas:

1. *Public Schools*.—The Financial Authority provided an additional \$6.5 million

Testimony on this budget request would not be complete without a discussion of the historic opportunity which is before this Congress to address the city's financial crisis in a way that begins to address the fundamental inequities which have long

was actually spent in fiscal year 1996 but \$10 million less than the Authority approved level. Council is expecting greater savings from out-sourcing efforts and management improvements. The Department must begin to immediately address how it will live within the budget established for it while providing the medical receiver adequate funds.

The Department's budget will require that structural and operational changes be implemented to achieve savings. Medium and Occoquan 2 facilities must be closed in order to redeploy FTE's so that court ordered correctional officer staffing levels can be met in the short term and privatization of three fourths of the correctional system over the next four years can be achieved.

Question.

FINANCIAL RESPONSIBILITY AND MANAGEMENT ASSISTANCE
AUTHORITY

Mr. Chairman, I am delighted to respond to the committee's request. I will discuss the fiscal year 1998 financial plan and budget recently submitted to the Congress by the authority.

DEVELOPMENT OF FISCAL YEAR 1998 BUDGET

PROPOSED FISCAL YEAR 1998 BUDGET—LOCAL FUNDS

Agency name	Code	Fiscal year 1998 Proposed District's budget	DCFRA proposed budget	Variance
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PROPOSED FISCAL YEAR 1998 BUDGET—LOCAL FUNDS—Continued

Agency name	Code	Fiscal year 1998 Proposed District's budget	Variance
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PAYMENT OF SETTLEMENTS AND JUDGMENTS	ZH	14,800	14,800
PUBLIC DEFENDER SERVICE	FE	7,753	7,753
PRETRIAL SERVICES AGENCY	FF	4,562	4,562	.....
DEPARTMENT OF CORRECTIONS	FL	254,161	254,161	10,006
BOARD OF PAROLE	DD	5,906	5,834	(72)
DC NATIONAL GUARD	FK	858	858	.....
OFFICE OF EMERGENCY PREPAREDNESS	BN	1,338	1,338	.....
COMMISSION ON JUDICIAL DISABILITIES AND TENURE	DO	125	125	.....
JUDICIAL NOMINATION COMMISSION	DV	78	78	.....
CIVILIAN COMPLAINT REVIEW BOARD	FH ....	.....	.....	.....
PUBLIC SAFETY AND JUSTICE .....	.....	973,625	978,033	4,407

PROPOSED FISCAL YEAR 1998 BUDGET—LOCAL FUNDS—Continued

Agency name	Code	Fiscal year 1998 Proposed	Variance
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ceration. So corrections needs more money. That is why we did it

In addition, the Act contains specific requirements for the District's budget, including how expenditures are presented, the type of assumptions used, an analysis

range from focusing police activity on open-air drug markets to placing more than 400 additional officers on the street. These initiatives, which have resulted in a dra-

The Authority also has been supportive of the Department of Public Works' ("DOW") efforts to become a performance-based organization. The Authority's fiscal

dent's Plan also provides for a borrowing in an amount up to \$500 million through

plete this task has resulted in significant amounts of unexpended capital funds, even as the City continues to borrow additional funds for new and existing projects.

Another area of concern is that the District's borrowing capacity is severely hampered by resources available in the operating budget to pay debt service, the debt ceiling cap of 14 percent of anticipated revenues, and the District's limited authority to issue alternative types of debt instruments. The Authority has recognized and

BUDGET OF THE DISTRICT OF COLUMBIA LOCAL FUNDS FOR FISCAL YEAR 1997 AND FISCAL YEAR 1998 AND GROSS BUDGET FOR FISCAL YEAR 1998
[in thousands of dollars]

Differences
between
Fiscal year
1997 local
funds

BUDGET OF THE DISTRICT OF COLUMBIA LOCAL FUNDS FOR FISCAL YEAR 1997 AND FISCAL YEAR 1998 AND GROSS BUDGET FOR FISCAL YEAR 1998—Continued
[in thousands of dollars]

Fiscal year

Emergency Preparedness	1,417	. 79	1,338	.....	1,338	1,499	2,837
Police and Fire Retirement	226,700	.					

BUDGET OF THE DISTRICT OF COLUMBIA LOCAL FUNDS FOR FISCAL YEAR 1997 AND FISCAL YEAR 1998 AND GROSS BUDGET FOR FISCAL YEAR 1998—Continued
[in thousands of dollars]

Fiscal year

Aqueduct 33,885

BUDGET OF THE DISTRICT OF COLUMBIA LOCAL FUNDS FOR FISCAL YEAR 1997 AND FISCAL YEAR 1998 AND GROSS BUDGET FOR FISCAL YEAR 1998—Continued
[in thousands of dollars]

Fiscal year
1997 local
funds

Senator F

million lower than your budget, yet the District of Columbia's Office of Budget and Planning indicates the difference is about \$1 million. Is it possible to resolve the conflicts in that budget without our involvement?

142 authorized FTE's. In comparison, during the second year of the present Barry Administration, there were 86 authorized FTE's or 40 percent less FTE's in the EOM. Both administrations have supplemented these authorized staffing levels with detailed employees. Currently, the EOM has 26 employees detailed to support critical service delivery requirements. At one point, as discussed in my enclosure, the

"AS IS" ORGANIZATIONAL STRUCTURE—EXECUTIVE OFFICE OF THE MAYOR—Continued
[July 1997]

Position title	Grade/ step	Salary	Source of detail
General Assistant	17/01	87,895	
Executive Assistant	13/04	50,888	

"AS IS" ORGANIZATIONAL STRUCTURE—EXECUTIVE OFFICE OF THE MAYOR—Continued

[July 1997]

Position title	Grade/ step	Salary	Source of detail
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"AS IS" ORGANIZATIONAL STRUCTURE—EXECUTIVE OFFICE OF THE MAYOR—Continued

[July 1997]

Position title

Grade/
step

EXECUTIVE OFFICE OF THE MAYOR NINE YEAR FISCAL COMPARISON (FISCAL YEARS 1989-1997)

Agency	1989			1990			1991			1992		
	PS	Agency total	OTPS									

Mayor BARRY. What I will do, Mr. Chairman, I will go back to 1994, 1995, 1996, so you can see the tremendous reductions that I have made in my office, so you can see the trend.

Senator FAIRCLOTH. Well, ask him what day I can expect it, what date I can expect it.

Mayor BARRY. For 1995 and 1996, close of business today.

Senator FAIRCLOTH. Close of business today?

Mayor BARRY. Yes.

Senator FAIRCLOTH. That is the kind of answer I wanted. Thank you, sir.

In the last 3 or 4 months the plaintiffs' attorney and the plaintiffs felt that we were not moving rapidly enough to implement the decree.

Senator FAIRCLOTH. What about public housing and child welfare?

Mayor BARRY

District Jail. Again, these suits, lawyers were filing them all over the country.

Senator FAIRCLOTH. I understand that.

Mayor BARRY. And the judge ruled that we had to keep a cap of 1,790 people at our jail because they were overcrowded on our staff

the District has discretion over, quite frankly there are very few dollars that the District can determine how they are going to spend in the human service arena. It is a total misnomer that there are dollars out there for the District to spend. That is not the case.

essary. And as I understand it, you can correct me if I am wrong, Parents United each year just pick out different groups of those

terday, the schools still need that \$36.8 million, they need it to open, to make the repairs of prior code violations so the schools will open.

REPAIR OF SCHOOL BOILERS

changed drastically. And everything I have seen suggests that the trend is likely to continue.

One final thing I would mention, Senator, is that personal income in the District has grown over that period at a rate fairly close to what personal income has grown at in Maryland and/ not been stagnant in terms of gen

Ms. C

those who worked here but lived elsewhere. It was a political move. Congressman Broyhill, who represented the Northern Virginia delegation in the House, was one of the key people on the committee.

Senator FAIRCLOTH. This was a rider to home rule?

Mayor BARRY. Yes, sir.

ments, were awarded without full and open competition. Mayor Barry, why has this management problem been allowed to continue over the years? The purchases are emergency, but this problem is far from an emergency. It has been going on and on and on, and, Dr. Brimmer, I want to ask you the same question. So I will start with Mayor Barry, and then I will bring the same question to you, Dr. Brimmer.

PROCUREMENT PROCESS

Mayor BARRY

Senator F

Dr. BRIMMER. Mr. Chairman, it is clear that many of those con-

FOOD SERVICE CONTRACT AT D.C. GENERAL

I will be very specific. A food service contract at D.C. General Hospital was about to be terminated because the vendor had not

Mayor BARRY. Senator, that sounds very simple.

Senator FAIRCLOTH. It is what, now?

Mayor BARRY. It is not as simple as you would make it.

Senator FAIRCLOTH. It is as simple as that.

Mayor BARRY. No; it is not, either.

Senator FAIRCLOTH. When the contract was not renewed, when it did not come up, when nobody paid attention to it, when it went

lems of the District of Columbia that have accumulated over the last 25 years in one morning, but we are going to make a start.
Mayor BARRY. Right.

STAFF FROM AGENCIES WORKING IN MAYOR'S OFFICE

Senator F

Answer. In the Metropolitan Police Department ("MPD"), the Authority and the Council provide for an authorized sworn officer strength of 3,815. The difference of \$5 million arises from the Authority's assumption that it will take the MPD longer to achieve that on-board strength than does the Council. The Authority bases its assumption upon the current on-board strength of 3,612, the current attrition rate, the department's capacity to hire and train new officers, and the expected increased screening of recruits, to ensure the highest quality officers for the MPD. Police Chief Larry Soulsby has stated that in order to avoid a repeat of past hiring and training problems, the MPD is doing thorough background investigations on all potential officers. As such the recruiting and background process, according to the Chief, is very lengthy.

In the Fire and Emergency Medical Services Department the Authority eliminated \$60,000 for the two full-time equivalent ("FTE") positions that were detailed to the Office of the Mayor, and \$3.1 million in pay-as-you-go capital. Both reductions reflect city-wide policies. The former reflects elimination of the amounts and FTE's representing detailees, and the later reflects the initiative of the Authority to move pay-as-you-go capital into an intermediate term capital program. During the current fiscal condition the District must seek alternatives to using annual operating funds to acquire assets that have a life beyond the fiscal year.

Question. Please provide the Committee with a list of any discretionary programs included in the City Council's proposed budget that the control board believes should be eliminated.

The Authority made reductions in local funding for discretionary programs that it believed would be worthy of funding under more favorable fiscal conditions for the District. In the area of Business Services and Economic Development ("BSED") the Authority supported only mandatory programs, reductions were made in such discretionary programs as International Business and Lending and Development Support Services.

- (c) Revisions to agency narratives and descriptions contained in the fiscal year 1997 plan;
 - (d) An organizational chart showing all agency control centers; and
 - (e) Discussion of program changes planned in fiscal year 1998.
- Please provide a detailed list of which agencies have and have not responded to

Q

Metropolitan Police Department
Part I Crime Comparison
January 1 through June 30

Question. Mr. Mayor, I understand that the control board, in its action on the budget, added funds to the Department of Corrections and reduced funds for other

the fiscal year 1997 equipment operating budget of the District of Columbia Fire and Emergency Medical Services Department (DCFEMS), to the fiscal year 1997

of District Medicaid expenses to 70 percent. However, this outcome would allow the Federal Government still to treat the District worse than the way states treat their cities. In fiscal year 1997, total Medicaid expenditures are estimated to be \$797 million. Under the current formula, the District is responsible for \$395.6 million. Under

grants and local roads is its diminishing "state" motor fuel and vehicle taxes. In fis-

provide at least some level of assistance for services such as Unemployment Compensation, Supplemental Security Income Management, Welfare Management, operating and capital assistance to local school districts, regulatory and inspection func-

REVISED TABLE 1.—FISCAL YEAR 1998 FINANCIAL PLAN AND BUDGET W/MODIFICATIONS TO MEDICAID ESTIMATES
[Data Source: Financial Plan and Budget 3/18/97]

REVISED TABLE 2.—PRESIDENT'S PLAN—WITH FISCAL YEAR 1998 FINANCIAL PLAN AND BUDGET WL MODIFICATIONS RESTATED—Continued
[Data Source: Financial Plan and Budget 3/18/97]

CHART A.—PLANS TO REVITALIZE THE NATION'S CAPITAL ¹
[Federal Government Assumption of State-like Functions]

Authority's Strategic Plan

President's Plan

DISTRICT OF COLUMBIA APPROPRIATIONS

crime does not stop even while the criminals are behind bars. According to a recent report, 9 percent of D.C. Corrections inmates have tested positive for drug use while in prison.

COURT ORDERS

I have spoken previously about the problems of mismanagement throughout the city. Between May 1995 and June 1997, four agencies of the D.C. government were placed under receivership. The Department of Correction alone is currently operating under 13 court orders and mandates—13 court orders. We need to find out why.

As a consequence, the courts are driving the Department budget because in order to comply with the court orders, agency heads must make mandated changes, and the changes come with a price, always.

NEW POWERS OF POLICE CHIEF

Despite these problems, some important progress is occurring. Fighting crime has recently made some progress. In the police department, the police chief was given new powers to clean up the

police officers have been mercilessly hunted down and murdered by criminals. I believe that those officers should have the same protection that all other law enforcement officers in the DC metropolitan area have: the murderer faces the possibility of death.

When I introduced this legislation, I spoke to Mayor Marion Barry and many other DC officials, to assure them that my sole intention was to extend to DC officers the protection equivalent to that enjoyed by US Capitol Police, federal law enforcement officials, and Virginia and Maryland police. I have been unequivocal in my message: if the District of Columbia would take this step to protect its law enforcement officials, then I would step back and not take any further action.

Mayor Barry did indeed sponsor a bill before the DC Council to make the murder of a DC police officer a capital crime. I applaud his leadership on this issue and I was encouraged to see that the Mayor was actively seeking this level of protection for the officers who risk their lives to protect the lives of others. I followed the course of the Mayor's bill and spoke to many other DC officers about this matter.

However, I was very disappointed to learn that the Judiciary Committee of the DC Council defeated the bill almost unanimously, and the full DC Council adopted

Nonpersonnel services spending set in the fiscal year 1998 budget may not provide for those unanticipated costs that may be associated with the technology needed to carry out the new mandate.

Robbery is down 26 percent. Burglary is down 23 percent. Stolen autos are down 28 percent.

There have been many things occurring in the last 6 months, and I will speak to those in 1 minute, not the least of which has been

Between approximately one-fourth and one-third of our officers in the last 3 weeks have received new jobs, new duties working on the street, and we have done that through the last several weeks relatively quietly.

In short, everything we do in the police department is being changed. We are going around the country. We are seeing what the best practices are from police departments around the country, as well as what the best business practices are to totally rebuild this department and bring it back to where it was years ago, and move

The departmentwide performance matrix systems are being developed. The Mayor's office notified us in December that to say we needed to get involved in this, but also starting in December was the MOU partners, where we knew we were going to totally re-

department with insufficient funding for salaries and resources. Today, I am here to discuss the changes that we have made to our operations and organization, the accomplishments that we have achieved, and the changes that are still to occur. Clearly, we are on the road to success and rightfully regaining our position as one of the best police departments in the country.

the time and training to attack neighborhood crime and disorder through planning, analysis, and skillful application of the best police practices developed throughout the nation.

Department-wide performance metrics are being developed to ensure that managers and supervisors are held accountable for the performance of their organizational elements. This important part of the department's management study and

Question. In mid-May the Police Department began to implement performance standards and work rule changes. For example, officers are now subject to random

Allen and Hamilton, Inc. to conduct a comprehensive management study of the department

D

The atmosphere of violence in the facilities in our system, particularly at Occoquan, where we are forced to house medium and high medium security prisoners in open dormitories, has been the subject of reports from the special officer of the court, the Washington Post articles, as well as the aforementioned congressionally mandated study.

Now, it is only as a result, Senator, of the hardworking and dedicated correctional staff that we have that we have managed to avoid a major catastrophic event in our system. The fact that no substantial investment has been made to implement the recommendations of the NCCD report in an effort to cure longstanding conditions that threaten the safety of correctional staff, inmates, and the general public is, in my mind, unconscionable.

As always, Senator Faircloth, I am committed to living within the budget allocation for the Department of Corrections. As we have done in the past, we will work within our fiscal year 1998 budget. However, to do so will further result in a reduction of services and previously unbudgeted costs will not be funded at the expense of safety and security and our obligations to comply with court orders.

million less than the receiver's projected expenditures. Underfunding of medical services in general, and the medical receiver in particular, exposes the District to criminal and civil contempt motions, fines, sanctions, and other onerous court orders.

quency (NCCD) that confirmed concerns I have raised since my appointment in 1994. Essentially, the study concludes that the system is critically understaffed, dangerously overcrowded and seriously underfunded. The NCCD study supports my

deploy 123 correctional officers to address critical understaffing at the Lorton facilities. A contract to house 1,438 inmates, with the possibility of a 20 percent increase in beds, should be awarded within the next 90 days.

Managing within the fiscal year 1998 budget will be tenuous at best. A lot of hard choices had to be made. Specifically, there is underfunding in the area of medical services in both the Council and the Financial Authority budgets. There is no funding available to support any population growth as a result of the MPD crime interdiction initiative.

Alternative funding sources must be identified for services rendered by D.C. General Hospital/Public Benefit Corporation for inmate hospital care in the amount of \$3.6 million, if the Council's budget is adopted, and \$1.6 million if the Financial Authority's budget is adopted. Additionally, funding for payment to the Federal Bureau of Prison for housing 517 prisoners at a cost of \$13.7 million is not available in either the Council or Financial Authority budgets. Finally, essential educational and vocational development programs will be eliminated in order to avoid unfunded expenditures of nearly \$2.0 million.

Senator Faircloth, over the next five years the Department of Corrections will undergo major, multiple and simultaneous changes, either as a result of privatization or federalization. But, as we turn our attention to the future, we cannot lose sight of our day to day responsibility to manage our prisons in a safe, secure and humane

—The system maximizes employee accountability, information accuracy and reliability. It also enables correctional timekeepers to be returned to corrections du-

Developed and implemented a policy to conduct criminal background checks on all incumbent employees. Random checks will be conducted every two years and more frequently for reasonable suspicion.

Developed and implemented a comprehensive preemployment screening program

working under. Chief Soulsby, you reduced the Mayor's security detail from 31 to 20, I believe. That is correct, is it not?

Mr. SOULSBY. Correct.

Senator FAIRCLOTH. Twenty would still seem extremely high to me compared to any other Mayor, comparable around the country.

we will have a positive outcome in that investigation. We will close those cases.

We have made several changes because we not only had that murder, but a few days later we had a robbery, a very similar robbery occurred. Later on today sometime we will release a composite

It went from their trying to assist us to such a major event that it is costing them operational funds.

As far as day-to-day operations, the U.S. Park Police could not

was only one part of the \$15 million, but it was all used for equipment.

Now, in 1994 the police department had \$30 million that they spent on goods and services in 1995. Because of the budget crisis the police department was reduced, and we only had \$16 million to spend on goods and services. It was cut one-half. That was when we first came to Congress and asked for money. That is where the \$15 million came up to try to make up for some of those differences, because of the tremendous cuts.

PROCUREMENT SYSTEM PROCESS

The D.C. procurement system is a very lengthy, archaic process, a very difficult process to get things through the system. Coupled on top of that is, we had employees within the police department—

Senator FAIRCLOTH. Why is that?

Mr. S

with the prison will find a way, if they are intent on doing so, to introduce contraband into these facilities. Our objective is to minimize it.

Senator FAIRCLOTH. Are visitors not checked when they come in?

Ms. M

Senator FAIRCLOTH. A question, if I may interrupt, these are vacancies because you do not have the money to hire them? Is that the reason, or is it because you just cannot hire people who want the job?

Ms. M

in our system are repeat offenders. If you look at the total population where a significant number of them are sentenced misdemeanants, that number increases. The overall recidivism rate is well over 50 percent.

Senator F

salvage into a new, modern prison system? There is very little there to salvage, is that right?

Ms. MOORE. Approximately 70 percent of the housing at Lorton has no long-term viability and needs to be replaced, so yes, a significant portion of the complex would need to be rebuilt, and I understand that there is very strong opposition to rebuilding at Lorton. I am simply trying to point out that, given the availability of capital dollars and adequate operating dollars, that we could fix the system.

There is simply nothing magical about federalization. There is nothing magical about privatization. What the private sector brings to the table that we do not have right now are resources. They have the dollars to invest in capital improvement. They have the dollars to invest in staffing.

Senator FAIRCLOTH. The executive meaning the Mayor?

Ms. MOORE. That is correct, sir, to provide specific support services to the Mayor's office.

Senator FAIRCLOTH. What were the specific support services? What does that mean?

Ms. MOORE

Senator FAIRCLOTH. Well, I arrived at it by 150—two employees for 150. You do the arithmetic. But you have got a lot. Tell me what the others are doing.

Ms. MOORE

That investment was not made, unlike the investment that was made following the release of the Booz-Allen report on the Metropolitan Police Department.

It does little good for us to study problems of systems if those studies do nothing more than sit on a shelf, take up space, and collect dust.

Senator F

Question. Currently a Medical Receiver has been set up in your department to run the mental health services at the D.C. Jail. The fiscal year 1997 court-ordered budg-

Question. The Metropolitan Police Department entered into its Memorandum of

DISTRICT OF COLUMBIA APPROPRIATIONS

you limit your opening statement to 10 minutes, and we will hear opening statements followed by questions from the witnesses.

cost of care; and two, developing a uniform rate structure for the different levels of service provided to clients.

WELFARE REFORM PROGRAM

The Department of Human Services is the lead agency responsible for implementing the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, commonly referred to as welfare reform.

and \$279 million is Federal/non-appropriated funding supporting 1,938 FTE's. The fiscal year 1998 budget has 264 FTE's less than fiscal year 1997.

The department has instituted numerous spending reductions, revenue enhancement initiatives and staff reductions to address the fiscal crisis.

To better utilize limited resources the Commission on Social Services delegated responsibilities for the Homemakers Services Program to the Office on Aging Serv-

Removal of employees is based on cause, as defined in title XVI of the CMPA (Subchapter XVII). The CMPA provides that an action to remove an employee must be proposed no more than 45 days from the date that the agency knew or should have known of the act or event which constitutes cause. Further, the employee is

procurement personnel in our efforts to reform the contracting process. Program/technical staff greatly affect the procurement process, which makes program and procurement personnel stakeholders in the contracting process. A collective approach from procurement/program staff is needed in order to reform the contracting process

Question. In a recent<<< Dis-

is scheduled for August 1997, with selection and award of a prospective contractor by November 1997.

Administrative process legislation, mandated under PRWORA to streamline the

—worked with the Office of Grants Management and Development to ensure quarterly reporting of the status of expenditures of grant funds and reporting of programmatic actions to achieve the goals of the grants.
Question.

145

[Dollars in millions]

Local Appropriation	70.5
Title IV-E Funding	19.9
Capped Federal Grants	<u>4.1</u>
Total	94.5

on a quarterly basis, estimate of payments for three months be made and checks generated on the 25th day of each month. The system is working and payments are made on time.

Question.

DEPARTMENT OF HEALTH
STATEMENT OF MARLENE KELLEY, M.D., INTERIM DIRECTOR

from 50 to 70 percent and the cost containment measures and initiatives for increasing program efficiency.
environmentwi regulatiosumtand professssnnnliceneneng g g ser sce fa-

Budget reductions are proposed for the medical charities program and the office of nutrition planning.

Savings and cost containment proposals for the Medicaid program include:

- Enrolling Medicaid eligible persons in managed care organizations that are compensated at a capitated rate for a savings of approximately \$1 million a month;
- Reducing reimbursement rates for nursing homes, hospitals and group homes for persons with mental retardation;

Over the past three years did the District's mortality rate rise or decline? Please provide specific annual rates.

How does this trend compare with the rates of other cities of comparable size?

Has the Department established a specific mortality rate reduction for 1998? If so, what is it? How does the department plan to achieve this reduction?

Answer. The District's mortality rates for the leading causes of death for 1990 through 1995 are listed on the charts contained at Attachment 1. The mortality statistics for fiscal year 1996 will be available within 90 days.

[CLERK'S NOTE.—Attachment 1 is being held in the files of the subcommittee.]

Mortality rates vary according to the condition being considered. However, the average life expectancy of African-American males in the District is ten years less than white males in the United States; and that of African-American females is some five years less than the white females in the United States. Moreover, the Dis-

administrator, the Financial Authority, and the Mayor in April 1997. In addition, the Department has entered into a Memorandum of Understanding with the Program Support Center of the U.S. Department of Health and Human Services to provide

management of the new Department of Health—contracts and procurement specialist positions, attorney positions in the Office of the General Counsel, information systems support, grants management positions, human resources positions, chief operating officer. These are essential positions that were not transferred from the Department of Human Services to the new Department of Health.

low birth rate among black infants in the District and Baltimore, Maryland was the same for 1992–94—16.4.

The program targets of our Maternal and Child Health Program are ward specific. In fiscal year 1998, the program will target high-risk areas in Wards 5, 6, 7 and 8. In 1995, these wards accounted for 55.5 percent (4,995/8,993) of all District births; 72.4 percent (105/145) of all infant deaths; 73 percent of all births to unmarried Black women (3,922/5,320); 66.9 percent of all births to teens (931/1,392); and 65.9 percent of all low birth weight infants (800/1,214). Through intensive case management, care coordination, targeted at high-risk women especially substance abusers, we believe that we will continue to decrease significantly infant mortality. Our experiences to date with the Healthy Start Program and Comprehensive HIV Intervention and Prevention Services (CHIPS) for Families Program prove that a tar-

tain all federal resources for which it is eligible. Currently, we apply for as many grants as possible given the small staff we have with grant writing skills and abilities. A key aspect of the Department's Implementation Plan, which reflects the pro-

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As part of the Mayor's transformation of government we have been quietly remaking DPW. Over the last year we have substantially implemented (60% percent complete) systematic measurement of performance. First cut performance measures have been developed for all of our direct services. In the case of sanitation services,

1997 adjusted budget. The non-local funds budget request is \$52.5 million and 744 positions; a decrease of \$8.3 million, or 13.6 percent, and a decrease of 12 positions from the fiscal year 1997 adjusted budget.

In addition to utilizing operating funds to carry out its programs, the Department

Solid Waste Management.—The Solid Waste Management business unit is responsible for sanitation functions provided by the Agency which are key to maintaining a clean and healthy environment for District neighborhoods, local businesses, and

—Provides 24-hour emergency repair service throughout the city.
Design, Engineering and Construction.—The Design, Engineering and Construc-

standard of \$1.75 per square foot. Additionally, staffing levels for facilities maintenance is approximately one building engineer per 125,000 square feet (40 engineers), or 55 percent less than the industry standard for this facility.

Since the data collection for new measures is not complete, the existing measures are shown below through fiscal year 1998. In the future, the department does not plan to utilize these measures, as it moves forward with its performance pilot.

Benefit: Estimates suggest that \$600,000–\$700,000 in additional revenue will be generated per annum.

Initiative: Hire additional parking control aides (PCA's) to strengthen enforcement efforts.

Benefit: Estimates suggest that approximately \$600,000 in additional net revenue will be generated per annum.

DPW implemented both of the parking related initiatives identified in fiscal year 1997. The first initiative was aimed at increasing DPW revenues by removing the recourse provisions described on the back of the District's traffic parking ticket. The recourse provision offered drivers the option of returning the ticket with an explanation for the offense without submitting payment. Many drivers would select this option and often the cases would be dropped. After elimination of this option, two options remain: (1) sending the payment by mail or (2) appearing in court to contest the ticket. As of November 1996, implementation of this initiative is expected to generate an estimated \$600,000 of additional revenues in fiscal year 1997 and annually thereafter.

The second parking related initiative was to hire PCA's to strengthen enforcement

fee revenue received by comparable municipalities for the use of public rights of way and infrastructure by utilities and communications providers. Nonetheless, the ini-

chief financial officer will analyze the inclusion of additional services within the proposed enterprise fund.

Parking Meter Privatization

The department has issued an REP to potential providers for parking meter installation, replacement, repair and coin collection services. Although this initiative is not expected to generate cost savings, it is expected to protect the existing parking meter revenue base and generate additional parking meter revenues over the long term since the privatization of these functions will result in the upgrade of existing aged meters. The current inventory of meters is often broken or vandalized

expenditures represent 54 percent of the proposed fiscal year 1998 total budget;
nonpersonal services, 46 percent.

FEDERAL GRANTS

Fund

Revenue source name

ELDERLY/HANDICAP—FISCAL YEAR 1997	248,968	248,968	230,000	478,968	248,968
ELDERLY/HANDICAP—FISCAL YEAR 1998	100	.....	.....	.....	.....
FHA-FISCAL YEAR 1998	200	.....	.....	.....	.....
FORESTRY SERVICE FISCAL YEAR 1997	100	80,000	80,000	80,000	80,000
NHTSA FISCAL YEAR 1998	100	.....	54,500	54,500	54,500
TRANSIT PLANNING FISCAL YEAR 1997	100	85,022	85,022	85,022	85,022
TRANSIT PLANNING FISCAL YEAR 1998	100	257,028	215,632	257,028	215,632

The following tables detail expenditures and FTE's at the object class level for the agency. Differences between budget and actual results are also presented.

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DEPARTMENT OF PUBLIC WORKS (KA) FISCAL YEAR 1996–FISCAL YEAR 1997 ACTUAL AND
BUDGETED GROSS EXPENDITURES

[In thousands of dollars ¹]

Object class	Budgeted fiscal year 1996	Actual fiscal year 1996	Variance	Fiscal year 1997 approved ⁵	Adjusted fiscal year 1997 approved
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PREPARED STATEMENT OF MICHAEL

To implement the strategy, management recognized the need to train personnel and to revise regulations. Management also initiated a massive effort toward automation. By the end of this fiscal year, the procurement process will largely be automated.

obligation to our citizens and to this body, is to work continually to resolve problems in an orderly and thoughtful manner with due regard for the law and the legislative process. We are doing this.

Dr. K

the city. The poorest of our people are in wards where they can ill afford to get transportation. So, we provide services where they can come to the services, if needed.

REAL ESTATE COMPANY TO LOOK AT LEASES

Senator FAIRCLOTH. Well, you said you were concerned. What does that mean? You say you were concerned about it. I asked you why he was appointed, and you said you were concerned, the implication being that you had asked——

Mr. CASEY. The judge was concerned about our ability to process

Senator FAIRCLOTH. Was it not the Mayor's desire to send them

Mr. BERNARDINO. Let me just say that the per capita spending on public works, as you have seen, for street repair and sanitation

situation where road maintenance and road reconstruction has to compete with hospitals and schools and other capital items.

Senator FAIRCLOTH. How many ladder fire trucks have you got

Senator FAIRCLOTH. All right. Then 59 percent of city contracts are sole-sourced. Mr. Casey, can you tell me what percent of yours are?

Mr. BERNARDINO

Dr. K

ing. Yet we have heard these reports and commitments from the Mayor many, many years in the past, and we have seen a continuous deterioration of the infrastructure of the city and the management of it.

I must say that you all, each of you is relatively new on the job—

In-class sessions are reinforced through a variety of methods including school clean-ups and projects, alley walk-throughs where students actually see the effects of poor sanitation habits (i.e., active rat burrows), and poster campaigns. This program reached 2,116 students in 33 educational sessions across the city during the 1996-97 school year.

The DPW employees who present educational programs in the D.C. Public Schools do so in addition to their other responsibilities without additional pay. These em-

There is one Agency Chief Procurement Officer and twenty-three Contract Specialists in the Department of Public Works.
Question.

While there is certainly the potential to save money by using different financing mechanisms, the biggest challenge for DPW is finding a way to replace vehicles on a schedule, based on their useful life. There has been no funding available to support systematic vehicle replacement. As a result the mission critical heavy vehicles and equipment that are used to provide DPW's core services have an average age of 10½ years (by contrast, Indianapolis turns over its entire fleet every five years, systematically replacing one-fifth each year out of the operating budget). We regularly spend more on maintaining vehicles than they are worth, but user agencies are afraid to dispose of old vehicles because it is so hard to get replacements.

Question. A recent Washington Post article indicates that some city services are lean and reasonably efficient. The article compliments the department for some of the management improvements the department has initiated, such as having successfully repaired snow plows and sanitation trucks and redesigned garbage routes. The articles also indicate that the department will soon hold managers responsible for the cleanliness of their sanitation districts. At the same time, the article cites

service. While people tend initially to react negatively to this proposal, viewing it as an addition to their already high tax burden, taxes can be reduced proportionally. The benefit of this approach is a relatively predictable and stable reve-

GROSS REVENUE FROM PUBLIC SPACE PARKING

Revenue source	1501 Ticketing	1504 Boot fees	1505 Tow fees	1506 Storage	1256 Meter revenue	Total
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All funds generated from public space parking have been placed in the General Fund. The total employees responsible for parking enforcement and management since fiscal year 1987 are as follows:

<i>Fiscal year</i>	
1987	.....
1988	.....
1989	..... 291
1990	..... 291
1991	..... 285
1992	..... 295
1993	..... 335
1994	..... 328
1995	..... 290
1996 245
1997 245

**LIST OF WITNESSES, COMMUNICATIONS, AND
PREPARED STATEMENTS**

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FINANCIAL RESPONSIBILITY AND MANAGEMENT

