

DISTRICT OF COLUMBIA APPROPRIATIONS BILL, 1998

OCTOBER 6, 1997.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. TAYLOR of North Carolina, from the Committee on Appropriations, submitted the following

REPORT

together with

DISSENTING VIEWS

[To accompany H.R. 2607]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the District of Columbia for the fiscal year ending September 30, 1998, and for other purposes.

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## SUMMARY OF ESTIMATES AND RECOMMENDATIONS

### FEDERAL FUNDS

Budget estimates for Federal funds were submitted in the Budget of the United States for 1998 (House Document No. 105-103) and totalled \$712,070,000. Included in the request was a Federal payment of \$660,000,000, and \$52,070,000 for a Federal contribution to the city's three retirement funds. On August 14, 1997 the President transmitted his recommendations for the implementation of the National Capital Revitalization and Self-Government Improvement Act of 1997, Public (105-33). The President's transmittal was printed as House Doc. 105-118, and included the following requests: (1) \$160,000,000 for a Federal contribution towards the costs of the operation of the government of the District of Columbia; (2) \$169,000,000 for payment to the District of Columbia Corrections Trustee; (3) \$302,000,000 for payment to the District of Columbia Corrections Trustee for Correctional Facilities, construction and repair; (4) \$123,000,000 for operation of the District of Columbia Courts; and (5) \$23,000,000 for payment to the District of Columbia for the Pretrial Services, Defense Services, Parole, Adult

Probation, and Offender Supervision Trustee. The President also deleted the requested \$660,000,000 Federal payment and \$52,070,000 for the contribution to the Retirement Funds.

The city requested \$841,769,000 consisting of \$190,000,000 for a Federal contribution towards the costs of the operation of the government of the District of Columbia; (2) \$203,769,000 for payment to the District of Columbia Corrections Trustee; (3) \$302,000,000 for payment to the District of Columbia Corrections Trustee for Correctional Facilities, construction and repair; (4) \$123,000,000 for operation of the District of Columbia Courts; and (5) \$23,000,000 for payment to the District of Columbia for the Pretrial Services, Defense Services, Parole, Adult Probation, and Offender Supervision Trustee.

The bill includes \$827,500,000 in Federal funds for fiscal year 1998, including a Federal contribution towards the cost of the operation of the government of the District of Columbia of \$180,000,000, \$169,000,000 for payment to the District of Columbia Corrections Trustee; \$302,000,000 for payment to the District of Columbia Corrections Trustee for Correctional Facilities, construction and repair, \$123,000,000 for operation of the District of Columbia Courts, and \$23,000,000 for payment to the District of Columbia for the Pretrial Services, Defense Services, Parole, Adult Probation, and Offender Supervision Trustee. In addition the Committee has included \$7,000,000 for Parental Choice and Education, \$1,000,000 for the District Education and Learning Technology Advancement (DELTA) Council, \$2,000,000 for the Inspector General for investigative efforts, \$5,400,000 for police pay raise, \$2,600,000 for fire fighter pay raise and \$12,500,000 for the United States Park Police.

#### DISTRICT OF COLUMBIA FUNDS

A total of \$4,764,023,000 was requested in the amended budget from the District of Columbia for fiscal year 1998 which was received by the Congress on September 10, 1997. The request was a consensus budget agreed to by the District of Columbia Financial Responsibility and Management Assistance Authority, the Council of the District of Columbia and the Mayor.

The Committee recommends a total of \$4,762,705,000 for fiscal year 1998 for all funds consisting of \$4,493,375,000 in operating expenses and \$269,330,000 in capital outlay funds.

#### COMPARATIVE SUMMARY OF BILL

The following table summarizes the amounts recommended in the bill compared with appropriations enacted for fiscal year 1997 and budget estimates presented for fiscal year 1998:



Total, Capital Outlay .....	46,923	46,923	128,624	269,330	269,300	269,330	222,407	222,407	140,706	0	(46,923)
Total, Appropriations .....	5,155,836	5,171,674	5,295,950	5,435,634	4,882,292	4,880,974	(274,862)	(290,700)	(414,976)	(554,660)	(1,318)
Less Intra-District funds .....	(134,528)	(143,373)	(129,946)	(129,946)	(118,269)	(118,269)	16,259	25,104	11,677	11,677	0
Total, Revised Appropriations .....	5,021,308	5,028,301	5,166,004	5,305,688	4,764,023	4,762,705	(258,603)	(265,596)	(403,299)	(542,983)	(1,318)
Less Savings from the National Capital Revitalization Act of 1997 .....	(619,637)	619,637	(597,069)	(584,536)	0	0	619,637	619,637	597,069	584,536	0
Revised Total .....	4,401,671	4,408,664	4,568,935	4,721,152	4,764,023	4,762,705	361,034	354,041	193,770	41,553	(1,318)

## GENERAL STATEMENT

## REVITALIZATION ACT OF 1997

The Committee recommends an appropriation's bill for the District of Columbia which is consistent with the efforts of the 105th Congress to revitalize and restore the District of Columbia to its rightful place as a Capital City of which we can all be proud. Like the budget recommended by the District government, this bill fully funds the District at \$3.9 billion for General Fund expenditures. The Committee is fully cognizant of its constitutional duty to ensure a responsibly run National Capital City. The objective of this appropriations bill is to stem the exodus of middle class taxpayers and increase the volume of business activity transacted in this city daily, while at the same time providing for improved police protection, better public schools and better delivery of services to the public at a reasonable cost. This objective can be achieved through a combination of the recently enacted "National Capital Revitalization and Self-Government Improvement Act of 1997" and enactment of this appropriations bill.

## DEBT RETIREMENT AND TAXPAYER RELIEF

The importance of this appropriations bill is that it provides debt and tax relief to District taxpayers by utilizing (1) the increased revenue available to the District as a result of the Revitalization Act (whereby the Federal government assumed many of the state-like functions previously performed by the District government amounting to approximately three quarters of a billion dollars), (2) the increased local revenues resulting from more efficient tax collection and compliance procedures, and (3) the savings which should be realized from the reform plans to be implemented by new management teams consisting of District government department heads and consultants appointed by the control board. By prioritizing deficit reduction and tax relief as the twin priorities of the District, this bill provides the Mayor, City Council and the control board with an unmistakable opportunity to utilize the increased revenues and savings for the benefit of the long suffering and often ignored District taxpayers.

With the additional available revenue and better management teams resulting in reduced program costs, this will be a year of tremendous opportunity to resolve many of the financial and management problems which have plagued this City for so many years. To make the most of this window of opportunity, this appropriations bill provides for prudent use of these available funds by (1) providing a tax relief fund for reducing taxes to promote the stabilization of the present taxpayer base, hopefully making the District a more cost-effective place to reside and do business in, and (2) retiring some of the District government's high outstanding debt to demonstrate to future lenders that the District government is serious about repaying its debts and that it wants to become financially strong and well respected among the community of well managed American cities—with the Nation's Capital being chief among them all.

With District taxes being about fifty percent higher than those of surrounding jurisdictions, hundreds of thousands of former District taxpayers voted with their feet by moving out of the Nation's Capital. They, and other productive citizens, will return only when the District is safe, has good schools and competitive taxes. This appropriations bill's focus is on achieving that ultimate goal for the people of the District and the Nation.

#### COST-SAVING INITIATIVES

The District government provided encouraging news in its budget submission for fiscal year 1998 whereby plans were presented that estimated upwards of \$152,375,000 could be saved in fiscal year 1998 by implementing program changes that would make the District government "more efficient and competitive as it addresses realistic resource levels and serves the citizens of the District."

The Committee is encouraged by this cost-saving and management improvement initiative and looks forward to at least a major portion of these savings and improvements being used to reduce the City's cash shortage amassed in its General Fund accumulated deficit. This bill includes language that provides for at least \$100,000,000 to be put into an escrow account (the "District of Columbia Deficit Reduction Fund", discussed below) for the retirement of the District's accumulated deficit.

#### TAXPAYER RELIEF FUNDS

The Committee's recommendation in this bill is to escrow \$400 million of the District's \$4.4 billion of available revenue into two separate funds for the reduction of the accumulated deficit and for tax relief in the District. The revenue for these funds, the "District of Columbia Deficit Reduction Fund" and the "District of Columbia Taxpayers Relief Fund," are to be derived for the following sources:

Revenue Source	Amount	Total
Revitalization Act Savings <sup>1</sup> .....	\$205,000,000	\$205,000,000
Projected Revenue Growth <sup>2</sup> .....	25,000,000	230,000,000
Compliance Revenue <sup>3</sup> .....	50,000,000	280,000,000
Federal Payment <sup>4</sup> .....	20,000,000	300,000,000
Management Savings <sup>5</sup> .....	100,000,000	400,000,000

<sup>1</sup> The District's budget reflects a net savings of \$235 million dollars from the congressionally enacted Revitalization Act. From that amount, \$30 million will be used for school and road repairs.

<sup>2</sup> FY98 local revenue growth over FY97 revenue.

<sup>3</sup> Net additional local revenue resulting from a \$12 million increase in the budget of the District's Office of Tax and Revenue for enhanced taxpayer compliance procedures.

<sup>4</sup> Total federal payment of \$180 million; a \$20 million increase over the Administration's request.

<sup>5</sup> Cost-saving initiatives resulting from implementation of Mayor Barry's transformation plan described in the FY 1998 D.C. budget submission of June 1997.

The Taxpayer Relief Funds are dedicated to the full retirement of the District's \$300 million short term portion of the accumulated deficit, and providing \$100 million in tax reductions for District taxpayers. The control board will retire the deficit at times and on terms throughout FY 1998 as it deems appropriate. The remaining \$100 million will be released by the control board after the Chief Financial Officer certifies that the City Council has enacted local legislation to reduce District taxes and fees by a like amount, effective June 30, 1998. It will be the determination of locally elected officials what District taxes and fees shall be eliminated or re-

duced. The Committee encourages the District to utilize these funds to reduce taxes and fees, which will encourage economic growth and a vibrant, stable middle class.

#### FUTURE RECURRING BENEFITS

The establishment of the two funds will not only retire the accumulated cash deficit and reduce taxes, but will yield massive dividends in the years to come. By maintaining the level of management cost-savings, additional revenue, and a stable federal payment in future years, the two funds will provide the District with around one half billion dollars a year in available revenues in the coming years:

	<i>Millions</i>
Recurring Revitalization Act savings .....	\$235
Local revenue increases .....	75
Annual debt service relief .....	40
Management cost-savings .....	100
<hr/>	
Total annual additional revenues .....	450

The ongoing savings from the two funds can be used by the District for a variety of pressing needs, such as to accelerate the pay off of the District's \$3.3 billion long term debt; ongoing tax relief; and/or additional capital improvements to the District's schools and public infrastructure. The opportunities are numerous.

#### NEW MANAGEMENT TEAMS

It is the expectation of this Congress that the new management teams will seek to improve the delivery of services in the District at a cost that is comparable to those of other local jurisdictions, which should reduce the per capita costs of those services significantly. The District government remains at the top of the per capita cost charts while at the bottom of the quality of service charts. The new management teams must make their number one objective the lowering of per capita costs while raising the level of service to District taxpayers. It is the expectation of the Committee that the new management teams will not heap more costs onto the already high per capita costs of each program while only making marginal improvements in services. The per capita costs of District services are already poised to go off the top of the charts and outstrip any of the closest cities. This makes it all the more difficult to rein in the already run-away spending spiral that the District has experienced. If the new management teams are not going to reduce the already high per capita cost of programs and improve delivery of services, then why pay their high consultant salaries and expenses? The new management teams must take into consideration that there has been a drastic drop in the population of the District and the customer base for the City's services. Approximately 100,000 residents left the District in the past decade (a 15% decrease) while expenses have risen steadily (increasing by 48%). These former residents are not likely to return, nor will new residents move into the District, until there are better services delivered at a lower cost.

The new management teams need not look far for areas where reductions in costs can be made and improvements in services real-

ized. There are already numerous reports from the City's Auditor, City Administrator, Inspector General, independent auditors, and various other government and business groups identifying the problems, their dollar magnitude and recommendations for improvements. Hundreds of millions of dollars in savings are noted in these reports. It is the expectation of this Committee that no new reports will be prepared by the newly hired consultants identifying what the problems are, these are already known. The new management teams need to prepare reform plans that only report how and when costs will be reduced and services improved, and get busy implementing those plans so results can be seen by September 30, 1998.

#### CONTROL BOARD RESPONSIBILITY

This Committee believes that the control board must perform its responsibility to reduce costs and improve services in the District. It is the expectation of this Committee that the control board, as head of the new management teams, will direct the new department heads and consultants to make cost reduction and improved services their number one priority, and to deliver meaningful and lasting results by the end of fiscal year 1998. Between the combination of additional revenues made available to the District this year and better management teams, which should be able to better manage the vast people and property resources of the District government at an efficient and effective level of cost comparable to other jurisdictions, everyone should see a dramatic improvement in the operation of this Capital City by the end of fiscal year 1998.

#### INDEPENDENCE OF IG AND CFO

The Committee is extremely concerned about the independence and integrity of the Inspector General and the Chief Financial Officer and cannot overemphasize that the Office of the Inspector General and the Office of the Chief Financial Officer were created as separate INDEPENDENT offices TO SERVE the District government as well as the public, the control board, and the Congress. Intrusions into the independence of either the Office of the Inspector General or the Office of the Chief Financial Officer by the control board cannot be allowed to continue. Such intrusions could lead to a loss of confidence in the control board by creating a situation in which the appearance of malfeasance or collusion fosters an atmosphere of distrust. The enabling legislation did not contemplate or intend that others would be making the decisions placed by statute with these two independent offices. To usurp that decision-making power undermines not only the intent and purpose of the legislation but the credibility of the Inspector General and the Chief Financial Officer as well as the control board. This would be detrimental to the mission of the control board as envisioned by the enabling legislation and therefore cannot be permitted to occur.

The enabling legislation, Public Law 104-8, provides a mechanism for the removal of the individuals serving in those positions if their performance warrants. That mechanism is the check on the powers and performance of those individuals. They are independent, and Congress must ensure that they remain independent.

## INCREASES FOR PUBLIC SAFETY AND EDUCATION

While this appropriations bill anticipates that the control board and new management teams will make better use of the \$4.6 billion total budget (after the Federal takeover of the District's prison system, courts, pension plans and Medicaid payments) for a city of its size, there will be increases in some expenditures in this bill which were not included in the budgets submitted by the Mayor and control board. Specifically, there is an appropriation of Federal funds to pay for increased salaries of police who are actively patrolling the streets and fire fighters who are fighting fires daily. Parental school choice programs are also appropriated Federal funds to improve the opportunities of obtaining a quality education in the District of Columbia. These new funds, added to the additional monies from the savings due to the Federal takeover of certain services and expenses, and the savings from the efforts of the new management teams, will make the District of Columbia a better place to live, work, and tour the many places of National historic importance.

An important overall result of the above efforts will be the return to Home Rule more quickly than if things are allowed to continue on its present course, and what will be in place is a local government that is fiscally sound and vibrant with a solid base of middle income taxpayers. As revenue levels continue to rise, the new management teams will indeed need to be vigilant in keeping spending under control. This will insure the long term success of the District's new financial and management efforts made under this appropriations bill.

## DISTRICT OF COLUMBIA FINANCIAL CONDITION

Fiscal year 1997 was the second full year that the control board oversaw the District of Columbia's budget and operations. The District's deficit increased for those two years approximately \$150 million. The District is required by law to submit a balanced budget each year, and the District has met that requirement again for fiscal year 1998 as it has for many years in the past. The problem is that the District government, under the supervision of the control board, has not been able to control its spending to achieve a balanced budget. Submitting a balanced budget for fiscal year 1998 has little significance if at year end there is still another deficit. The taxpayers of the District of Columbia will not know whether or not the budget for fiscal year 1998 was balanced until February 1, 1999 when the District's annual financial report is due to be published. Even though Congress may approve a level of spending higher than projected revenue, the law also provides that these amounts are maximums from which reductions can be made to match revenue received to achieve a balanced budget. That is why it is imperative that every effort be made to control spending during fiscal 1998 to achieve a true balanced budget.

## D.C. AND OTHER CITIES CONTROL BOARDS

The D.C. control board, created by Congress and appointed by the President, states in its enabling legislative language that its purpose is "to eliminate budget deficits and cash shortages." The

control board has been unable to achieve that objective, despite the powers granted it, powers far greater than any other city's control board. Other cities which have had control boards have been able to balance their budgets within a few years. These cities renegotiated labor contracts and made other fiscally responsible decisions which enabled them to achieve their objective in a short period of time, and they were in worse financial condition than the District was when the control board was created in the District of Columbia. In its first year, the New York City Financial Control Board implemented a workforce reduction of about 40,000 positions or 13 percent from the previous year's level. The wages of remaining city employees were frozen for three consecutive years. Philadelphia's control board also tackled difficult workforce issues in its first year. It renegotiated labor agreements which led to a 33-month wage freeze and extensively restructured health benefits, paid holidays and sick leave. Philadelphia's Mayor Rendell testified at a Committee hearing that the District should not borrow any more money, yet the District's control board recommended that District taxpayers pay for the recent overspending that resulted in its large accumulated deficits by borrowing hundreds of millions of dollars, putting the District taxpayers further into debt instead of controlling costs to pay off its debts.

#### BORROWING FOR THE ACCUMULATED DEFICIT

When the District sought to fund its accumulated deficit of \$332 million in fiscal year 1991 through the sale of deficit recovery bonds, there was testimony at that time from city leaders and financial advisors expressing concern over the long-term deficit financing. Congress eventually authorized the City to issue 12-year bonds for the \$332 million needed to finance the accumulated deficit. Congress also approved a \$100 million emergency Federal payment to the District and immediately raised the regular annual Federal payment by \$200 million. Five years later, after an additional \$1.4 billion in Federal Funds had been provided to the District, the City ended fiscal year 1996 with another accumulated deficit of \$497 million.

The Committee seeks to avoid repeating history. Accordingly, the Committee will not support authorizing the District government to obtain any deficit financing. The accumulated deficit of the District in the general fund is projected to be approximately \$527 million by the end of fiscal year 1997. Of that amount, it is estimated that approximately \$300 million is an actual cash deficit (shortage). This appropriations bill for fiscal year 1998 provides for the full amount of that cash shortage. If the control board can live up to Congress's expectations in fiscal year 1998, the District's taxpayers can enjoy the benefits which enure to the District by virtue of reduced debt service and an enhanced credit standing in the financial community (which translates into lower interest costs on any future borrowings).

#### FINANCIAL MANAGEMENT SYSTEM

In the control board's August 15, 1995 Report on the District of Columbia Fiscal Year 1996 Budget, it recommended a five-phased

approach to improve the poor performance of the District's financial management system (FMS). (The FMS is an automated budget and accounting system into which the annual approved appropriation budget authority is entered so that each department and agency knows the dollar amount of their budget authority for the fiscal year. During the year, the various departments and agencies report their actual expenditures made against their budget authority to the FMS through an automated integration process referred to as "feeder systems.") There were many reasons identified for the poor performance of the FMS by various persons both inside and outside of the District government. The net effect of all the varying views was that improvement was needed and the control board recommended a five-phased approach to bring about that improvement. The Congress agreed with the control board and authorized the expenditure of \$2 million for the initial phases recommended by the control board. This initial effort was to include a needs analysis of the District's specific information requirements and then a capabilities assessment of the present system to meet those needs specifically defined.

On December 9, 1996, the control board transmitted to Congress a report on the "Capabilities Assessment of the Financial Management System." This document was reviewed by this Committee, the General Accounting Office (GAO), the D.C. Inspector General (IG), and other interested parties, and everyone concluded that the capabilities assessment was inappropriate and inadequate for the District government to proceed with any effort to improve its existing FMS. The Inspector General even issued a press release stating that:

" . . . the Capabilities Assessment Report (the Report) did not adequately demonstrate that the views and needs of key users, at all levels, were considered nor demonstrate detailed understanding of the requirements needed to develop and implement a new FMS. Security, a critical control for a significant system which will support many users, is not addressed. Further, the Report did not sufficiently address how all weaknesses and processing deficiencies in the existing FMS will be addressed and resolved by the proposed new FMS. Without the functional requirements, significant costs such as those associated with possible system interfaces and data conversion could not reasonably be estimated in economic analysis, which currently excludes some potential significant costs, [and] estimates the cost of the new system to range from \$35.7 to \$50.3 million . . . [The Inspector General] concluded that decisions to proceed with a Request for Proposal for development and implementation of a new system will be premature if made before system requirements are complete, and would be inconsistent with information technology best practices."

The deficiencies in the cost estimates noted by the IG that were included in the control board's capabilities assessment report were qualified by the very firm that developed the cost estimates by stating in their cost report:

"we have relied upon unaudited cost data provided by the District to perform the analysis . . . we have used the data as

provided without verifying as to accuracy . . . we are unable to estimate a margin of error with respect to the data provided by the District.” (If history is any indication of the reliability of data supplied by the District government, like FTEs or the number of students enrolled in the public schools, it is not surprising that the preparer could not make an estimate since the margin of error could be extremely large.)

“Non-quantifiable costs and all benefits . . . are excluded from this analysis. These items are considered by the federal government to be necessary for a complete analysis, according to OMB Circular A-94 and the Information Technology Management Reform Act of 1995.”

[All costs considered in the report] “are rough order of magnitude and must be further refined after functional analysis is completed.”

“. . . the District will incur interface costs . . . but these cannot be reasonably estimated without further analysis of proposed system specifications.”

“All options will require comparable vendor studies, including audits, functional requirements analysis, customization requirements and other management analyses.”

“Further analysis of the data integrity within the FMS is required. We are not able to estimate the data conversion costs at this time.”

“All options are affected by on-going OCFO restructuring and process re-engineering. The impact of process and management changes within the OCFO . . . cannot be evaluated at this point.”

“The apparent economic benefits of Option 3 [the lowest option cost], must be tempered by consideration of the unidentified potential costs of data conversion, testing, and development of interfaces to feeder systems. These costs may be significant. Further analysis beyond the scope of effort presented in this report is required to reasonably estimate these unidentified costs.”

The Committee was informed by OMB that according to Frank Raines, OMB Director, no new federal money will be spent on new technology systems until the existing systems are re-engineered; this is known at OMB as “Raines Rules.” The Committee agrees with Mr. Raines and would like the control board to follow those rules. The Committee was also informed by an international computer manufacturing and systems design company that the District should re-engineer its present system before considering any new system. The benefits of doing this could be significant.

Further, the Request-For-Proposal for a new system stated that services will be paid on an “Indefinite Delivery/Indefinite Quantity (ID/IQ) basis.” In the consulting industry, this is known as a “come-and-milk-me” contract. This is when a contract awarded for \$1 million turns into a \$100 million contract, all because of this ID/IQ clause.

The GAO issued a report on the assessment study that included these statements:

“Given the criticality of effective financial management to the District, as well as its limited capacity and resources, it is important that the District adopt and follow best practices in information management in order to avoid costly failure . . .”

[To insure a successful automated information technology improvement acquisition] “it is especially important to complete three building blocks early in the project: (1) a concept of operations, (2) a requirements definition, and (3) an analysis of alternatives to meet the defined requirements. . . . The District has not yet done a concept of operations, requirements definition, or alternatives analysis. . . . The requirements [in the study] . . . do not yet focus . . . on the District’s financial requirements, such as stemming from the need to integrate the core financial system with feeder systems. Nor have end-user requirements been fully identified and assessed. . . . Until a concept of operations and requirements analysis are complete, it will be impossible for the District to determine which alternative will best meet its financial management system needs.”

“We believe there is a high risk that the District will be driven by its ambitious acquisition schedule and will not allow itself time to develop the kind of quality analysis that it must have in order to manage this important project, which is so critical to the District’s financial recovery.”

“Congress needs to be satisfied that the District has laid a solid foundation for this acquisition before going on to the selection of a specific system.”

In the face of all these objections, identified risks, warnings, qualifications, and a directive from this Committee’s Chairman to the control board not to obligate any money for any effort to go forward on this approach, the control board disregarded all this and proceeded to select a vendor to install a new FMS that is ill-defined and may cost the District taxpayer \$50 million to \$100 million, as well as years of wasted time and effort, while mismanagement in the District continues due to poor, untimely information produced by a new, expensive system that is trying to find its way through the arduous task of defining its real management information needs, converting contaminated data files, and training personnel who may not be qualified for the task.

Given the magnitude of the District’s problems and the ill-planned nature of the approach to procure a new system, the Committee believes that many millions of taxpayer dollars will be wasted over several years, years that are critical to the successful recovery of the District of Columbia. Accordingly, the Committee is dissatisfied with and disturbed by the control board’s actions in this matter and is disapproving any funding for the acquisition of a new FMS, and is initiating an investigation into the manner in which the entire FMS approach has been handled. The Committee believes that good information is a key component of good management of scarce resources, and will make every effort that a good FMS is operating in the District of Columbia quickly, at a cost that is reasonable and affordable to the taxpayers of this District, the Nation’s Capital. The Committee will not be a part of another astronomically expensive information technology disaster, as has

been the case recently with certain government agencies and in industry.

The Committee has included a provision for the rapid improvement of the District's FMS and directs the offices of the City Administrator and the Chief Financial Officer to work together to take the actions necessary to expedite compliance with the language and intent of this appropriations bill upon its enactment. There are standards of "best practices" established in the government and industry that the District government ought to be following to insure the success of this project at a reasonable cost, and the Committee will make every effort to insure that this is done.

#### WASHINGTON NAVY YARD

The Committee is pleased with and concurs in the comments made May 2, 1997, by officials of the Environmental Regulation Administration of the District government's Department of Consumer and Regulatory Affairs concerning conditions at the Washington Navy Yard. The Committee directs the District government, including the Department of Public Works, to take all actions within their power and consistent with their authority to assure that all activities at or relating to the Navy Yard are carried out in such a manner that protects human health as well as the environment. The Committee urges District officials to take all necessary actions to protect the health and safety of all potentially affected individuals from threats posed by dangerous contaminants at or emanating from the Navy Yard. Individuals at risk include (1) residents of the area of the Navy Yard; (2) individuals affected by the condition of the Anacostia River; (3) temporary or long-term employees at the Navy Yard; (4) construction workers; and (5) visitors to the Navy Yard and its environs. Accordingly, the Committee requests that prior to allowing construction at the Navy Yard to proceed, District officials (1) thoroughly investigate the site, and (2) complete the required remediation work in compliance with applicable environmental law before allowing construction at the Navy Yard.

#### 14TH STREET BRIDGE CORRIDOR IMPROVEMENTS

The Committee is familiar with the recommendations of the "14th Street Bridge Corridor Improvement Study" and requests the District's Department of Public Works to undertake the following improvements:

1. Modify the signal and lane control at the intersection of 14th Street and C Streets, S.W., to improve the flow of traffic traveling north on 14th Street. The Committee believes the traffic signal should be modified to prohibit traffic from turning left onto 14th Street during the morning rush hour.
2. Modify the signal and lane control at the intersection of 14th Street and Independence Avenue.
3. Consider the placement of warning signs prior to the C Street exit ramp notifying I-395 east-bound vehicles of the height restriction. The Committee notes that severe traffic delays are periodically caused by large tractor trailer trucks

forced to stop, and therefore block traffic, because they exceed the 13 foot clearance on the C Street exit ramp underpass.

4. Install blinking caution lights at the juncture of the freeway and the C Street exit ramp. The sand barrel and the painted caution barrier have resulted in numerous vehicle accidents and repairs to the barrier.

5. Proceed with preliminary engineering to begin both the short-term and the long-term improvements to the 14th Street bridges as outlined in the "14th Street Bridge Corridor Improvement Study".

The Committee requests a report from the Department of Public Works by January 15, 1998, on these matters.

#### REDEVELOPMENT LAND AGENCY

The Committee requests a report by November 30, 1997 of the per diem rates paid to the individual members of the Board of Directors of the District of Columbia Redevelopment Land Agency for the previous three fiscal years 1995, 1996 and 1997.

#### GIFTS AND DONATIONS

The Committee requests a report by January 31, 1998 of each gift and donation accepted by each entity of the District of Columbia government for the previous three fiscal years 1995, 1996 and 1997, in accordance with the General Provisions of each year's Appropriations Act.

#### TOTAL RESOURCES

Based on recommendations in the bill, a total of \$4,880,974,000 and 33,011 full-time equivalent positions will be available to the District government during the next fiscal year. Included in this figure are appropriations from local funds, Federal grants, and private and other funds and intra-District funding. The financing of appropriations from District funds is from the Federal payment and revenues from various local taxes, fees, charges and other collections received by the District government.

A summary of the total resources by appropriation title follows:

**DISTRICT OF COLUMBIA**  
**TOTAL ESTIMATED RESOURCES AVAILABLE TO THE DISTRICT OF COLUMBIA, FISCAL YEAR 1998**  
 [Amounts in thousands]

	Local Funds		Federal Funds		Private and Other		Subtotal		Intra-District		Total Resources		
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	
<b>Governmental Direction and Support:</b>													
Council of the District of Columbia .....	143	8,573	0	0	0	0	2	143	8,575	0	0	143	8,575
Office of the D.C. Auditor .....	11	919	0	0	0	0	0	11	919	0	0	11	919
Advisory Neighborhood Commissions .....	0	562	0	0	0	0	0	0	562	0	0	0	562
Office of the Mayor .....	25	1,392	0	0	0	0	0	25	1,392	14	632	39	2,024
Office of the Secretary .....	18	1,512	0	0	2	79	20	20	1,591	14	478	34	2,069
Office of Communications .....	0	90	0	0	0	0	0	0	90	6	238	6	328
Office of Intergovernmental Relations .....	7	670	0	0	0	0	0	7	670	10	555	17	1,225
Office of the City Administrator/Deputy Mayor for Operations .....	16	3,722	0	0	0	0	0	16	3,722	13	695	29	4,417
Office of Personnel .....	160	8,197	0	0	21	921	181	181	9,118	24	1,002	205	10,120
Department of Administrative Services .....	120	6,284	0	0	0	1,637	120	7,921	87	14,099	207	22,020	
Contract Appeals Board .....	6	634	0	0	0	0	6	634	0	0	6	634	
Tax Revision Commission .....	0	500	0	0	0	0	0	0	500	0	0	0	500
Board of Elections and Ethics .....	50	2,947	0	0	0	0	0	50	2,947	0	0	50	2,947
Office of Campaign Finance .....	15	808	0	0	0	0	15	808	0	0	15	808	
Public Employee Relations Board .....	4	413	0	0	0	0	4	413	0	0	4	413	
Office of Employee Appeals .....	15	1,139	0	0	0	0	15	1,139	0	0	15	1,139	
Metropolitan Washington Council of Governments .....	0	374	0	0	0	0	0	0	374	0	0	0	374
Office of the Inspector General .....	52	7,731	0	0	0	0	52	7,731	0	0	52	7,731	
Office of the Chief Financial Officer:													
Office of the Chief Financial Officer .....	54	4,748	0	0	0	0	54	4,748	3	200	57	4,948	
Office of Budget and Planning .....	26	2,001	0	0	0	0	26	2,001	21	1,660	47	3,661	
Office of Grants Management and Development .....	0	0	9	14,013	0	0	9	14,013	20	2,000	29	16,013	
Office of Financial Operations and Systems .....	99	10,727	0	0	22	1,715	121	12,442	29	1,009	150	13,451	
Office of Treasury and Finance .....	25	3,914	0	0	25	2,439	50	6,353	4	169	54	6,522	
Office of Tax and Revenue .....	554	30,459	0	0	0	55	554	30,514	0	18	554	30,532	
<b>Total, Governmental Direction and Support .....</b>	<b>1,400</b>	<b>98,316</b>	<b>9</b>	<b>14,013</b>	<b>70</b>	<b>6,848</b>	<b>1,479</b>	<b>119,177</b>	<b>245</b>	<b>22,755</b>	<b>1,724</b>	<b>141,932</b>	
<b>Economic Development and Regulation:</b>													
Business Services & Economic Development .....	419	26,886	4	552	14	18,962	437	46,400	192	12,079	629	58,479	
Office of Zoning .....	7	384	0	0	6	471	13	855	0	72	13	927	

**DISTRICT OF COLUMBIA—Continued**  
**TOTAL ESTIMATED RESOURCES AVAILABLE TO THE DISTRICT OF COLUMBIA, FISCAL YEAR 1998**  
 [Amounts in thousands]

	Local Funds		Federal Funds		Private and Other		Subtotal		Intra-District		Total Resources	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Department of Public and Assisted Housing .....	0	2,080	0	0	0	0	0	2,080	0	0	0	2,080
Department of Employment Services .....	71	6,314	407	32,802	175	17,875	653	56,991	6	328	659	57,319
Board of Appeals and Review .....	2	153	0	0	0	0	2	153	0	0	2	153
Board of Real Property Assessments and Appeals .....	3	286	0	0	0	0	3	286	0	0	3	286
Department of Consumer and Regulatory Affairs .....	59	4,274	115	8,711	1	322	175	13,307	12	1,220	187	14,527
<b>Total, Economic Development and Regulation .....</b>	<b>561</b>	<b>40,377</b>	<b>526</b>	<b>42,065</b>	<b>196</b>	<b>37,630</b>	<b>1,283</b>	<b>120,072</b>	<b>210</b>	<b>13,699</b>	<b>1,493</b>	<b>133,771</b>
<b>Public Safety and Justice:</b>												
Metropolitan Police Department .....	4,537	254,985	61	12,020	0	5,174	4,598	272,179	2	5,604	4,600	277,783
Fire and Emergency Medical Services Department .....	1,763	100,797	0	0	0	582	1,763	101,379	0	72	1,763	101,451
Police and Fire Retirement System .....	0	47,700	0	0	0	0	0	47,700	0	0	0	47,700
Office of the Corporation Counsel .....	186	12,478	0	0	4	138	190	12,616	81	4,802	271	17,418
Settlement and Judgments .....	0	14,800	0	0	0	0	0	14,800	0	0	0	14,800
Department of Corrections .....	3,105	50,398	0	0	0	0	3,105	50,398	36	0	3,141	50,398
National Guard .....	25	858	0	0	0	0	25	858	0	0	25	858
Office of Emergency Preparedness .....	23	1,338	12	1,499	0	0	35	2,837	0	0	35	2,837
Commission on Judicial Disabilities and Tenure .....	2	125	0	0	0	0	2	125	0	0	2	125
Judicial Nomination Commission .....	1	78	0	0	0	0	1	78	0	0	1	78
<b>Total, Public Safety and Justice .....</b>	<b>9,642</b>	<b>483,557</b>	<b>73</b>	<b>13,519</b>	<b>4</b>	<b>5,894</b>	<b>9,719</b>	<b>502,970</b>	<b>119</b>	<b>10,478</b>	<b>9,838</b>	<b>513,448</b>
<b>Public Education System:</b>												
Public Schools .....	8,623	456,128	1,251	98,491	105	5,495	9,979	560,114	30	2,970	10,009	563,084
Public Charter Schools .....	0	5,250	0	0	0	0	0	5,250	0	0	0	5,250
Education and Learning Technologies Advancement (DELTA) Council .....	0	1,000	0	0	0	0	0	1,000	0	0	0	1,000
Teachers' Retirement System .....	0	8,900	0	0	0	0	0	8,900	0	800	0	9,700
University of the District of Columbia .....	572	37,791	156	12,804	189	23,492	917	74,087	162	7,200	1,079	81,287
Public Library .....	398	20,424	10	1,158	1	454	409	22,036	0	0	409	22,036
Commission on the Arts and Humanities .....	2	1,704	7	353	0	0	9	2,057	0	0	9	2,057

Total, Public Education System .....	9,595	531,197	1,424	112,806	295	29,441	11,314	673,444	192	10,970	11,506	684,414
<b>Human Support Services:</b>												
Department of Human Development .....	2,924	345,005	1,903	254,846	7	34,818	4,834	634,669	17	691	4,851	635,360
Department of Health .....	255	335,237	526	620,674	36	5,217	817	961,128	3	261	820	961,389
Department of Recreation and Parks .....	371	20,722	0	34	19	2,133	390	22,889	93	3,199	483	26,088
Office on Aging .....	14	12,289	9	5,055	0	5	23	17,349	3	1,043	26	18,392
D.C. Public Benefit Corporation .....	0	42,873	0	1,462	0	0	0	44,335	0	0	0	44,335
Unemployment Compensation Fund .....	0	10,678	0	0	0	0	0	10,678	0	0	0	10,678
Disability Compensation Fund .....	0	21,089	0	0	0	0	0	21,089	0	0	0	21,089
Human Rights & Minority Business .....	16	821	0	106	0	0	16	927	0	30	16	957
Office on Latino Affairs .....	3	636	0	0	0	0	3	636	0	0	3	636
Commission for Women .....	0	0	0	0	0	20	0	20	0	0	0	20
Energy Office .....	0	0	6	4,525	7	694	13	5,219	0	0	13	5,219
Total, Human Support Services .....	3,583	789,350	2,444	886,702	69	42,887	6,096	1,718,939	116	5,224	6,212	1,724,163
<b>Public Works:</b>												
Department of Public Works .....	1,156	96,935	51	3,350	76	10,030	1,283	110,315	617	39,143	1,900	149,458
Taxicab Commission .....	6	277	0	0	3	571	9	848	0	0	9	848
Washington Metropolitan Area Transit Commission .....	0	91	0	0	0	0	0	91	0	0	0	91
Washington Metropolitan Area Transit Authority (Metro) .....	0	127,230	0	0	0	0	0	127,230	0	0	0	127,230
School Transit Subsidy .....	0	3,450	0	0	0	0	0	3,450	0	0	0	3,450
Total, Public Works .....	1,162	227,983	51	3,350	79	10,601	1,292	241,934	617	39,143	1,909	281,077
<b>Financing and Other:</b>												
Washington Convention Center Transfer Payment .....	0	5,400	0	0	0	0	0	5,400	0	0	0	5,400
Repayment of Loans and Interest .....	0	366,976	0	0	0	0	0	366,976	0	0	0	366,976
Repayment of General Fund Recovery Debt .....	0	39,020	0	0	0	0	0	39,020	0	0	0	39,020
Short-Term Borrowing .....	0	12,000	0	0	0	0	0	12,000	0	0	0	12,000
Certificate of Participation .....	0	7,923	0	0	0	0	0	7,923	0	0	0	7,923
Human Resources Development .....	0	6,000	0	0	0	0	0	6,000	0	0	0	6,000
Management and Productivity Improvement Fund .....	0	5,000	0	0	0	0	0	5,000	0	0	0	5,000
Pay-As-You-Go Capital Outlay .....	0	30,000	0	0	0	0	0	30,000	0	0	0	30,000
Financial Responsibility and Management Improvement Authority .....	0	3,220	0	0	0	0	0	3,220	0	0	0	3,220
Total, Financing and Other .....	0	475,539	0	0	0	0	0	475,539	0	0	0	475,539

**DISTRICT OF COLUMBIA—Continued**  
**TOTAL ESTIMATED RESOURCES AVAILABLE TO THE DISTRICT OF COLUMBIA, FISCAL YEAR 1998**  
 [Amounts in thousands]

	Local Funds		Federal Funds		Private and Other		Subtotal		Intra-District		Total Resources	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Total, General Fund—Operating Expenses .....	25,943	2,646,319	4,527	1,072,455	713	133,301	31,183	3,852,075	1,499	102,269	32,682	3,954,344
<b>Enterprise Funds:</b>												
Water and Sewer Enterprise Fund:												
Department of Public Works (Utility Administration) .....	0	0	0	0	0	263,425	0	263,425	0	0	0	263,425
Washington Aqueduct .....	0	0	0	0	0	33,885	0	33,885	0	0	0	33,885
Total, Water and Sewer Enterprise Fund .....	0	0	0	0	0	297,310	0	297,310	0	0	0	297,310
Lottery and Charitable Games Enterprise Fund .....	0	0	0	0	100	213,500	100	213,500	0	0	100	213,500
Office of Cable Television .....	8	2,135	0	332	0	332	8	2,467	0	0	8	2,467
Public Service Commission .....	0	4,250	0	117	0	180	0	4,547	0	0	0	4,547
Office of People's Counsel .....	0	2,428	0	0	0	0	0	2,428	0	0	0	2,428
Insurance and Securities .....	0	0	0	0	89	5,683	89	5,683	0	0	89	5,683
Banking .....	0	100	0	0	0	500	0	600	0	0	0	600
Sports Commission (STARPLEX) .....	0	0	0	0	0	5,936	0	5,936	0	0	0	5,936
D.C. General Hospital .....	0	0	0	0	0	59,599	0	59,599	0	4,500	0	64,099
Retirement Board .....	0	0	0	0	8	4,898	8	4,898	0	0	8	4,898
Correctional Industries .....	0	0	0	0	50	3,332	50	3,332	74	6,100	124	9,432
Washington Convention Center .....	0	0	0	0	0	41,000	0	41,000	0	5,400	0	46,400
Total, Enterprise and Other Funds .....	8	8,913	0	117	247	632,270	255	641,300	74	16,000	329	657,300
Total, Operating Expenses .....	25,951	2,655,232	4,527	1,072,572	960	765,571	31,438	4,493,375	1,573	118,269	33,011	4,611,644



## FEDERAL FUNDS

A total of \$2,040,817,000 in Federal funds will be available to the District of Columbia government during fiscal year 1998. Included in this total are the Federal contribution to the operation of the Nation's Capital, payment to the District of Columbia Corrections Trustee for Correction operations and facilities, District of Columbia courts and other related judicial items, District Education and Learning Technologies Advancement (DELTA) Council, the Inspector General, and a Federal payment for police and fire fighter pay raises. Other Federal funds will be received by the District from the various Federal grant programs. In addition, Federal reimbursements are received from such programs as medicaid and medicare.

The following table summarizes the various Federal funds estimated to be available to the District government during fiscal year 1998:

*Federal Funds*

<i>Item</i>	
Federal contribution to the operation of the Nation's Capital .....	\$180,000,000
Payment to the District of Columbia Corrections Trustee for Operations .....	169,000,000
Payment to the District of Columbia Corrections Trustee for Correctional Facilities, Construction and Repair .....	302,000,000
District of Columbia Courts .....	123,000,000
Payment to the Pretrial Services, Defense Services, Parole, Adult Probation, and Offender Supervision Trustee for the District of Columbia .....	23,000,000
Federal payment for the Inspector General for investigative efforts .....	2,000,000
Federal payment for police pay raise .....	5,400,000
Federal payment for fire fighters pay raise .....	2,600,000
District Education and Learning Technologies Advancement (DELTA) Council .....	1,000,000
Subtotal (Federal funds included in this bill) .....	808,000,000
Federal grants .....	1,205,317,000
Federal reimbursements (estimated) .....	27,500,000
Total, Federal funds .....	2,040,817,000

## FEDERAL PAYMENT/CONTRIBUTION

The National Capital Revitalization Act of 1997 (Public Law 105-33) transferred to the Federal government the responsibility for several "state" functions that were being carried out by the District government and eliminated the annual Federal payment. The programs and functions transferred to the Federal government are estimated to save the District government \$865,000,000 each fiscal year beginning in fiscal year 1998. In exchange, the Federal payment of \$660,000,000 was eliminated and replaced with a Federal contribution authorized at \$190,000,000 for fiscal year 1998 and at an indefinite amount for future years. As a result, the District government is expected to realize a net savings of \$235,000,000 annually.

A summary of the budget savings follows:

<i>Budget Savings<sup>1</sup></i>	<i>(\$ millions)</i>
Corrections:	
Adult Felony Prisoners .....	\$169
Offender Services (Pretrial, Parole, Public Defender) .....	23
District Courts (Superior Court, Court of Appeals, Court System) .....	123
Pension payments .....	250

<i>Budget Savings</i> <sup>1</sup>	<i>(\$ millions)</i>
Increased Federal Medicaid match .....	140
Special Federal contribution .....	190
Subtotal, Budget Savings .....	865
Less Federal payment loss .....	(660)
Net Budget Savings .....	235

<sup>1</sup> Budget savings to the District measured as extent to which the District operating budget is reduced.

The Committee recommends a Federal contribution to the operations of the Nation's Capital of \$180,000,000 for fiscal year 1998 which is \$10,000,000 below the amount authorized in the National Capital Revitalization Act of 1997 and \$20,000,000 above the President's request.

A table showing the Federal contribution and its relationship to general fund local revenue collections for fiscal year 1951 through 1998 follows:

FEDERAL PAYMENT COMPARED TO DISTRICT OF COLUMBIA GENERAL FUND REVENUE LOCAL  
COLLECTIONS—Continued  
[Dollar amounts in thousands]

	Federal payment appropriated (general fund)	General revenue local collections	Federal payment as a percentage of general fund local collections
1951 .....	\$9,800	\$97,866	10.0
1952 .....	10,400	102,398	10.2
1953 .....	10,000	104,823	9.5
1954 .....	11,000	105,456	10.4
1955 .....	20,000	114,808	17.4
1956 .....	18,000	122,302	14.7
1957 .....	20,000	137,280	14.6
1958 .....	20,000	144,745	13.8
1959 .....	25,000	149,751	16.7
1960 .....	25,000	162,888	15.3
1961 .....	25,000	167,986	14.9
1962 .....	30,000	181,615	16.5
1963 .....	30,000	205,298	14.6
1964 .....	37,500	215,804	17.4
1965 .....	37,500	230,995	16.2
1966 .....	44,250	256,398	17.3
1967 .....	58,000	272,906	21.3
1968 .....	70,000	301,767	23.2
1969 .....	89,365	341,033	26.2
1970 .....	<sup>1</sup> 116,166	388,523	29.9
1971 .....	<sup>2</sup> 131,000	432,010	30.3
1972 .....	173,654	458,523	37.9
1973 .....	181,500	505,276	35.9
1974 .....	187,450	534,253	35.1
1975 .....	226,200	554,222	40.8
1976 .....	248,949	628,245	39.6
Transition quarter .....	66,138	199,652	33.1
1977 .....	276,000	754,447	36.6
1978 .....	276,000	880,699	31.3
1979 .....	<sup>3</sup> 250,000	953,697	26.2
1980 .....	276,500	1,082,209	25.5
1981 .....	300,000	1,190,596	25.2
1982 .....	336,600	1,271,727	26.5
1983 .....	<sup>4</sup> 361,000	1,402,409	25.7
1984 .....	<sup>5</sup> 386,000	1,522,875	25.3
1985 .....	<sup>6</sup> 425,000	1,692,804	25.1
1986 .....	412,388	1,862,043	22.1
1987 .....	444,500	2,042,444	21.8

FEDERAL PAYMENT COMPARED TO DISTRICT OF COLUMBIA GENERAL FUND REVENUE LOCAL  
COLLECTIONS—Continued

[Dollar amounts in thousands]

	Federal payment appropriated (general fund)	General revenue local collections	Federal payment as a percentage of general fund local collections
1988 .....	430,500	2,221,290	19.4
1989 .....	430,500	2,419,603	17.8
1990 .....	<sup>7</sup> 430,500	2,502,883	17.2
1991 .....	<sup>8</sup> 530,500	2,603,560	20.4
1992 .....	<sup>9</sup> 630,500	2,665,101	23.7
1993 .....	<sup>10</sup> 624,854	2,808,647	22.2
1994 .....	<sup>11</sup> 630,603	2,738,840	23.0
1995 .....	660,000	2,672,692	24.7
1996 .....	<sup>12</sup> 660,000	2,656,115	24.8
1997 .....	<sup>13</sup> 660,000	2,655,155	24.9
1998 projected .....	<sup>14</sup> 180,000	2,656,973	6.8

<sup>1</sup> Includes \$5,000,000 as provided in Public Law 91-106 for law enforcement activities in fiscal year 1970 only and \$8,000,000 as provided in Public Law 91-287 for use in defraying the cost of the retroactive pay increase for policemen, firemen, and teachers.

<sup>2</sup> Includes \$5,000,000 as provided in Public Law 91-358 for purposes of the D.C. Court Reform and Criminal Procedures Act of 1970.

<sup>3</sup> Excludes one-time special payment of \$9,900,000 for the Federal share of the RFK stadium bond repayment.

<sup>4</sup> Excludes one-time payment of \$2,342,600 for special crime initiative.

<sup>5</sup> Excludes one-time special payment of \$31,221,600 for crime initiative, Saint Elizabeths Hospital and education.

<sup>6</sup> Excludes \$20,000,000 one-time special Federal payment for Saint Elizabeths Hospital and \$9,873,000 for criminal justice initiative.

<sup>7</sup> Excludes \$15,000,000 special Federal payment for Saint Elizabeths Hospital and \$31,772,000 for Drug Emergency.

<sup>8</sup> Excludes \$10,000,000 special Federal payment for Saint Elizabeths Hospital, \$26,708,000 for Drug Emergency, \$20,300,000 for new correctional treatment facility, \$1,000,000 for Commission on Budget and Financial Priorities, \$14,080,000 for Board of Education, \$1,141,000 for the Fire Department, \$160,000 for the Superior Court, \$5,000,000 for D.C. General Hospital, and \$3,041,000 for the Department of Human Services.

<sup>9</sup> Excludes \$75,000 for the Metropolitan Police Department, \$3,205,000 for the Board of Education, \$9,500,000 for D.C. General Hospital, and \$500,000 for the Department of Human Services.

<sup>10</sup> Reflects 24 percent of fiscal year 1991 revenues (two years prior) to budget year. Also, excludes \$5,514,000 for inaugural activities and \$5,561,600 for a trauma care fund.

<sup>11</sup> Excludes \$17,327,000 for crime and youth initiative.

<sup>12</sup> Excludes \$15,000,000 authorized in the Department of Justice appropriations for fiscal year 1996, Violent Crime Reduction Programs, State and Local Law Enforcement Assistance.

<sup>13</sup> Excludes \$5,702,000 for Inaugural Expenses.

<sup>14</sup> Excludes \$169,000,000 payment to the District of Columbia Corrections Trustee for operations, \$302,000,000 payment to the District of Columbia Corrections Trustee for Correctional Facilities, Construction and Repair, \$123,000,000 District of Columbia Courts, \$23,000,000 for judicial related agencies, \$5,400,000 for police pay raise, \$2,600,000 for fire fighter pay raises, \$2,000,000 for the Inspector General, and \$1,000,000 for District Education and Learning Technologies Advancement (DELTA) Council.

DISTRICT OF COLUMBIA LOCAL COLLECTIONS

The District estimates it will collect a total of \$2,656,973,000 in local revenues in fiscal year 1998 from various taxes, fees, and charges. These collections are expected to be \$1,818,000 higher than the fiscal year 1997 revised estimated collections.

A summary of these revenues comparing fiscal years 1997 and 1998 by source follows:

DISTRICT OF COLUMBIA LOCAL COLLECTIONS

[In thousands of dollars]

	Fiscal year—		Increase/ decrease
	1997 revised	1998	
Revenues:			
Local sources:			
Property taxes .....	\$708,900	\$717,800	\$8,900
Sales taxes .....	533,400	542,900	9,500
Income taxes .....	684,900	678,000	(6,900)
Other taxes .....	456,500	455,200	(1,300)
Licenses and permits .....	49,500	50,100	600
Fines and forfeitures .....	42,100	41,700	(400)
Service charges .....	44,300	41,673	(2,627)
Miscellaneous .....	36,400	36,500	100

DISTRICT OF COLUMBIA LOCAL COLLECTIONS—Continued  
[In thousands of dollars]

	Fiscal year—		Increase/ decrease
	1997 revised	1998	
Subtotal, local revenues .....	2,556,000	2,563,873	7,873
Other financing sources:			
Sales of surplus property .....	705	0	(705)
Other transfers .....	0	0	0
Lottery transfer .....	72,600	74,200	1,600
Total, other financing sources .....	73,305	74,200	895
Total, general fund revenues .....	2,629,305	2,638,073	8,768
Additional policies .....	25,850	18,900	(6,950)
Total, including additional policies .....	2,655,155	2,656,973	1,818

HISTORY OF FEDERAL PAYMENT

The Committee is including the usual history of the Federal payment and its relationship to the District's appropriated budget going back to fiscal year 1921. Figures for fiscal years 1921 through 1975 reflect general fund appropriations only, while appropriations from 1976 through 1980 are for operating expenses from all sources which include the general fund as well as the water and sewer fund. Appropriations for 1981 through 1998 estimates include operating expenses from the general fund only.

The history referred to follows:

FEDERAL PAYMENT AND ITS RELATIONSHIP TO THE GENERAL FUND

Fiscal year	Total appropriations	District of Columbia share	U.S. share	U.S. share as a percent of total
1921 .....	\$21,474,271	\$12,256,178	\$9,218,093	42.93
1922 .....	22,977,411	13,784,648	9,192,763	40.01
1923 .....	23,833,043	14,430,265	9,402,778	39.45
1924 .....	23,903,755	14,463,330	9,440,425	39.49
1925 .....	31,175,672	22,030,317	9,145,355	29.33
1926 .....	31,139,730	22,139,638	9,000,092	28.90
1927 .....	33,951,478	24,950,987	9,000,491	26.51
1928 .....	34,894,148	25,892,358	9,001,790	25.80
1929 .....	35,957,970	26,957,753	9,000,217	25.03
1930 .....	40,694,306	31,694,306	9,000,000	22.12
1931 .....	45,625,286	36,125,252	9,500,034	20.82
1932 .....	43,840,022	34,339,911	9,500,111	21.67
1933 .....	39,626,998	31,851,847	7,775,151	19.62
1934 .....	29,700,737	24,000,708	5,700,029	19.19
1935 .....	34,620,004	30,080,709	4,539,295	13.11
1936 .....	38,295,953	32,588,424	5,707,529	14.90
1937 .....	40,182,768	35,177,768	5,005,000	12.46
1938 .....	41,143,818	36,118,792	5,025,026	12.21
1939 .....	40,494,451	35,494,451	5,000,000	12.35
1940 .....	41,777,885	35,777,768	6,000,117	14.36
1941 .....	43,136,909	37,136,909	6,000,000	13.91
1942 .....	47,401,269	41,401,269	6,000,000	12.66
1943 .....	49,422,932	43,422,932	6,000,000	12.14
1944 .....	54,642,247	48,642,247	6,000,000	10.98
1945 .....	62,599,125	56,599,125	6,000,000	9.58
1946 .....	64,728,423	58,728,423	6,000,000	9.27
1947 .....	72,584,314	64,584,314	8,000,000	11.02
1948 .....	81,744,086	70,744,086	11,000,000	13.46
1949 .....	86,017,985	75,017,985	11,000,000	12.79

## FEDERAL PAYMENT AND ITS RELATIONSHIP TO THE GENERAL FUND—Continued

Fiscal year	Total appropriations	District of Columbia share	U.S. share	U.S. share as a percent of total
1950	98,331,275	87,331,275	11,000,000	11.19
1951	103,924,822	94,124,822	9,800,000	9.43
1952	121,265,978	110,865,978	10,400,000	8.58
1953	113,589,327	103,589,327	10,000,000	8.80
1954	129,111,304	118,111,304	11,000,000	8.52
1955	139,578,760	119,578,760	20,000,000	14.33
1956	143,179,303	125,179,303	18,000,000	12.57
1957	155,579,025	135,579,025	20,000,000	12.86
1958	166,096,999	146,096,999	20,000,000	12.04
1959	185,915,914	160,915,914	25,000,000	13.45
1960	199,806,074	174,806,074	25,000,000	12.51
1961	<sup>1</sup> 199,522,707	174,522,707	25,000,000	12.53
1962	209,571,780	179,571,780	30,000,000	14.31
1963	224,594,494	194,594,494	30,000,000	13.36
1964	240,934,361	203,434,361	37,500,000	15.56
1965	265,062,212	227,562,212	37,500,000	14.15
1966	285,093,147	240,843,147	44,250,000	15.52
1967	318,057,766	260,057,766	58,000,000	18.24
1968	371,269,747	301,269,747	70,000,000	18.85
1969	435,474,907	346,109,907	89,365,000	20.52
1970	528,960,521	412,794,521	<sup>2</sup> 116,166,000	21.96
1971	591,262,769	460,262,769	<sup>3</sup> 131,000,000	22.16
1972	641,466,600	467,812,600	173,654,000	27.07
1973	718,091,300	536,591,300	181,500,000	25.28
1974	777,764,647	590,314,647	187,450,000	24.10
1975	845,616,600	619,416,600	226,200,000	26.75
1976	1,042,142,700	793,194,000	248,948,700	23.89
1977	1,130,505,900	854,505,900	276,000,000	24.41
1978	1,260,791,300	984,791,300	276,000,000	21.89
1979	1,335,746,400	1,085,746,400	<sup>4</sup> 250,000,000	18.72
1980	1,426,093,300	1,149,593,300	276,500,000	19.39
1981	1,457,886,500	1,157,886,500	300,000,000	20.58
1982	1,586,298,000	1,249,698,000	336,600,000	21.22
1983	1,792,104,300	1,431,104,300	<sup>5</sup> 361,000,000	20.14
1984	1,897,285,000	1,511,285,000	<sup>6</sup> 386,000,000	20.34
1985	2,076,246,000	1,651,246,000	<sup>7</sup> 425,000,000	20.47
1986	2,247,906,000	1,835,517,650	412,388,350	18.35
1987	2,461,113,000	2,016,613,000	444,500,000	18.06
1988	2,701,265,000	2,270,765,000	430,500,000	15.94
1989	2,862,130,000	2,431,630,000	430,500,000	15.04
1990	3,107,833,000	2,677,333,000	<sup>8</sup> 430,500,000	13.85
1991	3,204,698,000	2,674,198,000	<sup>9</sup> 530,500,000	16.55
1992	3,301,426,000	2,670,926,000	<sup>10</sup> 630,500,000	19.10
1993	3,286,294,000	2,661,439,600	<sup>11</sup> 624,854,400	19.01
1994	3,352,102,000	2,721,499,000	<sup>12</sup> 630,603,000	18.81
1995	3,254,904,000	2,594,904,000	660,000,000	20.28
1996 approved	3,449,037,000	2,789,037,000	<sup>13</sup> 660,000,000	19.14
1997 approved	3,399,927,000	2,739,927,000	<sup>14</sup> 660,000,000	19.41
1998 recommended	2,646,319,000	2,466,319,000	<sup>15</sup> 180,000,000	6.80

<sup>1</sup> Excludes appropriations for capital outlay beginning with fiscal year 1961.

<sup>2</sup> Includes \$5,000,000 as provided in Public Law 91-106 for law enforcement activities in fiscal year 1970 only and \$8,000,000 as provided in Public Law 91-287 for use in defraying the cost of the retroactive pay increase for policemen, firemen, and teachers.

<sup>3</sup> Excludes \$5,000,000 as provided in Public Law 91-358 for purposes of the D.C. Court Reform and Criminal Procedures Act of 1970.

<sup>4</sup> Excludes one-time special payment of \$9,900,000 for the Federal share of the RFK stadium bond repayment.

<sup>5</sup> Excludes one-time payment of \$2,342,600 for special crime initiative.

<sup>6</sup> Excludes one-time special payment of \$31,221,600 for crime initiative, Saint Elizabeths Hospital and education.

<sup>7</sup> Excludes \$20,000,000 one-time special Federal payment for Saint Elizabeths Hospital and \$9,873,000 for criminal justice initiative.

<sup>8</sup> Excludes \$15,000,000 special Federal payment for Saint Elizabeths Hospital and \$31,772,000 for Drug Emergency.

<sup>9</sup> Excludes \$10,000,000 special Federal payment for Saint Elizabeths Hospital, \$26,708,000 for Drug Emergency, \$20,300,000 for new correctional treatment facility, \$1,000,000 for Commission on budget and Financial Priorities, \$14,080,000 for Board of Education, \$1,141,000 for the Fire Department, \$160,000 for the Superior Court, \$5,000,000 for D.C. General Hospital, and \$3,041,000 for the Department of Human Services.

<sup>10</sup> Excludes \$75,000 for the Metropolitan Police Department, \$3,205,000 for the Board of Education, \$9,500,000 for D.C. General Hospital, and \$500,000 for the Department of Human Services.

<sup>11</sup> Excludes \$5,514,000 for inaugural activities and \$5,561,600 for a trauma care fund.

<sup>12</sup> Excludes \$17,327,000 for crime and youth initiative.

<sup>13</sup> Excludes \$15,000,000 authorized in the Department of Justice appropriations for fiscal year 1996, Violent Crime Reduction Programs, State and Local Law Enforcement Assistance.

<sup>14</sup> Excludes \$5,702,000 for Inaugural Expenses.

<sup>15</sup> Excludes \$169,000,000 payment to the District of Columbia Corrections Trustee for operations, \$302,000,000 payment to the District of Columbia Corrections Trustee for Correctional Facilities, Construction and Repair, \$123,000,000 District of Columbia Courts, \$23,000,000 for judicial related agencies, \$5,400,000 for police pay raise, \$2,600,000 for fire fighter pay raises, \$2,000,000 for the Inspector General, and \$1,000,000 for District Education and Learning Technologies Advancement (DELTA) Council.

#### FEDERAL CONTRIBUTION TO PENSION FUNDS

The National Capital Revitalization Act of 1997 (Public Law 105–33) transferred to the Federal government responsibility for the District’s unfunded pension liability for police officers, fire fighters, teachers, and judges and repealed section 144 of the D.C. Retirement Reform Act of 1979 (Public Law 96–122), which authorized the annual Federal contribution of \$52,070,000 to the retirement funds through fiscal year 2004. Approximately \$3,000,000,000 of the D.C. Retirement Board’s assets of \$4,400,000,000 will be transferred to the Secretary of the Treasury to make pension payments to current and future retirees. The Board’s actuary has estimated that the cumulative total of benefit payments that the Federal government will make over the next 74 years will be \$33,500,000,000 with the payments peaking in fiscal year 2025 at \$919,000,000.

#### OFFICE OF THE INSPECTOR GENERAL

The Committee recommends an additional \$2,000,000 in Federal funds and 8 full-time equivalent positions for the Office of the Inspector General to increase the level of activity in the prevention and detection of fraud, waste and abuse in District government programs and operations. It is the Committee’s intention that the Inspector General improve the effectiveness of the office’s Hot-Line through increased advertising and education of all District government employees and customers who transact business with the District. All permits and application forms printed in the future should contain the Hot-Line number and information on its purpose and the confidentiality of callers.

#### METROPOLITAN POLICE DEPARTMENT

*Federal funds for pay raise.*—The Committee recommends a special one-time Federal contribution of \$5,400,000 for fiscal year 1998 for a 5 percent pay increase for sworn officers upon the adoption and certification of performance standards provided to the Committee in May of 1997. This pay increase is limited to sworn officers who are certified as meeting the standards and who perform primarily nonadministrative public safety services. The pay raise is intended to be distributed throughout the fiscal year as the qualification requirements are met. The Committee believes that this raise, in addition to the 10 percent provided in fiscal year 1997, will bring officers on the street to a pay level comparable with law enforcement officials in surrounding jurisdictions.

*Citizens Advisory Council.*—The Committee commends the work of the Metropolitan Police Department and the Memorandum of Understanding (MOU) partners in improving law enforcement and public safety in the District of Columbia. The Committee is pleased with the commitment to community policing and urges that the MOU partners include a representative of the Citizen’s Advisory

Council (CAC) in future meetings to closer relations with the community. The Committee encourages the MPD to make every effort to provide the CAC representative with support and assistance in their work with the MOU partners.

*Firearms.*—The Committee is concerned about the violent crime that plagues the District and the inability of District citizens and visitors to protect their families, homes and themselves. The District's current laws make it difficult, if not impossible, for law abiding citizens to keep a firearm in the home, and, by policy, the District refuses to license the carrying of a firearm for self-protection. Although it is virtually impossible for an honest citizen to own or carry a firearm in the District, section 22-3206 of the D.C. Code allows the Chief of the Metropolitan Police Department to issue permits to carry a firearm to qualified applicants.

The Committee requests that the Chief of Police provide a report by January 31, 1998, on the following: (1) the number of permits to carry a firearm issued to citizens of the District; (2) the number of permits issued to retired law enforcement officers; (3) the number of rifles/shotguns registered with the Metropolitan Police Department; (4) the number of handguns currently registered pursuant to the 1976 ban on handguns; (5) the number of legally-owned firearms reported stolen since 1990; (6) the number of incidents since 1990 where a legally or illegally owned firearm was used for self-protection or to prevent a crime; and (7) the number of times individuals were charged with the commission of a crime while in possession of a firearm.

#### FIRE DEPARTMENT

*Federal funds for pay raise.*—A special one-time Federal contribution of \$2,600,000 is recommended to cover the costs of a 5 percent pay raise for uniformed fire fighters in an effort to bring their compensation to a level comparable to fire fighters in surrounding jurisdictions.

*Procurement authority.*—The Committee continues to be concerned with the age and condition of fire fighting equipment and encourages the department and the control board to take all necessary steps to improve the condition and maintenance of the department's equipment. Accordingly, the Committee recommends bill language that will provide the department with the ability to engage in procurement on the same basis as the Police Department.

*Overtime.*—The department is encouraged to act expeditiously in processing individuals currently on extended leave while awaiting a determination of their disability retirement status and in reforming the use of overtime by fire fighters. The Committee continues to be concerned about the amount of overtime paid to fire fighters and directs the department and the control board to work to implement policies which will reduce overtime without endangering fire protection.

#### FEDERAL CONTRIBUTION TO D.C. PUBLIC SCHOOLS

The Committee recommends an appropriation of \$1,000,000 in Federal funds for the District's public schools for payment to the

District Education and Learning Technologies Advancement (DELTA) Council authorized by section 2604 of the District of Columbia School Reform Act of 1995 (Public Law 104-134). The objective of the DELTA Council is designed to be the formal private sector entity to solicit, organize, and coordinate private sector contributions to the public schools and secure contributions of technology, equipment, hardware and software, and pro bono contributions of time and expertise of private sector personnel. These Federal funds will be matched with private contributions of \$3,000,000 which will provide a total of \$4,000,000 to be used to coordinate educational technology advancement between business and the District's public schools. Considerable assistance is expected from the business community and nonprofit organizations.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA

CORRECTIONS TRUSTEE OPERATIONS

A Federal payment of \$169,000,000 is recommended by the Committee for the operations of the District of Columbia Corrections Trustee. These funds will be used for the operation of the District's correctional facilities during the transition period while the District is housing adult felons who will eventually be transferred to the Federal government.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA

CORRECTIONS TRUSTEE FOR

CORRECTIONAL FACILITIES, CONSTRUCTION AND REPAIR

The Committee recommends \$302,000,000 for payment to the D.C. Corrections Trustee, the full amount requested, for construction and repair of correctional facilities. As authorized in section 11202(c) of the National Capital Revitalization and Self-Government Improvement Act of 1997, \$294,900,000 is provided to the Bureau of Prisons for construction of facilities to accommodate the transfer of D.C. adult sentenced felons to the Federal Prison System. In addition, the Committee has earmarked \$7,100,000 in Federal funds to be spent on immediate security improvements and repairs at the Lorton Correctional Complex. Lorton's state of disrepair has been documented in recent studies conducted by the National Council on Crime and Delinquency and the National Institute of Justice. Although the Lorton facility is scheduled to be closed in 2001, immediate steps should be taken to ensure the safety of the neighboring communities and the inmates until the facility is closed. The Committee directs the Trustee to develop a schedule for the completion of security improvements and repairs at the Lorton Correctional Complex and report back to Congress by January 15, 1998.

The Committee understands that funding provided to the Bureau of Prisons will support the full construction costs of two U.S. Penitentiaries as well as site selection and planning for four Federal Correctional Institutions. The Committee expects the Bureau of Prisons to evaluate appropriate sites for construction of new facilities or expansion of planned or existing facilities, including sites in

the District of Columbia, West Virginia, Pennsylvania, North Carolina and Kentucky, and provide a report to the Committee on site proposals by February 1, 1998. The Committee also expects the Bureau to report to the Committee by February 1, 1998, on how it will meet the privatization requirements contained in the National Capital Revitalization and Self-Government Improvement Act of 1997. The report should include, but not be limited to: (1) the number and timing of prisoners to be housed in private facilities; and (2) the functions for which the Bureau intends to use private contractors to fulfill these requirements.

EXECUTIVE OFFICE OF THE PRESIDENT  
FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA  
CRIMINAL JUSTICE SYSTEM  
(Including Transfer of Funds)

The Committee recommends an appropriation of \$146,000,000 for fiscal year 1998 to the Office of Management and Budget (OMB) for transfer to the District of Columbia Court System to implement those provisions of the National Capital Revitalization and Self-Government Improvement Act of 1997 associated with the District of Columbia Criminal Justice System. The \$146,000,000 is appropriated to OMB; however, the funds shall be transferred to implement the Act as follows: \$121,000,000 for the operations of the District of Columbia Courts; \$2,000,000 for the District of Columbia Truth in Sentencing Commission; \$22,200,000 for expenses relating to pretrial services, defense services, parole, adult probation and offender supervision in the District of Columbia, and for operating expenses of the Pretrial Services, Defense Services, Parole, Adult Probation, and Offender Supervision Trustee who will administer these programs; and \$800,000 to the United States Parole Commission.

In appropriating the funds to the Office of Management and Budget in lieu of the State Justice Institute (SJI) as was authorized in the Act, the Committee believes that the SJI does not have sufficient staffing and expertise to exercise the required financial management and oversight of these funds. The Committee also understands that SJI does not have a direct account with the Treasury and that the General Services Administration currently services financial transactions between the Treasury and SJI. The Committee believes that appropriating these funds to SJI would further complicate the administration of the D.C. Court System. Other alternatives considered by the Committee were the Department of Justice and the Administrative Office of the U.S. Courts; however, because of potential conflicts of interest and separation of powers issues, the Committee believes it would be inappropriate for funds associated with a local court system to be appropriated to either of these entities.

The Committee believes that the Office of Management and Budget, on the other hand, is uniquely qualified to be the Federal entity responsible for implementing the D.C. criminal justice system provisions of the National Capital Revitalization and Self-Government Improvement Act of 1997, for the following reasons:

1. Under the Act, budget estimates of expenditures and appropriations needed for the D.C. Criminal Justice System will be prepared by the Courts and the Trustee and submitted to the Mayor, the D.C. Council and OMB. The President is to include these estimates "with revision". The Act makes these estimates subject to the President's recommendations. Any such recommendations will be prepared by OMB following its close review of the budget submission. Unique among all Federal entities, OMB will be intimately familiar with this budget and will be in the best position to administer these funds to the D.C. Criminal Justice System.

2. OMB currently is responsible for government-wide financial management and could assume similar financial management responsibilities for the D.C. Court System.

3. OMB currently is responsible for developing government-wide policies governing administrative, operational and personnel management. These services could be utilized by the D.C. Court System.

4. The D.C. Court System could also make valuable use of OMB's acknowledged expertise in the area of promoting economy, efficiency and effectiveness in the procurement of supplies, equipment and services.

5. Since OMB has no criminal justice responsibilities, its involvement with the D.C. Court System's budget will raise no conflict of interest issues.

#### UNITED STATES PARK POLICE

The Committee recommends \$12,500,000 in Federal funds to reimburse the United States Park Police for policing services performed within the District of Columbia. The United States Park Police have jurisdiction over the entire District of Columbia and serve as an integral part of the District's public safety force while writing over \$5,000,000 in citations annually for the city and making a substantial portion of the total arrests recorded by District public safety officials. In addition, the United States Park Police operate the only aviation unit in the District. The aviation unit provides considerable assistance to the Metropolitan Police Department. The Committee has determined that the District would have to spend \$12,500,000 annually to provide the public safety functions currently provided by the United States Park Police.

#### EDUCATIONAL CHOICE SCHOLARSHIPS

The Committee recommends \$7,000,000 in Federal funds to provide scholarships that will enable children of low-income families to have an educational choice which at the present time is only available to those of greater financial means.

Under this program, a non-profit corporation is established to administer tuition, tutoring and transportation scholarships for District residents. For students whose family income is below the poverty level, tuition scholarships will cover the cost of tuition up to \$3,200. For students whose family's income is between 100 percent and 185 percent of the poverty level, the scholarships will pay three-quarters of the tuition up to \$2,400. Tuition scholarships may be used at private schools in the District and in public or private

schools in surrounding jurisdictions. Tutoring and transportation assistance scholarships will cover the full cost of such activities, up to \$500, for students whose family incomes are no more than 185 percent of the poverty level. Scholarships are awarded randomly to student applicants who are District of Columbia residents, enrolled in school, and within the income limits. This scholarship program operates in a manner similar to the G.I. Bill and Federal day care assistance where the choice of where the funds are expended is made by the scholarship recipient rather than the government. Language in the bill protects students' civil rights, and the rights of students with disabilities.

The nonprofit corporation established to administer the program is overseen by a seven-member Board of Directors, six appointed by the President from nominations submitted by the Speaker of the House and the President of the Senate, and one appointed by the Mayor of the District of Columbia. The corporation is not an agency or entity of the U.S. or the District of Columbia governments.

#### FEDERAL GRANTS

The District of Columbia participates as a State, county and city in the various Federal grant programs. At the time the fiscal year 1998 budget was submitted the city estimated that it would receive a total of \$1,205,317,000 in Federal grants during the coming fiscal year.

The following table shows the amount of Federal grants the city expects to receive and the office of agency that expects to receive them:

##### *Summary of Federal grant assistance to the District of Columbia*

<i>Agency</i>	<i>1998 estimate</i>
Governmental Direction and Support:	
Office of Grants Management and Development .....	14,013,000
Economic Development and Regulation:	
Business Services and Economic Development .....	552,000
Department of Employment Services .....	32,802,000
Department of Consumer and Regulatory Affairs .....	8,711,000
Total, Economic Development and Regulation .....	42,065,000
Public Safety and Justice:	
Metropolitan Police Department .....	12,020,000
Office of Emergency Preparedness .....	1,499,000
Total, Public Safety and Justice .....	13,519,000
Public Education System:	
Public Schools .....	98,491,000
University of the District of Columbia .....	12,804,000
Public Library .....	1,158,000
Commission on the Arts and Humanities .....	353,000
Total, Public Education System .....	112,806,000
Human Support Services:	
Department of Human Development .....	254,846,000
Department of Health .....	620,674,000
Department of Recreation and Parks .....	34,000
Office on Aging .....	5,055,000
Public Benefit Corporation .....	1,462,000

<i>Agency</i>	<i>1998 estimate</i>
Department of Human Rights .....	106,000
Energy Office .....	4,525,000
Total, Human Support Services .....	886,702,000
Public Works:	
Department of Public Works .....	3,350,000
Public Service Commission .....	117,000
Total, Federal grants—operating expenses .....	1,072,572,000
Capital outlay-grants .....	132,745,000
Grand Total, federal grants .....	1,205,317,000

### BALANCED BUDGET RECOMMENDED

The Committee is recommending a balanced budget in accordance with the District government's request. It is estimated that sufficient resources will be available from current revenue authority and pending authority to finance the operating expense. A financial plan for each of the six categories of operating expenses—(1) general fund, (2) University of the District of Columbia and D.C. School of Law, (3) water and sewer fund, (4) Lottery and Charitable Games fund, (5) Cable Television fund, and (6) D.C. Sports Commission (STARPLEX FUND), (7) D.C. General Hospital fund, and (8) Washington Convention Center follows:

#### FISCAL YEAR 1998 FINANCIAL PLANS

[In thousands of dollars]

Revenue	Local funds	Grants and other revenue	Gross funds
<b>Local sources, current authority:</b>			
Property taxes .....	717,800	0	717,800
Sales taxes .....	542,900	0	542,900
Income taxes .....	835,400	0	835,400
Other taxes .....	297,800	0	297,800
Licenses, permits .....	50,100	0	50,100
Fines, forfeitures .....	41,700	0	41,700
Service charges .....	41,673	0	41,673
Miscellaneous .....	36,500	133,301	169,801
Unallocated tax reduction .....	(1)	0	(1)
Subtotal, local revenues .....	2,563,873	133,301	2,497,174
<b>Federal sources:</b>			
Federal contribution .....	180,000	0	180,000
Federal payment Inspector General .....	2,000	0	2,000
Federal payment for police pay raise .....	5,400	0	5,400
Federal payment for fire pay raise .....	2,600	0	2,600
Federal payment for DELTA Council .....	1,000	0	1,000
Grants .....	0	1,072,455	1,072,455
Subtotal, Federal sources .....	191,000	1,072,455	1,263,455
<b>Other financing sources:</b>			
Sale of surplus property .....	0	0	0
Lottery transfer .....	74,200	0	74,200
Subtotal, other financing sources .....	74,200	0	74,200
FY 1997 Additional Policies Executed .....	12,900	0	12,900

FISCAL YEAR 1998 FINANCIAL PLANS—Continued  
[In thousands of dollars]

Revenue	Local funds	Grants and other revenue	Gross funds
FY 1998 Additional Policies Executed .....	6,000	0	6,000
Total, general fund revenues .....	2,847,973	1,205,756	4,053,729
Expenditures:			
Current operating:			
Governmental direction and support .....	98,316	20,861	119,177
Economic development and regulation .....	40,377	79,695	120,072
Public safety and justice .....	483,557	19,413	502,970
Public education system .....	493,406	105,951	599,357
Human support services .....	746,477	928,127	1,674,604
Public works .....	227,983	13,951	241,934
Other .....	61,056	0	61,056
Cost-saving initiatives .....	(?)	0	(?)
Subtotal, current operating .....	2,151,172	1,167,998	3,319,170
Other financing uses:			
Debt service—principal and interest .....	417,996	0	417,996
D.C. General .....	42,873	1,462	44,335
University of the District of Columbia .....	37,791	36,296	74,087
Convention Center .....	5,400	0	5,400
Subtotal, other financing uses .....	504,060	37,758	541,818
Total, general fund expenditures .....	2,655,232	1,205,756	3,860,988
Revenue versus expenditures .....	192,741	0	192,741

<sup>1</sup> Indefinite amount up to \$100,000,000 consisting of revenues in excess of revenues projected in the FY 1998 budget.

<sup>2</sup> Indefinite amount up to \$100,000,000 resulting from implementation of cost-saving initiatives described in the FY 1998 D.C. budget submission of June 1997.

Enterprise Fund Data	Local funds	Grants and other revenue	Gross funds
Enterprise fund expenditures:			
Water and sewer administration .....		263,425	263,425
Washington aqueduct .....		33,885	33,885
DC Lottery and charitable games .....		213,500	213,500
Cable television .....		332	332
Retirement Board .....		4,898	4,898
DC General Hospital .....		59,599	59,599
Correctional Industries .....		3,332	3,332
DC Sports Commission .....		5,936	5,936
Washington Convention Center .....		41,000	41,000
Public Service Commission .....		297	297
Office of the People's Counsel .....			
Insurance and Securities .....		5,683	5,683
Banking .....		500	500
Total, enterprise fund revenues .....		632,387	632,387
Enterprise fund revenues:			
Water and sewer administration .....		263,425	263,425
Washington aqueduct .....		33,885	33,885
DC Lottery and charitable games .....		213,500	213,500
Cable television .....		332	332
Retirement Board .....		4,898	4,898
DC General Hospital .....		59,599	59,599
Correctional Industries .....		3,332	3,332
DC Sports Commission .....		5,936	5,936
Washington Convention Center .....		41,000	41,000

Enterprise Fund Data	Local funds	Grants and other revenue	Gross funds
Public Service Commission .....		297	297
Office of the People's Counsel .....			
Insurance and Securities .....		5,683	5,683
Banking .....		500	500
Total, enterprise fund expenditures .....		632,387	632,387
Revenue versus expenditures .....			
Total operating revenue .....	2,847,973	1,838,143	4,686,116
Total operating expenditures .....	2,655,232	1,838,143	4,493,375
Revenue versus expenditures .....	192,741		192,741

**UNIVERSITY OF THE DISTRICT OF COLUMBIA FINANCIAL PLAN**  
[In thousands of dollars]

	Fiscal year 1996	Fiscal year 1997	Fiscal year 1998
<b>Revenue:</b>			
Tuition .....	12,294	11,400	13,458
Intra-District charges .....	7,542	6,716	7,200
Federal grants and contracts .....	8,775	8,381	12,804
Private grants and contracts .....	1,200	675	3,943
Land-grant endowment income .....	607	503	470
Auxiliary enterprises .....	354	534	400
Investment income .....	447	400	160
Miscellaneous income .....	3,172	3,295	5,061
Total revenue .....	34,391	31,904	43,496
<b>Expenses:</b>			
Personal services .....	57,496	50,218	52,883
Contractual services .....	5,809	5,156	9,204
Supplies .....	611	363	736
Occupancy costs .....	5,942	6,200	5,839
Depreciation .....	6,752	6,976	6,800
Miscellaneous .....	6,981	7,805	12,625
Total expenses .....	83,591	76,718	88,087
Income (loss) before operating transfer .....	(49,200)	(44,814)	(44,591)
Operating transfer-in (out) General fund .....	42,924	37,797	37,791
Net income (loss) .....	(6,276)	(7,017)	(6,800)
Depreciation closed in contributed capital .....	6,752	6,976	6,800
Increase/decrease .....	476	(41)	
Retained earnings (deficit) at beginning of year .....	9,116	9,592	9,551
Retained earnings (deficit) at end of year .....	9,592	9,551	9,551

**D.C. WATER AND SEWER AUTHORITY**  
[In thousands of dollars]

Operations	Fiscal year 1996 Actual budget	Fiscal year 1997 revised	Fiscal year 1996 budget
<b>Cash Provided:</b>			
Retail .....	135,932	148,838	187,119

D.C. WATER AND SEWER AUTHORITY—Continued  
[In thousands of dollars]

Operations	Fiscal year 1996 Actual budget	Fiscal year 1997 revised	Fiscal year 1996 budget
Wholesale .....	43,749	46,991	60,719
Other .....	6,129	7,032	15,587
Total Cash Provided .....	185,810	202,861	263,425
Cash Used:			
Salaries and Wages .....	59,175	58,446	67,064
Supplies .....	14,344	14,782	26,418
Energy, Fuel Communications, Space Rental .....	15,490	16,468	16,021
Contracts .....	45,341	45,172	59,899
Equipment .....	871	2,561	15,784
Total Operating Cash Used .....	135,221	137,429	185,186
Other Cash Used:			
Debt Service .....	39,190	41,907	41,423
Capital Transfer .....	(5,741)	(3,454)	0
Payment-in-lieu-of-Tax .....	0	19,500	19,500
Refund to Jurisdictions .....	0	4,274	0
Water purchases—O&M .....	13,950	16,481	17,316
Water purchases—Treasury Debt Service .....	0	0	1,384
Total Other Cash Used .....	47,399	78,708	79,623
Total Cash Used .....	182,620	216,137	264,809
Net Cash Provided (Used) by Operating Activities .....	3,190	(13,276)	(1,384)
Operating Cash Reserves, October 1, 1996 .....	0	0	249
Cash reserves recovered from the District .....	95,280	18,200	18,200
Transfer to escrow for water purchases .....	0	(4,675)	0
Operating Cash Reserves, September 30, 1997 .....	98,470	249	17,065
Capital Improvement Program:			
Cash Provided:			
EPA Grants .....	3,753	1,314	7,178
Bond Proceeds .....	0	0	52,996
Interim Financing .....	0	12,000	0
IMA 1985 Equity Payment .....	0	7,783	0
IMA Capital Payments .....	11,696	19,766	27,838
Treasury Notes (Washington Aqueduct) .....	0	4,666	22,418
Total Cash Provided .....	15,449	45,529	110,430
Use of Cash:			
Capital Program .....	34,824	37,665	88,012
Washington Aqueduct Capital Program .....	2,576	4,666	22,418
Washington Aqueduct Capital Advance .....	11,024	0	0
Total Cash Used .....	48,424	42,331	110,430
Net Cash Provided (Used) .....	(32,975)	3,198	0
Beginning Balance .....	17,741	0	3,198
Ending Balance .....	(15,234)	3,198	3,198
Escrow Funds .....	0	4,675	4,675
Beginning Balance, All Funds .....	113,021	0	3,447
Ending Balance, All Funds .....	83,236	8,122	24,938

**D.C. LOTTERY FINANCIAL PLAN**  
[In thousands of dollars]

	Fiscal year—			
	1996	1997	1997 Revised	1998
<b>Operating revenue:</b>				
Sales:				
Instant lottery .....	27,480	28,500	24,000	25,000
Lucky numbers .....	81,087	92,500	81,000	83,000
DC four .....	54,280	58,000	56,000	55,000
Powerball .....	8,895	9,278	7,500	8,500
Quick cash .....	38,878	38,000	31,000	35,000
Daily millions .....	.....	2,000	5,500	5,000
Fees:				
Charitable games .....	.....	.....	.....	.....
<b>Total operating revenue .....</b>	<b>210,620</b>	<b>228,278</b>	<b>205,000</b>	<b>211,500</b>
<b>Operating expenses:</b>				
Administration .....	7,140	7,850	7,350	7,850
Prize .....	103,596	116,191	99,800	99,848
Contractual services .....	12,539	15,323	13,272	15,094
Agent commissions .....	11,141	12,564	11,178	11,858
Advertising .....	3,101	5,350	4,900	7,850
<b>Total operating expenses .....</b>	<b>137,517</b>	<b>157,278</b>	<b>136,500</b>	<b>142,500</b>
Operating income (loss) .....	73,103	71,000	68,500	69,000
Nonoperating revenue (expenses): Interest .....	2,408	1,500	1,500	2,000
Income loss before operating transfers .....	75,511	72,500	70,000	71,000
Operating transfers in (out) .....	(75,250)	(72,500)	(70,000)	(71,000)
<b>Net income .....</b>	<b>261</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>
Fund equity (deficit) at beginning of year .....	2,655	2,916	2,916	2,916
Fund equity (deficit) at end of year .....	2,916	2,916	2,916	2,916

**CABLE TELEVISION FINANCIAL PLAN**  
[In thousands of dollars]

	Fiscal year—		
	1996 actual	1997 budget	1998 requested
<b>Operating revenue:</b>			
Franchise fees .....	2,385	2,473	2,590
Other revenue .....	187	332	332
<b>Total operating revenue .....</b>	<b>2,572</b>	<b>2,805</b>	<b>2,922</b>
<b>Operating expenses:</b>			
Personal services .....	324	394	394
Supplies .....	6	6	6
Energy .....	1	6	6
Communication .....	63	72	72
Rent .....	667	732	732
Contracting services .....	308	880	900
Subsidies and transfers .....	43	.....	.....
Depreciation .....	.....	.....	.....
Equipment .....	27	94	94
<b>Total operating revenue .....</b>	<b>1,439</b>	<b>2,184</b>	<b>2,204</b>
Income (loss) before operating transfer .....	1,133	621	718
Operating transfer in (out) .....	(227)	(283)	(283)

## CABLE TELEVISION FINANCIAL PLAN—Continued

[In thousands of dollars]

	Fiscal year—		
	1996 actual	1997 budget	1998 requested
Net income (loss) .....	906	338	435
Fund equity (deficit) beginning of year .....	731	1,637	1,975
Fund equity (deficit) end of year .....	1,637	1,975	2,410

## D.C. SPORTS COMMISSION (STARPLEX FUND) FINANCIAL PLAN

[In thousands of dollars]

	Fiscal year—		
	1996 actual	1997 budget	1998 requested
<b>Revenues:</b>			
Rental .....	3,093	2,327	1,185
Work order .....	1,470	1,274	1,069
Event parking .....	1,855	1,580	540
Food and beverage concessions .....	3,029	1,875	955
Subtotal operating revenue .....	9,447	7,056	3,749
<b>Other Revenues:</b>			
Redemption of Investments .....			1,400
Commuter parking .....	199	210	210
Investment income .....	516	400	200
Other revenue/advertising .....	5,514	1,174	385
Subtotal other revenue .....	6,229	1,784	2,195
<b>Total revenue .....</b>	<b>15,676</b>	<b>8,840</b>	<b>5,944</b>
<b>Expenditures:</b>			
Continuing full time .....	1,921	1,368	1,354
Temporary full time .....	812	1,625	1,145
Overtime/holiday .....	445	275	175
Health/retirement .....	445	393	384
Office supplies and services/Professional services .....	146	199	96
Utilities/telephone .....	429	480	325
Administration cost .....	863	1,211	494
Miscellaneous expenses .....	4,612	1,845	690
Depreciation/capital .....	1,120	1,125	1,127
Equipment .....		195	145
<b>Total expenditures .....</b>	<b>10,793</b>	<b>8,716</b>	<b>5,935</b>
Projected surplus .....	4,883	124	9

## D.C. GENERAL HOSPITAL ENTERPRISE FUND FINANCIAL PLAN PUBLIC BENEFIT CORPORATION

[In thousands of dollars]

	Fiscal year—		
	1996 actual	1997 projection <sup>1</sup>	1998 requested
<b>Revenue:</b>			
Patient care .....	80,455	72,616	78,094
Additional patient care .....			
Grants .....		3,600	
Other .....	6,215	24,204	20,900

D.C. GENERAL HOSPITAL ENTERPRISE FUND FINANCIAL PLAN PUBLIC BENEFIT CORPORATION—  
Continued  
[In thousands of dollars]

	Fiscal year—		
	1996 actual	1997 projec- tion <sup>1</sup>	1998 re- quested
Total revenue .....	86,670	100,420	98,994
Operating expenses:			
Personal services .....	71,430	87,906	66,886
Contractual services .....	17,484	18,844	18,616
Materials and supplies .....	12,776	15,537	14,613
Energy, communications, and other .....	5,060	6,098	8,319
Subtotal operating expenses .....	106,750	128,385	108,434
Nonoperating expenses:			
Depreciation .....	7,264	9,600	10,995
Bad debt .....	12,350	9,077	9,500
Subtotal nonoperating expenses .....	19,614	18,677	20,495
Total expenses .....	126,364	147,062	128,929
Income (loss) before operating fund .....	(39,694)	(46,642)	(29,935)
Operating transfers in (out) general fund .....	47,155	32,135	29,935
Nonoperating revenue:			
Drawn from the general fund .....	7,461	(14,507)	.....
Repayment of general fund deficit .....	.....	.....	.....
General fund equity (deficit) beginning of year .....	(143,167)	(135,706)	(150,213)
General fund equity (deficit) end of year .....	(135,706)	(150,213)	(150,213)

<sup>1</sup>The hospital is presently projecting a shortfall of \$14.5 million. However, the hospital also has Medicaid claims pending and a partial settlement could reduce or eliminate the deficit.

CONVENTION CENTER FUND FINANCIAL PLAN  
[In thousands of dollars]

	Fiscal year—		
	1996 actual	1997 budget	1998 requested
Revenue:			
Dedicated tax .....	35,353	34,600	35,000
Interest-dedicated taxes .....	1,753	3,200	5,250
Subtotal .....	37,106	37,800	40,250
Building rental .....	3,515	3,401	2,700
Exhibition services .....	2,347	2,483	2,000
Communications .....	1,046	745	600
Concessions .....	799	667	400
Miscellaneous .....	470	273	300
Subtotal .....	8,177	7,569	6,000
Total revenue .....	45,283	45,369	46,250
Expenses:			
Personal services .....	9,489	9,500	10,795
Contractual services .....	2,251	3,400	1,500
Supplies .....	399	500	500
Occupancy costs .....	1,350	1,800	1,800
Depreciation .....	2,488	2,800	3,182

CONVENTION CENTER FUND FINANCIAL PLAN—Continued  
[In thousands of dollars]

	Fiscal year—		
	1996 actual	1997 budget	1998 requested
Miscellaneous .....	193	200	200
Total WCC program expenses .....	16,170	18,200	17,977
Expansion related expenses .....	625	27,319	28,423
Total, expenses WCC authority .....	16,795	45,519	46,400
Income (loss) before operating transfer in .....	28,488	(150)	(150)
General fund transfers in:			
Hotel occupancy tax .....	5,400	5,400	5,400
General fund .....			
Total transfers in .....	5,400	5,400	5,400
Promotional/transfers out:			
Washington Convention and Visitors Association .....	2,700	2,700	2,700
D.C. Committee to Promote Washington .....	2,025	2,025	2,025
D.C. Chamber of Commerce .....	525	525	525
Total promotional/Total transfers out .....	5,250	5,250	5,250
Net transfers to WCC Authority .....	150	150	150
Net income (loss) .....	28,638		
Retained earnings (deficit) at the beginning of year .....	25,976	54,614	54,614
Retained earnings (deficit) at end of year .....	54,614	54,614	54,614

PERSONNEL

The Committee recommends a total of 33,011 continuing full-time equivalent positions to be financed from District of Columbia funds, Federal grants, private and other, and intra-District funds during fiscal year 1998 consisting of 32,682 positions under the general operating expenses and 329 from the enterprise and other funds.

INCREASE IN (FTE) POSITIONS BY CONTROL BOARD

The District government requested 27,406 FTE positions in its June, 1997 budget submission for fiscal year 1998. The subsequent amended consensus budget submission made in August, 1997 did not contain a level of FTEs requested. The amended budget was to reflect the effect of implementing the state-like functions assumed by the Federal government as legislated in the National Capital Revitalization and Self-Government Improvement Act of 1997. The control board has decided for the City not to disclose the number of FTE positions in the amended budget submission. This decision will make it very difficult for the Congress and other analysts of District government matters to understand the level of effort required to operate the City. Other local governments disclose this information, but the control board has decided to withhold this in-

formation from the public and the Congress, even though the Congress is charged with oversight responsibility for the District.

The Congress was able to obtain limited FTE information from the control board but only for locally-funded operations, not the number of FTEs for Federal grant operations or intra-District operations. The information was obtained from a table attached to a control board memo dated September 16, 1997. The control board table included FTE positions for locally funded operations. The number of FTE positions for fiscal year 1997 reported in the table is 27,259 and for FY 1998 it is 25,772, for a net decrease of 1,487. However, the FY 1997 number of 27,259 does not reflect the reduction of 1,624 FTE positions that are being transferred with the state-like functions to the Federal government. Therefore the FY 1997 FTE number is overstated by 1,624 FTE positions. There is actually an increase of 137 FTE positions (1,624 – 1,487 in the consensus budget for FY 1998, not a decrease of 1,487 FTE positions as reported on the control board's table.

The following table summarizes by agency the positions authorized, requested and recommended for fiscal year 1998:

FULL-TIME EQUIVALENT POSITIONS

	Fiscal year—			
	1997 approved	1997 revised	1998 request	1998 committee recomm.
<b>Governmental Direction and Support:</b>				
Council of the District of Columbia .....	143	137	143	143
District of Columbia Auditor .....	12	11	11	11
Office of the Mayor .....	29	29	39	39
Office of the Executive Secretary .....	34	34	34	34
Office of Communications .....	6	6	6	6
Office of Intergovernmental Relations .....	18	18	17	17
Office of the Deputy Mayor/City Administrator .....	29	29	29	29
Office of Personnel .....	192	191	205	205
Department of Administrative Services .....	217	208	207	207
Contract Appeals Board .....	5	5	6	6
Board of Elections and Ethics .....	51	50	50	50
Office of Campaign Finance .....	15	15	15	15
Public Employee Relations Board .....	3	3	4	4
Office of Employee Appeals .....	15	15	15	15
<b>Independent Agencies:</b>				
Office of Inspector General .....	40	40	44	52
<b>Office of the Chief Financial Officer:</b>				
Office of the Chief Financial Officer .....	13	51	57	57
Office of Budget and Planning .....	49	49	47	47
Office of Grants Management and Development .....	14	29	29	29
Office of Financial Operations and Systems ...	252	171	150	150
Office of Treasury and Finance .....	0	71	54	54
Office of Tax and Revenue .....	470	387	383	554
<b>Total, Governmental Direction and Support</b>	<b>1,607</b>	<b>1,549</b>	<b>1,545</b>	<b>1,724</b>
<b>Economic Development and Regulation:</b>				
Business Services and Economic Development .....	685	678	629	629
Office of Zoning .....	13	13	13	13
Department of Public and Assist Housing .....	5	5	0	0
Department of Employment Services .....	737	732	659	659
Board of Appeals and Review .....	2	2	2	2
Board of Real Property Assessment and Appeals .....	3	3	3	3
Department of Consumer and Regulatory Affairs .....	177	172	187	187

## FULL-TIME EQUIVALENT POSITIONS—Continued

	Fiscal year—			
	1997 approved	1997 revised	1998 request	1998 committee recomm.
Public Service Commission .....	54	54	0	0
Office of People's Counsel .....	24	24	0	0
<b>Total, Economic Development and Regulation .....</b>	<b>1,700</b>	<b>1,683</b>	<b>1,493</b>	<b>1,493</b>
<b>Public Safety and Justice:</b>				
Metropolitan Police Department .....	4,739	4,602	4,600	4,600
Fire and Emergency Medical Services Department .....	1,790	1,765	1,763	1,763
Courts of Appeals .....	93	93	0	0
Superior Court .....	1,251	1,251	0	0
D.C. Court System .....	117	117	0	0
Office of the Corporation Counsel .....	289	259	271	271
Pretrial Services Agency .....	118	118	0	0
Department of Corrections .....	3,408	3,119	3,141	3,141
Board of Parole .....	124	120	0	0
National Guard .....	26	25	25	25
Office of Emergency Preparedness .....	35	35	35	35
Commission on Judicial Disabilities and Tenure .....	2	2	2	2
Judicial Nomination Commission .....	1	1	1	1
<b>Total, Public Safety and Justice .....</b>	<b>11,993</b>	<b>11,507</b>	<b>9,838</b>	<b>9,838</b>
<b>Public Education System:</b>				
Board of Education (Public Schools) .....	9,978	9,978	10,009	10,009
University of the District of Columbia .....	1,079	1,079	1,079	1,079
Public Library .....	415	405	409	409
Commission on the Arts and Humanities .....	9	9	9	9
<b>Total, Public Education System .....</b>	<b>11,481</b>	<b>11,471</b>	<b>11,506</b>	<b>11,506</b>
<b>Human Support Services:</b>				
Department of Human Services .....	5,887	5,623	0	0
Department of Human Development .....	0	0	4,851	4,851
Department of Public Health .....	0	0	820	820
Department of Recreation and Parks .....	515	483	483	483
Office of Aging .....	26	26	26	26
Department of Human Rights .....	13	13	16	16
Office on Latino Affairs .....	3	3	3	3
D.C. Energy Office .....	13	13	13	13
<b>Total, Human Support Services .....</b>	<b>6,457</b>	<b>6,161</b>	<b>6,212</b>	<b>6,212</b>
<b>Public Works:</b>				
Department of Public Works .....	1,899	1,841	1,900	1,900
D.C. Taxicab Commission .....	9	9	9	9
<b>Total, Public Works .....</b>	<b>1,908</b>	<b>1,850</b>	<b>1,909</b>	<b>1,909</b>
<b>Enterprise Funds:</b>				
Water and Sewer .....	0	0	0	0
Lottery and Charitable Games .....	100	100	100	100
Cable Television .....	8	8	8	8
Department of Insurance and Securities Regulations .....	0	0	89	89
D.C. Retirement Board .....	13	13	13	8
Correctional Industries .....	124	124	124	124
<b>Total, Enterprise Funds .....</b>	<b>245</b>	<b>245</b>	<b>334</b>	<b>329</b>
Workforce Initiatives .....	(2,411)	(16)	0	0

FULL-TIME EQUIVALENT POSITIONS—Continued

	Fiscal year—			
	1997 approved	1997 revised	1998 request	1998 committee recomm.
Total, FTEs .....	32,980	34,450	32,837	33,011

OPERATING EXPENSES

GOVERNMENTAL DIRECTION AND SUPPORT

The Committee recommends a total of \$119,177,000 and 1,479 full-time equivalent positions for the various departments, agencies and activities funded through this appropriation.

The allowance recommended by activity follows:

GOVERNMENTAL DIRECTION AND SUPPORT

[In thousands of dollars]

Agency/Activity	FY 1997 approved	FY 1997 revised	FY 1998 District request	FY 1998 authority request	FY 1998 amended request	Recommended in bill	Bill compared with—				
							FY 1997 approved	FY 1997 revised	FY 1998 District request	FY 1998 authority request	FY 1998 amended request
Council of the District of Columbia .....	8,878	8,658	8,575	8,575	8,575	8,575	(303)	(83)	0	0	
Office of the District of Columbia Auditor .....	982	962	919	919	919	919	(63)	(43)	0	0	
Advisory Neighborhood Commissions .....	572	562	562	562	562	562	(10)	0	0	0	
Office of the Mayor .....	2,109	2,057	2,024	2,024	2,024	2,024	(85)	(33)	0	0	
Office of the Secretary .....	2,208	2,168	2,069	2,069	2,069	2,069	(139)	(99)	0	0	
Office of Communications .....	350	348	328	328	328	328	(22)	(20)	0	0	
Office of Intergovernmental Relations .....	1,239	1,226	1,225	1,225	1,225	1,225	(14)	(1)	0	0	
Office of City Administrator/Deputy Mayor for Operations .....	4,637	4,520	4,417	4,417	4,417	4,417	(220)	(103)	0	0	
Office of Personnel .....	10,568	10,358	10,245	10,120	10,120	10,120	(448)	(238)	(125)	0	
Department of Administrative Services .....	29,819	27,186	23,550	22,020	22,020	22,020	(7,799)	(5,166)	(1,530)	0	
Contract Appeals Board .....	563	550	634	634	634	634	71	84	0	0	
Tax Revision Commission .....	0	0	500	500	500	500	500	500	0	0	
Board of Elections and Ethics .....	2,777	2,707	2,947	2,947	2,947	2,947	170	240	0	0	
Office of Campaign Finance .....	804	785	808	808	808	808	4	23	0	0	
Public Employee Relations Board .....	325	315	413	413	413	413	88	98	0	0	
Office of Employee Appeals .....	1,113	1,087	1,139	1,139	1,139	1,139	26	52	0	0	
Metropolitan Washington Council of Governments .....	396	396	374	374	374	374	(22)	(22)	0	0	
Independent Agencies:											
Office of Inspector General .....	7,200	7,070	5,731	5,731	7,731	7,731	531	661	2,000	2,000	
Office of the Chief Financial Officer:											
Office of the Chief Financial Officer .....	1,459	4,396	4,948	4,948	4,948	4,948	3,489	552	0	0	
Office of Budget and Planning .....	4,251	4,117	3,661	3,661	3,661	3,661	(590)	(456)	0	0	
Office of Grants Management and Development .....	12,922	13,004	15,163	15,163	16,013	16,013	3,091	3,009	850	850	
Office of Finance and Treasury .....	0	6,821	6,522	6,522	6,522	6,522	6,522	(299)	0	0	
Office of Financial Operations and Systems .....	23,764	14,423	13,451	13,451	13,451	13,451	(10,313)	(972)	0	0	
Office of Tax and Revenue .....	22,357	20,536	19,532	18,532	18,532	30,532	8,175	9,996	11,000	12,000	
Unallocated .....	100	0	0	0	0	0	0	0	0	0	
<b>Total, Governmental Direction and Support</b>	<b>139,393</b>	<b>134,252</b>	<b>129,737</b>	<b>127,082</b>	<b>127,932</b>	<b>141,932</b>	<b>2,539</b>	<b>7,680</b>	<b>12,195</b>	<b>14,850</b>	<b>14,000</b>

Less Intra-District Funds .....	(23,730)	(23,730)	(22,755)	(22,755)	(22,755)	(22,755)	975	975	0	0	0
Revised, Governmental Direction and Support .....	115,663	110,522	106,982	104,327	105,177	119,177	3,514	8,655	12,195	14,850	14,000

## COUNCIL OF THE DISTRICT OF COLUMBIA

The Committee recommends a total of \$8,575,000 and 143 full-time equivalent positions (including \$8,573,000 from local funds and \$2,000 from other funds) for fiscal year 1998 for the operation of the legislative branch of government for the District.

The Council of the District is the elected legislative branch of the District government. Its mission is to enact laws, adopt the annual operating budget, and establish and oversee the programs and operations of District government agencies. The Council is composed of 13 members—five of whom including the Chairman, are elected at-large, and eight who are elected from wards.

## OFFICE OF THE DISTRICT OF COLUMBIA AUDITOR

The Committee recommends \$919,000 and 11 full-time equivalent positions from local funds for fiscal year 1998 for the operation of this office.

The Office of the District of Columbia Auditor assist the Council of the District of Columbia in performing its oversight responsibilities, conducts statutory audits of various accounts, operations and programs of the District of Columbia government, and reviews revenue estimates in support of annual budgets and municipal bonds.

## ADVISORY NEIGHBORHOOD COMMISSIONS

The bill includes an appropriation of \$562,000 from local funds for fiscal year 1998 for the 37 chartered advisory neighborhood commissions which were established by the District of Columbia Home Rule Act to advise the District government on matters of public policy in areas such as planning, transportation, social service programs, health, safety and sanitation.

## OFFICE OF THE MAYOR

The Committee has approved the appropriation of \$1,392,000 and 25 full-time equivalent positions from local funds for fiscal year 1998 for the Office of the Mayor.

The Mayor, as the chief executive officer of the District of Columbia government, has overall responsibility for the implementation of programs and the administration of executive agencies.

## OFFICE OF THE SECRETARY

The bill includes \$1,591,000 and 20 full-time equivalent positions (including \$1,512,000 and 18 full-time equivalent positions from local funds and \$79,000 and 2 full-time equivalent positions from other funds,) for fiscal year 1998 for the Office of the Secretary.

The Office of the Secretary assists the Mayor and the executive agencies with their operations by providing ministerial and logistical support services, managing the District's records storage program and archives, and reviewing, publishing, and distributing all District government rules and regulations and administrative orders.

## OFFICE OF COMMUNICATIONS

The Committee recommends \$90,000 from local funds for the Office of Communications for fiscal year 1998.

The Office of Communications assists the Mayor and the City Administrator in increasing public awareness and understanding of the services and operations of the District government by improving the quality of communications between the public and the District government.

## OFFICE OF INTERGOVERNMENTAL RELATIONS

The bill includes \$670,000 and 7 full-time equivalent positions from local funds for the Office of Intergovernmental Relations for fiscal year 1998.

The Office of Intergovernmental Relations is responsible for assisting the Mayor by providing liaison with other branches and levels of the District, Federal, and regional governments.

## OFFICE OF THE CITY ADMINISTRATOR/DEPUTY MAYOR FOR OPERATIONS

A total of \$3,722,000 and 16 full-time equivalent positions from local funds are included in the bill for the operation of the Office of the City Administrator/Deputy Mayor for Operations in fiscal year 1998.

The Office of the City Administrator/Deputy Mayor for Operations is responsible for assisting the Mayor in formulating and implementing District goals and priorities and to ensure the efficient and effective delivery of city services by overseeing the operations of the District and managing sensitive and new initiatives.

## OFFICE OF PERSONNEL

The Committee recommends \$9,118,000 and 181 full-time equivalent positions (including \$8,197,000 and 160 full-time equivalent positions from local funds and \$921,000 and 21 full-time equivalent positions from other funds) for the Office of Personnel for the fiscal year 1998.

The Office of Personnel provides an effective human resource management program for the District of Columbia government through the recruitment, development and retention of a qualified work force.

## DEPARTMENT OF ADMINISTRATIVE SERVICES

The bill includes \$7,921,000 and 120 full-time equivalent positions (including \$6,284,000 and 120 full-time equivalent positions from local funds and \$1,637,000 from other funds) for fiscal year 1998 for the Department of Administrative Services.

The Department of Administrative Services is the central provider of core services to District agencies that supports their operations and public service missions.

## CONTRACT APPEALS BOARD

The Committee recommends \$634,000 and six full-time equivalent positions from local funds for the Contract Appeals Board for fiscal year 1998.

The Contract Appeals Board provides a quasi-judicial forum to assure that the contracting practices of District agencies are responsive, impartial, and expeditious.

#### TAX REVISION COMMISSION

The Committee recommends \$500,000 from local funds for the Tax Revision Commission for fiscal year 1998.

The Tax Revision Commission's mission is to prepare comprehensive recommendations to the Council and the Mayor which: (1) mitigate the current tax budget on taxpayers; (2) broaden the tax base; and (3) make the District's tax policy more competitive with surrounding jurisdictions.

#### BOARD OF ELECTIONS AND ETHICS

The Committee recommends a total of \$2,947,000 and 50 full-time equivalent positions from local funds for fiscal year 1998 for the Board of Elections and Ethics.

The Board of Elections and Ethics is responsible for the administration and enforcement of the election laws of the District of Columbia.

#### OFFICE OF CAMPAIGN FINANCE

The Committee recommends \$808,000 and 15 full-time equivalent positions from local funds for the Office of Campaign Finance for fiscal year 1998.

The Office of Campaign is responsible for the preservation of the confidence of the public in the integrity of the District government and to ensure trust by enforcing District of Columbia laws pertaining to campaign finance, lobbying, conflict of interest, and ethical conduct of public officials.

#### PUBLIC EMPLOYEE RELATIONS BOARD

The Committee recommends the total request of \$413,000 and four full-time equivalent positions from local funds for fiscal year 1998 for the Public Employee Relations Board.

The Board is responsible for solving labor-management disputes in the District government.

#### OFFICE OF EMPLOYEE APPEALS

The total budget request of \$1,139,000 and 15 full-time equivalent positions from local funds is included in the bill for the Office of Employee Appeals for fiscal year 1998.

The Office of Employee Appeals is an administrative hearing agency that adjudicates appeals filed by District employees concerning adverse actions, performance ratings, classifications, privacy and records management, erroneous employee payments, reductions-in-force, and grievances.

#### METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS

The total budget request of \$374,000 from local funds is included in the bill as the District's share of the Council of Government's budget for fiscal year 1998.

The Metropolitan Washington Council of Governments is the cooperative association of the 16 major cities and counties in the metropolitan area. It was organized in 1957 and is the official planning agency for metropolitan Washington by designation of various Federal agencies. The Council provides the mechanism for interlocal and interstate cooperation in metropolitan Washington.

#### OFFICE OF INSPECTOR GENERAL

The appropriation of \$7,731,000 and 52 full-time equivalent positions from local funds is recommended for fiscal year 1998 for the Office of Inspector General.

The Committee recommends an additional \$2,000,000 and 8 full-time equivalent positions for the Office of the Inspector General to increase the level of activity in the prevention and detection of fraud, waste and abuse in District government programs and operations. It is the Committee's intention that the Inspector General improve the effectiveness of the office's Hot-Line through increased advertising and education of all District government employees and customers who transact business with the District. All permits and application forms printed in the future should contain the Hot-Line number and information on its purpose and the confidentiality of callers.

The Office of Inspector General provides oversight of the District government's activities to prevent and detect fraud, abuse, and waste in the programs and operations.

#### OFFICE OF THE CHIEF FINANCIAL OFFICER

The Committee recommends \$4,748,000 and 54 full-time equivalent positions from local funds for the Office of the Chief Financial Officer for fiscal year 1998.

The mission of the Office of the Chief Financial Officer is to assist the Mayor in the performance of the financial management functions of the District of Columbia government.

#### OFFICE OF THE BUDGET AND PLANNING

A total of \$16,014,000 and 35 full-time equivalent positions (including \$2,001,000 and 26 full-time equivalent positions from local funds and \$14,013,000 and 9 full-time equivalent positions from federal funds) for fiscal year 1998 are included in the bill for the Office of the Budget and Planning.

The Office of the Budget develops, monitors, analyzes, and executes the District's budget, including operating, capital, enterprise funds, and a multi-year financial plan. The Office of Grants Management and Development assists the District government in obtaining and administering the maximum amount of grant resources in support of its policies and programs that will enhance the government's immediate and long-term financial condition.

#### OFFICE OF FINANCE AND TREASURY

The Committee recommends \$6,353,000 and 50 full-time equivalent positions (including \$3,914,000 and 25 full-time equivalent positions from local funds and \$2,439,000 and 25 full-time equivalent

positions from other funds) for the Office of Finance and Treasury for the fiscal year 1998.

The Office of Finance and Treasury manages the cash and other liquid assets of the District of Columbia, coordinates payments to vendors and service providers, accepts payments for service and taxes, manages District borrowings and debt repayment, maintains relationships with the investment community, and maximizes other District assets in coordination with the Mayor.

#### OFFICE OF FINANCIAL OPERATIONS AND SYSTEMS

The Committee recommends a total of \$12,442,000 and 121 full-time equivalent positions (including \$10,727,000 and 99 full-time equivalent positions from local funds and \$1,715,000 and 22 full-time equivalent positions from other funds) for fiscal year 1998 for the operations of the Office of Financial Operations and Systems.

The Office of Financial Operations and Systems maintains financial data and provides a stable and disciplined processing environment to generate accurate and consistent information to the stakeholders of the District of Columbia.

#### OFFICE OF TAX AND REVENUE

The bill includes \$30,514,000 and 554 full-time equivalent positions (including \$30,459,000 and 554 full-time equivalent positions from local funds and \$55,000 from other funds) for fiscal year 1998 for the Office of Tax and Revenue.

The Committee's recommended appropriation for the Office of Tax and Revenue for fiscal year 1998 is \$12,000,000 greater than the amended request because of the expectation that new systems and procedures within the department from the additional expenditures will yield the District government significant additional revenues which will contribute to a reduction in the District's accumulated deficit.

The Office of Tax and Revenue ensures the equitable, effective, and efficient administration and enforcement of the District of Columbia's business, income, excise, and real property tax laws.

#### ECONOMIC DEVELOPMENT AND REGULATION

The Committee recommends a total of \$120,072,000 and 1,283 full-time equivalent positions for fiscal year 1998 for the department and agencies funded through this appropriation.

ECONOMIC DEVELOPMENT AND REGULATION

[In thousands of dollars]

Agency/Activity	FY 1997 Approved	FY 1997 Revised	FY 1998 District Request	FY 1998 Authority Request	Amended FY 1997 Request	Rec- omended in bill	Bill compared with—			
							FY 1997 Approved	FY 1997 Revised	FY 1998 District Request	FY 1998 Authority Request
Business Services and Economic Development	\$51,967	\$51,370	\$60,198	\$58,479	\$58,479	\$58,479	\$6,512	\$7,109	(\$1,719)	\$0
Office of Zoning	870	858	927	927	927	927	57	69	0	0
Department of Public and Assisted Housing	8,330	8,163	4,650	2,080	2,080	2,080	(6,250)	(6,083)	(2,570)	0
Department of Employment Services	66,012	62,577	57,591	57,319	57,319	57,319	(8,693)	(5,258)	(272)	0
Board of Appeals and Review	157	153	153	153	153	153	(4)	0	0	0
Board of Real Property Assessments and Appeals	351	343	286	286	286	286	(65)	(57)	0	0
Department of Consumer and Regulatory Affairs	14,102	13,885	15,233	14,527	14,527	14,527	425	642	(706)	0
Public Service Commission	4,570	4,517	0	0	0	0	(4,570)	(4,517)	0	0
Office of the People's Counsel	2,437	2,428	0	0	0	0	(2,437)	(2,428)	0	0
Total, Economic Development and Regulation	148,796	144,294	139,038	133,771	133,771	133,771	(15,025)	(10,523)	(5,267)	0
Less Intra-District funds	(13,092)	(13,092)	(13,699)	(13,699)	(13,699)	(13,699)	(607)	(607)	0	0
Revised, Economic Development and Regulation	135,704	131,202	125,339	120,072	120,072	120,072	(15,632)	(11,130)	(5,267)	0

## DEPARTMENT OF BUSINESS SERVICES AND ECONOMIC DEVELOPMENT

The Committee recommends \$46,400,000 and 437 full-time equivalent positions (including \$26,886,000 and 419 full-time equivalent positions from local funds, \$552,000 and four full-time equivalent positions from Federal funds and \$18,962,000 and 14 full-time equivalent positions from other funds) for the Department of Business Services and Economic Development in fiscal year 1998.

*Downtown Business Improvement District.*—The Committee intends that funds in this appropriation be available for the District's Downtown Business Improvement District (BID) to acquire services through the General Services Administration supply schedules and contracting offices.

The Committee is encouraged by the progress of the Metropolitan Police Department and the District of Columbia Public School system in procurement reform. The use of the services of the General Services Administration (GSA) has been instrumental in the improvements, assuring the District of Columbia the best prices for commercial services and products. Although the Committee does not expect GSA to meet all the needs of the District of Columbia, GSA should be looked to as a source of contracting support. The Committee in providing funds for the operations of District of Columbia agencies, instrumentalities, corporations and business improvement districts, directs the organizations receiving these appropriations to give first consideration to the services of GSA for management support. The Committee expects GSA services to be provided through private contractors.

## D.C. HOUSING AUTHORITY

The Committee notes with concern the proposed expenditure by the District of Columbia Housing Authority of some \$65,000 per unit at the Kentucky Courts Family Units for the removal of pigeon droppings and cosmetic renovations. The Committee directs that no funds be spent by DCHA on the rehabilitation or redevelopment of the Kentucky Courts Family Units under the Occupied Unit Rehabilitation Program or any other program except for securing the site until such time as DCHA develops an acceptable plan for non-conventional housing consistent with community stability, public safety and fiscal responsibility with the Ward Six City Council Member and the community Kentucky Courts Neighborhood Task Force. Further, the Committee directs DCHA to report to the Congress with a timetable for such a plan no later than June 30, 1998.

The Department of Business Services and Economic Development mission is to facilitate the creation and growth of wealth in the District of Columbia and expansion of its revenue base through: (1) the development and implementation of programs and policies for the retention, expansion and attraction of commerce and trade, including local, small and disadvantaged businesses; (2) efficiently, effectively and fairly regulate business activities and land and building use in the District of Columbia; and (3) develop and maintain stable, and diverse attractive neighborhoods throughout the District of Columbia.

## OFFICE OF ZONING

The Committee recommends \$855,000 and 13 full-time equivalent positions (including \$384,000 and seven full-time equivalent positions from local funds and \$471,000 and six full-time equivalent positions from other funds) for the Office of Zoning for fiscal year 1998.

The Office of Zoning provides administrative, professional, and technical assistance to the Zoning Commission and the Board of Zoning Adjustment in the maintenance and regulation of zoning and the zoning process in the District of Columbia.

## DEPARTMENT OF PUBLIC AND ASSISTED HOUSING

The bill includes \$2,080,000 from local funds for the Department of Public and Assisted Housing for the Tenant Assistance Program (TAP) for fiscal year 1998.

## DEPARTMENT OF EMPLOYMENT SERVICES

The Committee recommends a total of \$56,991,000 and 653 full-time equivalent positions (including \$6,314,000 and 71 full-time equivalent positions from local funds, \$32,802,000 and 407 full-time equivalent positions from Federal funds, and \$17,875,000 and 175 full-time equivalent positions from other funds) for fiscal year 1998 for the Department of Employment Services.

The Department of Employment Services provides meaningful employment and training opportunities; ensures timely payment of benefits for unemployed and injured workers, and promotes safe, healthy, and productive work places for employees and employers.

## BOARD OF APPEALS AND REVIEW

The Committee recommends \$153,000 and two full-time equivalent positions from local funds for the Board of Appeals and Review in fiscal year 1998.

The Board of Appeals and Review is the administrative agency commissioned to review agency decisions disputed by citizens and medical facilities.

## BOARD OF REAL PROPERTY ASSESSMENTS AND APPEALS

The Committee recommends \$286,000 and three full-time equivalent positions from local funds for the Board of Real Property Assessment and Appeals for fiscal year 1998.

The mission of the Board of Real Property Assessments and Appeals is to ensure that real property, which comes before the Board for review, is assessed at 100 percent of its market value and is in equalization with similar properties.

## DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS

The Committee recommends a total of \$13,307,000 and 175 full-time equivalent positions (including \$4,274,000 and 59 full-time equivalent positions from local funds, \$8,711,000 and 115 full-time equivalent positions from Federal funds, and \$322,000 and one full-time equivalent position from other funds) for fiscal year 1998 for the Department of Consumer and Regulatory Affairs.

The Department of Consumer and Regulatory Affairs protects the health, safety, and welfare of District of Columbia residents by regulating business activities, land and building use, occupational and professional conduct, rental housing and condominiums, health and social service care facilities, and the physical environment.

PUBLIC SAFETY AND JUSTICE

The Committee recommends a total of \$502,970,000 for fiscal year 1998 for the public safety activities funded through this appropriation.

The allocation of funds by department and agency is shown in the following tabulation:

PUBLIC SAFETY AND JUSTICE

(In thousands of dollars)

Agency/Activity	Bill compared with—										
	FY 1997 approved	FY 1997 revised	FY 1998 District request	FY 1998 authority request	Amended FY 1998 request	Recommended in bill	FY 1997 approved	FY 1997 revised	FY 1998 District request	FY 1998 authority request	FY 1998 amended request
Metropolitan Police Department	264,637	271,045	277,383	272,383	272,383	277,783	13,146	6,738	400	5,400	5,400
Fire and Emergency Medical Services Department	106,720	104,395	101,977	98,851	98,851	101,451	(5,269)	(2,944)	(526)	2,600	2,600
Police and Fire Retirement System	226,700	226,700	211,000	211,000	47,700	47,700	(179,000)	(179,000)	(163,300)	(163,300)	0
Judges' Retirement System	5,500	5,500	3,100	3,100	0	0	(5,500)	(5,500)	(3,100)	(3,100)	0
Court of Appeals	6,167	6,023	6,000	6,000	0	0	(6,167)	(6,023)	(6,000)	(6,000)	0
Superior Court	78,754	76,736	74,046	76,645	0	0	(78,754)	(76,736)	(74,046)	(76,645)	0
Court System	36,291	35,459	35,152	35,152	0	0	(36,291)	(35,459)	(35,152)	(35,152)	0
Office of the Corporation Counsel	17,334	16,992	17,418	17,418	17,418	17,418	84	426	0	0	0
Settlements and Judgments	14,800	14,800	14,800	14,800	14,800	14,800	0	0	0	0	0
Public Defender Service	7,797	7,797	7,753	7,753	0	0	(7,797)	(7,797)	(7,753)	(7,753)	0
Pretrial Services Agency	6,063	5,909	5,086	5,086	0	0	(6,063)	(5,909)	(5,086)	(5,086)	0
Department of Corrections	272,302	268,541	249,480	259,486	50,398	50,398	(221,904)	(218,143)	(199,082)	(209,088)	0
Board of Parole	8,277	8,131	7,617	7,545	0	0	(8,277)	(8,131)	(7,617)	(7,545)	0
National Guard	902	876	858	858	858	858	(44)	(18)	0	0	0
Office of Emergency Preparedness	2,887	2,844	2,837	2,837	2,837	2,837	(50)	(7)	0	0	0
Commission on Judicial Disabilities and Tenure	128	125	125	125	125	125	(3)	0	0	0	0
Judicial Nomination Commission	80	78	78	78	78	78	(2)	0	0	0	0
Total, Public Safety and Justice	1,055,339	1,051,951	1,014,710	1,019,117	505,448	513,448	(541,891)	(538,503)	(501,262)	(505,669)	8,000
Less Intra-District funds	(14,058)	(14,058)	(15,240)	(15,240)	(10,478)	(10,478)	3,580	3,580	4,762	4,762	0
Revised, Public Safety and Justice	1,041,281	1,037,893	999,470	1,003,877	494,970	502,970	(538,311)	(534,923)	(496,500)	(500,907)	8,000
Less savings from the National Capital Revitalization Act of 1977	(537,737)	(539,737)	(513,469)	(500,936)	0	0	539,737	539,737	513,469	500,936	0
Revised Total	503,544	498,156	486,001	502,941	494,970	502,970	1,426	4,814	16,696	29	8,000

## METROPOLITAN POLICE DEPARTMENT

The Committee has approved a total of \$272,179,000 and 4,598 full-time equivalent positions (including \$254,985,000 and 4,537 full-time equivalent positions from local funds, \$12,020,000 and 61 full-time equivalent positions from Federal funds, and \$5,174,000 from other funds) for fiscal year 1998 for the Metropolitan Police Department.

*Boys and Girls Clubs.*—The Committee is aware of the positive impact that the Boys and Girls Clubs have on District of Columbia youth. It is also aware of efforts underway to construct a new Boys and Girls Club facility on property owned by the District's Department of Recreation located on New York Avenue and First Street, Northwest. This facility, known as the Jabbo Kenner-Nordy Hoffman Clubhouse, would consist of a regulation basketball court (which could be used for a variety of purposes by deploying portable dividers), fitness training room, computer training lab, meeting rooms, dance studio, arts and crafts studio, snack bar, laundry facilities and staff offices. While the Boys and Girls Club is sponsored by the DC Metropolitan Police, this facility would be constructed and operated without any public funds. Instead, all funds for the construction and operation of the Clubhouse would be raised through private sources by a non-profit organization that has already been established and raised a significant portion of the construction costs.

The Committee is concerned that despite a pledge over one year ago from the District government to convey this property to the Boys and Girls Clubs, little progress has been made in this area. Additional delay will hamper private fundraising efforts for this worthwhile project, and further postpone the start of construction. As a result, the Committee directs the District government to report to the Committee within 30 days of enactment of this legislation its plans to convey the property at New York Avenue and First Street, Northwest to the Boys and Girls Clubs.

The Committee requests a report by November 30, 1997 of the inventory of all police vehicles, including, but not limited to, date purchased, purchase cost, present mileage, statement of its general condition, and expected disposal date of each vehicle.

*Civilianization.*—The Metropolitan Police Department is directed to take action to place civilians in administrative positions, to the extent possible, that are currently filled by uniformed officers, and to provide a report to the Committee by January 31, 1998 as to the status of its planned actions.

The mission of the Metropolitan Police Department is to provide law enforcement and other police services to people living, working and visiting the District of Columbia and to improve the quality of life in the city.

## FIRE AND EMERGENCY MEDICAL SERVICES DEPARTMENT

A total of \$101,379,000 and 1,763 full-time equivalent positions (including \$100,797,000 and 1,763 full-time equivalent positions from local funds and \$582,000 from other funds) is recommended for fiscal year 1998 for the Fire and Emergency Medical Services Department.

The mission of the Fire and Emergency Medical Services Department is to improve the quality of life to those who choose to live, work, visit and do business in the District of Columbia by preventing fires before they occur; extinguishing those fires that do occur; and providing emergency medical and ambulance service.

#### POLICE AND FIRE RETIREMENT SYSTEM

A total of \$47,700,000 from local funds is recommended for fiscal year 1998 for the City's contribution to the police and fire retirement system.

The Police and Fire Retirement System provides annuity payments and other retirement and disability benefits for Metropolitan Police and Fire Department retirees and survivors.

#### OFFICE OF THE CORPORATION COUNSEL

The Committee has approved \$12,616,000 and 190 full-time equivalent positions (including \$12,478,000 and 188 full-time equivalent positions from local funds and \$138,000 and four full-time equivalent positions from other funds) for fiscal year 1998 for the Office of the Corporation Counsel.

The mission of the Office of the Corporation Counsel is to conduct all legal business for the District of Columbia including all suits instituted by and against the government thereof.

#### SETTLEMENTS AND JUDGMENTS

The Committee recommends \$14,800,000 from local funds for fiscal year 1998 for this special account to settle claims and lawsuits and pay judgments in all types of tort cases entered against the District government.

#### DEPARTMENT OF CORRECTIONS

The bill includes the total request of \$50,398,000 and 3,105 full-time equivalent positions from local funds for fiscal year 1998 for the Department of Corrections.

The mission of the Department of Corrections is to ensure public safety and uphold the public trust by providing for the safety and secure confinement of pre-trial detainees and sentenced prisoners and to do so fairly, without undue suffering and as efficiently as possible.

#### NATIONAL GUARD

The Committee recommends \$858,000 and 25 full-time equivalent positions from local funds for the District's support of the National Guard during fiscal year 1998.

The mission of the District of Columbia National Guard is to serve as an integral component of the nation's military forces when activated and is trained to respond during civil emergencies or disturbances to protect life, property, and the interest of the District of Columbia.

#### OFFICE OF EMERGENCY PREPAREDNESS

A total of \$2,837,000 and 35 full-time equivalent positions (including \$1,338,000 and 23 full-time equivalent positions from local

funds and \$1,499,000 and 12 full-time equivalent positions from Federal funds) are recommended for the fiscal year 1998 for the Office of Emergency Preparedness.

The mission of the Office of Emergency Preparedness is providing 24-hour emergency assistance by mobilizing and deploying personnel and resources, updating emergency operations plans and strategies, training emergency personnel, managing special events, warning and informing the public of emergencies and disasters in order to save lives and to protect property in the District of Columbia.

#### COMMISSION ON JUDICIAL DISABILITIES AND TENURE

The Committee recommends \$125,000 and two full-time equivalent positions from local funds for the Commission on Judicial Disabilities and Tenure for fiscal year 1998.

The mission of the Commission on Judicial Disabilities and Tenure is to provide for the preservation of an independent and fair judiciary by making determinations regarding the discipline, involuntary retirement, and reappointment of judges of the District of Columbia courts.

#### JUDICIAL NOMINATION COMMISSION

The budget request of \$78,000 and one full-time equivalent position from local funds is recommended for fiscal year 1998 for the Judicial Nomination Commission.

The mission of the Judicial Nomination Commission is to select and recommend to the President of the United States nominees to fill judicial vacancies in the District of Columbia Court of Appeals and the Superior Court.

#### PUBLIC EDUCATION SYSTEM

A total of \$672,444,000 and 11,314 full-time equivalent positions is recommended for the operation of the activities included within this appropriation title.

A summary of the allocations to the agencies and offices under this heading compared with the budget estimates follows:

PUBLIC EDUCATION SYSTEM

(In thousands of dollars)

Agency/Activity	FY 1997 approved	FY 1997 revised	FY 1998 District request	FY 1998 authority request	FY 1998 amended request	Recommended in bill	Bill compared with—			
							FY 1997 approved	FY 1997 revised	FY 1998 District request	FY 1998 authority request
Board of Education (Public Schools) .....	\$575,987	\$568,626	\$566,304	567,099	567,099	563,084	(12,903)	(5,542)	(3,220)	(4,015)
Public Charter Schools .....	2,835	2,835	1,235	1,235	1,235	5,250	2,415	2,415	4,015	4,015
Teachers' Retirement System .....	88,900	88,900	93,300	9,700	9,700	9,700	(79,200)	(79,200)	(83,600)	0
District Education and Learning Technologies Advancement (DELTA) Council .....	0	0	0	0	0	1,000	1,000	1,000	1,000	1,000
University of the District of Columbia .....	76,287	75,605	81,139	81,287	81,287	81,287	5,000	5,682	148	0
Public Library .....	22,432	21,770	22,041	22,036	22,036	22,036	(396)	266	(5)	0
Commission on the Arts and Humanities .....	2,220	2,187	2,057	2,057	2,057	2,057	(163)	(130)	0	0
Total, Public Education System .....	768,661	759,923	766,076	683,414	683,414	683,414	(84,247)	(75,509)	(81,662)	1,000
Less Intra-District funds .....	(9,846)	(9,846)	(10,970)	(10,970)	(10,970)	(10,970)	(1,124)	(1,124)	0	0
Revised, Public Education System .....	758,815	750,077	755,106	672,444	672,444	673,444	(85,371)	(76,633)	(81,662)	1,000
Less savings from the National Capital Revi- talization Act of 1997 .....	(79,900)	(79,900)	83,600)	0	0	0	79,900	79,900	83,600	0
Revised Total .....	678,915	670,177	671,506	672,444	672,444	673,444	(5,471)	3,267	1,938	1,000

## BOARD OF EDUCATION—PUBLIC SCHOOLS

An appropriation of \$560,114,000 and 9,979 full-time equivalent positions (including \$456,128,000 and 8,623 full-time equivalent positions from local funds, \$98,491,000 and 1,251 full-time equivalent positions from Federal funds, and \$5,495,000 and 105 full-time equivalent positions from other funds) for the public school system are approved for fiscal year 1998.

The mission of the District of Columbia Public Schools is to a viable and comprehensive system of publicly supported education for students from pre-kindergarten through grade twelve. The District of Columbia Public Schools, under the direction of the Board of Education and the management of the Superintendent, provides services including comprehensive programs at the elementary, junior and senior high school levels. Additionally, special educational services for the handicapped students and career training opportunities for adults at career development centers are provided.

## TOTAL FUNDS AVAILABLE FOR PUBLIC SCHOOLS

The total funds available to the public school system in fiscal year 1998 follows:

<i>Total resources</i>	
<i>Agency</i>	<i>Fiscal year 1998</i>
Operating Expenses:	
Appropriation recommended in bill .....	\$456,128,000
Federal grants .....	98,491,000
Private and other funds .....	5,495,000
Intra-District funds .....	2,970,000
	563,084,000
Total, operating expenses .....	563,084,000

## PUPIL MEMBERSHIP

For the 1997–1998 school year, the number of students in the District's public school system is expected to remain the same at 78,648. The following table shows annual pupil membership statistics from 1969–1970 to the 1997–1998 estimates:

## PUPIL MEMBERSHIP, 1969–70 THROUGH 1996–97

School year	Enrollment	Change
October:		
1969 .....	145,584	0
1970 .....	142,857	(2,727)
1971 .....	139,650	(3,207)
1972 .....	136,783	(2,867)
1973 .....	132,438	(4,345)
1974 .....	128,389	(4,049)
1975 .....	126,568	(1,821)
1976 .....	122,586	(3,982)
1977 .....	116,595	(5,991)
1978 .....	113,858	(2,737)
1979 .....	106,156	(7,702)
1980 .....	99,225	(6,931)
1981 .....	94,425	(4,800)
1982 .....	91,105	(3,320)
1983 .....	88,843	(2,262)
1984 .....	87,397	(1,446)

## PUPIL MEMBERSHIP, 1969-70 THROUGH 1996-97—Continued

School year	Enrollment	Change
1985 .....	87,092	(305)
1986 .....	86,405	(687)
1987 .....	87,539	1,134
1988 .....	85,306	(2,233)
1989 .....	81,301	(4,005)
1990 .....	80,694	(607)
1991 .....	80,618	(76)
1992 .....	80,937	319
1993 .....	80,678	(259)
1994 .....	80,450	(228)
1995 .....	79,802	(648)
1996 .....	<sup>1</sup> 78,648	(1,154)
1997 .....	<sup>1</sup> 78,648	0

<sup>1</sup> The Committee was informed September 19, 1997, by District officials that the actual enrollment for SY 1996-97 and the updated enrollment projection for SY 1997-98 were not available.

With the amount recommended in the bill, per pupil expenditures for the 1996-1997 school year from all sources will total \$7,160 of which \$5,800 will be from District funds and \$1,360 will be from Federal and other funds.

## PUBLIC CHARTER SCHOOLS

The Committee recommends \$5,250,000 for public charter schools from local funds for the fiscal year 1998.

## REVISED DISTRICT OF COLUMBIA RETIREMENT SYSTEM

As the District of Columbia develops a new pension system, the Committee recommends that every consideration for equity and access be extended to the employees of Chartered Schools, including teachers who transfer to Charter School from the DCPS. Such equity and access should permit participation in the system at no cost to the system.

## TEACHERS' RETIREMENT SYSTEM

The Committee recommends the sum of \$8,900,000 from local funds for Teachers' Retirement and Annuity Payments in fiscal year 1998.

The Teachers' Retirement System provides annuity payments and other retirement and disability benefits for retired District teachers and their survivors.

## UNIVERSITY OF THE DISTRICT OF COLUMBIA

The Committee recommends the sum of \$74,087,000 and 917 full-time equivalent positions (including \$37,791,000 and 572 full-time equivalent positions from local funds, \$12,804,000 and 156 full-time equivalent positions from Federal funds, and \$23,492,000 and 189 full-time equivalent positions from other funds) for the University in fiscal year 1998.

The University of the District of Columbia is the nation's only urban land grant institution. Its mission is to improve the quality of life by meeting higher education needs and aspirations of the residents of the District of Columbia at the lowest possible cost.

## UDC SCHOOL OF LAW

The Committee continues to be concerned about the financial condition of the District of Columbia government and the reluctance of District officials to eliminate programs that although worthy and commendable, are beyond the financial capabilities of the District.

The Committee is also deeply concerned that the District government is continuing to operate a law school. This concern was first noted in the conference report (H. Rept. 100-195) that accompanied the FY 1987 Supplemental Appropriations Act Conference Report. The following statement appears on page 116 of that report:

"The conferees are concerned about the possible long-term costs to the District of the operation of a public law school."

Senate Report 103-313 (page 38) on the FY 1995 D.C. Appropriations Act, recommended no appropriation for the D.C. School of Law and included the following:

"The law school has not attracted a student body that would allow it to become self-sufficient and has been an increasing drain on the District treasury.

"In November 1990 the Commission on Budget and Financial Priorities (the Rivlin Commission) recommended that the law school be closed. The Commission report stated 'the District is facing a severe financial crisis and priorities must be established. The Commission strongly supports education but believes that limited public funds should first be invested in early, primary, secondary, and baccalaureate programs \* \* \*. Only when excess or surplus funds exist will the funding of professional, postgraduate education be reasonable."

The Conference report (House Rept. 103-671, pp. 5, 6) on the FY 1995 D.C. Appropriations Act included the following statements:

"Closing of the law school has been proposed by mayors in the past, but the conferees do not believe that it has been seriously and objectively considered by the council."

\* \* \* \* \*

"Perhaps the case is made best by the law school's own representation as presented in the D.C. Council's Committee on Education and Libraries report dated March 11, 1994 to members of the Council: 'The Law School stated in written response to Committee questions that: "In order for the Law School to acquire full accreditation, it must; (1) add basic materials to the law library collection which will cost \$750,000; (2) maintain the then-updated collection by purchasing updates and new materials on an annual basis; (3) increase faculty salaries by at least 25 percent; (4) increase the number of staff supporting administrative, student services, and library functions, and (5) acquire and operate out of a permanent facility of at least 125,000 square feet.'"

"The Council Committee's report later states: 'According to the Law school, a lease-purchase approach to acquiring a permanent facility would 'add approximately \$1.25 million annually to the Law School's current operating budget for (the next thirty years.' A 'modest balloon payment at the end of the thirty year period' would also have to be made." That means a commitment of ap-

proximately \$40 million over the next 30 years in operating costs in addition to the subsidy).

“The Council Committee’s report also states that “ABA standards require a minimal expenditure of \$1.0 million on the law library.” Given just these two items—annual law library expenditures of \$1 million and annual lease-purchase costs of \$1.25 million—the D.C. government could provide full tuition at an average school of law in the District for 155 D.C.-resident students, slightly more than the estimated number of District residents enrolled at the D.C. School of Law as reflected in the fiscal year 1995 budget.

“In addition, the conferees are aware of current D.C. law that authorizes grants to clinical law school programs at law schools in the District of Columbia (D.C. Code, Title 31, Chapter 19, Section 1901 et. seq.) and are informed that the city has awarded a total of \$60,000 to the program in fiscal year 1994 for the various law schools located in the District.

\* \* \* \* \*

“The conferees believe that the best way to ensure that a legal education is available to all D.C. citizens who are so inclined is not to sponsor a public school of law but to ensure that every youngster attends elementary and secondary schools and receives an education that qualifies them academically for any undergraduate or graduate school in the Nation. It is to that principle that the conferees, and indeed probably every U.S. citizen, is committed. The argument that the City of Washington, D.C. must train public service lawyers or there will be a serious void in the legal profession is demonstrably wrong.”

The D.C. Law School was created by the D.C. Council 1986 as an independent institution and was merged with the University of the District of Columbia in 1995. The law school received provisional accreditation in 1991, but had to reapply after it merged with UDC. Recent press reports indicate that accreditation by the American Bar Association is doubtful. An article in the May 12, 1997 Legal Times states that at an April 1997 “ \* \* \* an American Bar Association panel refused to change its earlier decision to recommend removing the law school from the list of accredited schools.” The article further states that students at UDC Law School had a 16 percent passage rate in Maryland compared with a 29 percent passage rate for students from Howard University School of Law and 67 percent for students from American University’s Washington College of Law. These numbers were reported by the schools to the American Bar Association.

As stated by the Rivlin Commission, “priorities must be established” Accordingly, the Committee will not approve any funding for the D.C. Law School in Fiscal year 1998. Further, it strongly suggested that District officials begin making arrangements immediately so the students currently enrolled will be assisted in transferring to other law schools.

The Committee on Appropriations further recommends an appropriation of \$2.3 million to be apportioned on a quarterly basis. If the District of Columbia Law School is not fully, and unconditionally accredited by the American Bar Association as of January 31, 1998, none of the funds made available in any Appropriations Act may be expended for or on behalf of the School except for purposes

of providing assistance to District of Columbia resident students enrolled at the School as of such date in paying tuition costs of enrollment at other law schools in the Washington Metropolitan Area, in accordance with a plan approved by the Congress. None of the funds appropriated for the District of Columbia School of Law shall be used for recruitment or capital expenditures.

#### PUBLIC LIBRARY

The Committee recommends approval of the \$22,036,000 and 409 full-time equivalent positions (including \$20,424,000 and 398 full-time equivalent positions from local funds, \$1,158,000 and ten full-time equivalent positions from Federal funds, and \$454,000 and one full-time equivalent position from other funds) requested for fiscal year 1998.

The mission of the Public Library is to acquire and organize information, including books and other materials, to meet the educational, cultural and recreational needs of adults and children in the community; and to provide free access to these materials and services in a manner "convenient to the homes and offices of all residents."

#### COMMISSION ON THE ARTS AND HUMANITIES

An appropriation of \$2,057,000 and nine full-time equivalent positions (including \$1,704,000 and two full-time equivalent positions from local funds and \$353,000 and seven full-time equivalent positions from Federal funds) are recommended for the Commission on the Arts and Humanities for fiscal year 1998.

The Commission on the Arts and Humanities objectives are to enrich the quality of life for the people of the District of Columbia through the arts, in partnership with the community.

#### HUMAN SUPPORT SERVICES

A total of \$1,718,939,000 and 6,096 full-time equivalent positions is recommended for the departments and agencies funded through this appropriation title.

A summary comparing the Committee's recommendations with the estimates by department and activity follows:

HUMAN SUPPORT SERVICES  
[In thousands of dollars]

Agency/Activity	Bill compared with—										
	FY 1997 Approved	FY 1997 Revised	FY 1998 District Request	FY 1998 Authority Request	FY 1998 Amended Request	Rec- ommended in bill	FY 1997 Approved	FY 1997 Revised	FY 1998 District Request	FY 1998 Authority Request	FY 1998 Amended Request
Department of Human Services .....	1,538,200	1,539,621	0	0	0	0	(1,538,200)	(1,539,621)	0	0	0
Department of Human Development .....	0	0	635,285	635,360	635,360	635,360	635,360	635,360	0	0	0
Department of Health .....	0	0	961,389	961,389	961,389	961,389	961,389	961,389	75	0	0
Department of Recreation and Parks .....	33,614	27,491	25,929	26,088	26,088	26,088	(7,526)	(1,403)	159	0	0
Office on Aging .....	19,169	18,870	18,392	18,392	18,392	18,392	(777)	(478)	0	0	0
Public Benefit Corporation Subsidy .....	59,735	37,935	44,335	44,335	44,335	44,335	(15,400)	6,400	0	0	0
Unemployment Compensation Fund .....	7,678	10,678	10,678	10,678	10,678	10,678	3,000	0	0	0	0
Disability Compensation Fund .....	24,793	24,089	21,089	21,089	21,089	21,089	(3,704)	(3,000)	0	0	0
Office on Latino Affairs .....	974	950	927	927	927	927	(47)	(23)	0	0	0
Office of Latino Affairs .....	688	660	666	666	666	666	(22)	6	0	0	0
Commission for Women .....	0	0	20	20	20	20	20	0	0	0	0
D.C. Energy Office .....	5,326	5,326	5,219	5,219	5,219	5,219	(107)	(107)	0	0	0
Total, Human Support Services .....	1,690,177	1,665,620	1,723,929	1,724,163	1,724,163	1,724,163	33,986	58,543	234	0	0
Less Intra-District funds .....	(4,470)	(4,470)	(5,224)	(5,224)	(5,224)	(5,224)	(754)	(754)	0	0	0
Revised, Human Support Services .....	1,685,707	1,661,150	1,718,705	1,718,939	1,718,939	1,718,939	33,232	57,789	234	0	0

## DEPARTMENT OF HUMAN DEVELOPMENT

A total of \$634,669,000 and 4,834 full-time equivalent positions (including \$345,005,000 and 2,924 full-time equivalent positions from local funds, \$254,846,000 and 1,903 full-time equivalent positions from Federal funds, and \$34,418,000 and seven full-time equivalent positions from other funds) are recommended in the bill for the Department of Human Development for fiscal year 1998.

The Department of Human Development sets policy and administers the delivery of social and mental health services; implements and administers the District's programs under the Personal Responsibility and Work Opportunity Reconciliation Act; and serves as the focal point for policy and implementation of the Temporary Assistance for Needy Families program within the District.

## DEPARTMENT OF HEALTH

The Committee recommends \$961,128,000 and 817 full-time equivalent positions (including \$335,237,000 and 255 full-time equivalent positions from local funds, \$620,674,000 and 526 full-time equivalent positions from Federal funds, and \$5,217,000 and 36 full-time equivalent positions from other funds) for the Department of Health for fiscal year 1998.

The Department of Health sets policy and administers the delivery of health care services, implements and administers the District's programs under the Social Security Act Title XIX, and serves as the focal point for policies affecting and safeguarding public health within the District.

## DEPARTMENT OF RECREATION AND PARKS

An appropriation of \$22,889,000 and 390 full-time equivalent positions (including \$20,722,000 and 371 full-time equivalent positions from local funds, \$34,000 from Federal funds, and \$2,133,000 and 19 full-time equivalent positions from other funds) are recommended for fiscal year 1998 for the Department of Recreation and Parks.

The mission of the Department of Recreation and Parks is to provide quality leisure services to residents and visitors to the District of Columbia in safe, well-maintained parks and facilities; to be environmentally responsible; to deliver programs that are stimulating, enriching, and culturally sensitive; to strategically manage financial and human resources; to provide adaptive programs and facilities for challenged customers; and to attain our goals and objectives through a dedicated team supported by volunteers, and public and private partnerships.

## OFFICE ON AGING

The Committee recommends the sum of \$17,349,000 and 23 full-time equivalent positions (including \$12,289,000 and 14 full-time equivalent positions from local funds, \$5,055,000 and nine full-time equivalent positions from Federal funds, and \$5,000 from other funds) for the Office on Aging for fiscal year 1998.

The Office on Aging develops and carries out a comprehensive and coordinated system of health, education, employment, and so-

cial services for the District's elderly who are 60 years of age and older.

DISTRICT OF COLUMBIA GENERAL HOSPITAL PAYMENT (PUBLIC  
BENEFIT CORPORATION)

A total of \$44,335,000 (including \$42,873,000 from local funds and \$1,462,000 from Federal funds) is recommended as the District's share of the operating costs of the city's public acute care hospital in fiscal year 1998.

The District of Columbia General Hospital Payment (Public Benefit Corporation) subsidy provides financing support for the Public Benefit Corporation's uncompensated health care and service delivery to District residents.

UNEMPLOYMENT COMPENSATION FUND

An appropriation of \$10,678,000 from local funds is recommended for fiscal year 1998 for the Unemployment Compensation Fund.

The mission of the Unemployment Compensation Fund is to provide unemployment compensation to eligible former District government employees, during periods of unemployment, as a result of separation through no fault of their own.

DISABILITY COMPENSATION FUND

A total of \$21,089,000 from local funds is recommended for the Disability Compensation Fund for fiscal year 1998.

The mission of the Disability Compensation Fund is to provide District government employees injured on the job with workers' compensation, including medical care, vocational rehabilitation, compensation for wage loss, and survivors' compensation.

OFFICE OF HUMAN RIGHTS

The sum of \$927,000 and 16 full-time equivalent positions (including \$821,000 and 16 full-time equivalent positions from local funds, and \$106,000 from Federal funds) are recommended for the Office of Human Rights for fiscal year 1998.

The mission of the Office of Human Rights is to ensure an end to illegal discriminatory practices in employment, housing and commercial space, public accommodations, education institutions, and District government contracting, for the private sector, as well as, District government employees.

OFFICE ON LATINO AFFAIRS

The Committee recommends the sum of \$636,000 and three full-time equivalent positions from local funds for the Office on Latino Affairs for fiscal year 1998.

The objective of the Office on Latino Affairs is to ensure that health, education, employment, and social services are available to the Latino community within the District of Columbia.

COMMISSION FOR WOMEN

The Committee recommends \$20,000 from other funds for the Commission for Women for fiscal year 1998. The Commission for

Women develops policy pertaining to health, economic and equity issues affecting women in the District of Columbia.

The Committee is pleased to learn of the Commission for Women's initiatives in the District of Columbia. This Commission, established by statute in 1978, currently addresses the important needs of women in our nation's capital and is operating with little or no funding. Despite the lack of staff, the Commission carries out the responsibilities of both city and state in advocacy for women's issues. Current initiatives include assisting District of Columbia agencies and other organizations with welfare-to-work projects. In this regard, the Commission is presently creating a public-private partnership model to ensure that women on welfare will be placed in the workplace.

#### ENERGY OFFICE

The Committee recommends the appropriation of \$5,219,000 and 13 full-time equivalent positions (including \$4,525,000 and six full-time equivalent positions from Federal funds and \$694,000 and seven full-time equivalent positions from other funds) for fiscal year 1998 for the Energy Office.

The mission of the Energy Office is to enhance the District's quality-of-life and economic competitiveness through initiatives which improve energy efficiency. These initiatives include education programs, energy-saving regulations, direct conservation, and energy assistance services.

#### PUBLIC WORKS

A total of \$241,934,000 and 1,292 full-time equivalent positions for fiscal year 1998 is recommended in the bill for activities funded through this appropriation.

A summary comparing the Committee's recommendations with the estimates by department and activity follows:

PUBLIC WORKS  
[In thousands]

Agency/Activity	FY 1997 approved	FY 1997 revised	FY 1998 District request	FY 1998 authority request	FY 1998 amended request	Recommended in bill	Bill compared with—				
							FY 1997 approved	FY 1997 revised	FY 1998 District request	FY 1998 authority request	FY 1998 amended request
Department of Public Works .....	159,042	156,587	148,198	149,458	149,458	149,458	(9,584)	(7,129)	1,260	0	0
Taxicab Commission .....	1,000	990	848	848	848	848	(152)	(142)	0	0	0
Washington Metropolitan Area Transit Commission .....	96	96	91	91	91	91	(5)	(5)	0	0	0
Washington Metropolitan Area Transit Authority (Metro) ..	131,820	129,008	127,230	127,230	127,230	127,230	(4,590)	(1,778)	0	0	0
School Transit Subsidy .....	3,845	3,839	3,450	3,450	3,450	3,450	(395)	(389)	0	0	0
Total, Public Works .....	295,803	290,520	279,817	281,077	281,077	281,077	(14,726)	(9,443)	1,260	0	0
Less Intra-District funds .....	(47,836)	(47,836)	(39,143)	(39,143)	(39,143)	(39,143)	8,693	8,693	0	0	0
Revised, Public Works .....	247,967	242,684	240,674	241,934	241,934	241,934	(6,033)	(750)	1,260	0	0

## DEPARTMENT OF PUBLIC WORKS

The Committee recommends the appropriation of \$110,315,000 and 1,283 full-time equivalent positions (including \$96,935,000 and 1,156 full-time equivalent positions from local funds, \$3,350,000 and 51 full-time equivalent positions from Federal funds, and \$10,030,000, and 76 full-time equivalent positions from other funds) for the Department of Public Works for fiscal year 1998.

*Geographic information systems (GIS).*—The Committee continues to believe that development of a geographic information system (GIS) will provide efficiency and productivity in the District government, assist in the operation, maintenance and planning of the District's physical infrastructure, and enhance public safety and increase revenues through more accurate and efficient property tax collection. The National Capital Planning Commission is also providing administrative and financial resources to the District's GIS program. It is also the strong recommendation of the Regulatory Reform Commission that the GIS program be implemented as an assistance to the economic development of the District of Columbia. Because of the many benefits, financial and otherwise, that will accrue to the District, the Committee encourages the DPW to work toward implementing a GIS as soon as possible.

The mission of the Department of Public Works is to improve the overall quality of life in the District of Columbia and enhance the District's ability to compete for residents, business, tourism and trade.

## TAXICAB COMMISSION

A total of \$848,000 and nine full-time equivalent positions (including \$277,000 and six full-time equivalent positions from local funds and \$571,000 and three full-time equivalent positions from other funds) are recommended for the Taxicab Commission for fiscal year 1998.

The mission of the Taxicab Commission is to ensure that the public is provided with safe and reliable taxicab and other transportation services through the regulation of the public vehicle-for-hire industry in the District of Columbia.

## WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

The Committee recommends \$91,000 from local funds for fiscal year 1998 for the Transit Commission.

The mission of the Washington Metropolitan Area Transit Commission is to ensure that the public is provided with responsible and reliable transportation services through the regulation of privately-owned, for-hire passenger carriers serving the region.

## WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

The Committee recommends approval of the requested \$127,230,000 from local funds for fiscal year 1998 for the District's share of the operating expenses and debt services for Metrorail and Metrobus operations.

The mission Washington Metropolitan Area Transit Authority is to provide safe, convenient, and cost-efficient mass transit service

within the District of Columbia and throughout the Washington Metropolitan Area.

SCHOOL TRANSIT SUBSIDY

The bill includes \$3,450,000 from local funds for fiscal year 1998 for the school transit subsidy. The School Transit Subsidy provides a subsidy for school children who use metrobus and metrorail for educationally related transportation. The students share of the base adult Metrobus and Metrorail fare was increased from one-third to one-half beginning June 21, 1995.

FINANCING AND OTHER USES

The Committee recommends a total of \$475,539,000 for the following appropriation titles:

FINANCING AND OTHER USES  
 (In thousands of dollars)

Agency/Activity	Bill compared with—										
	FY 1997 approved	FY 1997 revised	FY 1998 district request	FY 1998 authority request	FY 1998 amended request	Rec-omended in bill	FY 1997 approved	FY 1997 revised	FY 1998 district request	FY 1998 authority request	FY 1998 amended request
Washington Convention Center Transfer Payment .....	5,400	5,400	5,400	5,400	5,400	5,400	0	0	0	0	0
Repayment of Loans and Interest .....	333,710	333,710	365,548	365,196	384,430	366,976	33,266	33,266	1,428	1,780	(17,454)
Repayment of General Fund Recovery Debt .....	38,314	38,314	39,020	39,020	39,020	39,020	706	706	0	0	0
Short-Term Borrowing .....	34,461	34,461	15,848	18,157	12,000	12,000	(22,461)	(22,461)	(3,848)	(6,157)	0
Certificate of Participation .....	7,926	7,926	7,923	7,923	7,923	7,923	(3)	(3)	0	0	0
Inaugural Expenses .....	5,702	5,702	0	0	0	0	(5,702)	(5,702)	0	0	0
Human Resources Development .....	12,257	12,257	4,896	6,000	6,000	6,000	(6,257)	(6,257)	1,104	0	0
Management and Productivity Improvement .....	0	0	0	0	30,000	5,000	5,000	5,000	5,000	5,000	(25,000)
Pay-As-You-Go Capital Outlay .....	0	0	0	0	0	30,000	30,000	30,000	30,000	30,000	30,000
D.C. Financial Responsibility and Management Assistance Authority	3,400	3,220	3,220	3,220	3,220	3,220	(180)	0	0	0	0
Total, Financing and Other Uses .....	441,170	440,990	441,855	444,916	487,993	475,539	34,369	34,549	33,684	30,623	(12,454)

## WASHINGTON CONVENTION CENTER TRANSFER PAYMENT

An appropriation of \$5,400,000 from local funds is recommended for fiscal year 1998 as the general fund contribution to the Washington Convention Center.

The primary purpose of the Washington Convention Center Transfer Payment is to provide an annual subsidy for the Washington Convention Center Enterprise operation which serves as a public enterprise to expand the tax base of the District of Columbia, provides space and facilities for local public shows and events, foster redevelopment of downtown Washington, D.C., and provides expanded employment and business opportunities for residents of the District of Columbia.

## REPAYMENT OF LOANS AND INTEREST

A total of \$366,976,000 from local funds is recommended for the repayment of loans and interest for fiscal year 1998.

The Repayment of Loans and Interest appropriation provides for the payment of the long-term debt service costs of the District government's long-term borrowings to finance capital project expenditures of general fund agencies and the amortization of costs for private hospital construction.

## REPAYMENT OF GENERAL FUND RECOVERY DEBT

In fiscal year 1980, the District's financial results were reported according to the generally accepted accounting principles (GAAP) and revealed an accumulated general fund operating deficit of \$387,509,000 at the close of fiscal year 1980. This meant that the general fund's accrued liabilities from past years exceeded its current assets by \$387,509,000. Over the next seven years the District reduced the deficit by a total of \$182,916,000 or 47 percent. However, in fiscal year 1988 an unfavorable tax decision and other factors resulted in a further deficit of \$14,279,000. In fiscal year 1989 and 1990 spending pressures combined with falling revenues created further deficits that brought the accumulated general fund deficit to \$331,589,000.

In August 1991, Congressional legislation was approved (Public Law 102-106) and the District issued \$336,605,000 in 12-year general recovery bonds to eliminate the general fund deficit. The amount included \$5,000,000 to cover the costs associated with issuing the bonds.

The Committee recommends the request of \$39,020,000 from local funds for fiscal year 1998 to cover the principal and interest due on these bonds. The following table provides a chronology of the changes in the District's accumulated general fund deficit from fiscal year 1980 through fiscal year 1996:

## GENERAL FUND ACCUMULATED SURPLUS (DEFICIT)

[In thousands of dollars]

Fiscal year ending	Noncash	Cash	Total
Sept. 30, 1980 .....	(\$203,509)	<sup>1</sup> (\$184,000)	<sup>2</sup> (\$387,509)
Adjustments during fiscal year 1981 <sup>3</sup> .....	(14,001)	92,000	77,999
Sept. 30, 1981 .....	(217,510)	(92,000)	(309,510)
Surplus during fiscal year 1982 .....		13,061	13,061

GENERAL FUND ACCUMULATED SURPLUS (DEFICIT)—Continued  
[In thousands of dollars]

Fiscal year ending	Noncash	Cash	Total
Sept. 30, 1982 .....	(217,510)	(78,939)	(296,449)
Surplus during fiscal year 1983 <sup>4</sup> .....		17,038	17,038
Sept. 30, 1983 .....	(217,510)	(61,901)	(279,411)
Adjustment (internal services fund deficit) .....	(7,909)		(7,909)
Surplus during fiscal year 1984 <sup>5</sup> .....		17,460	17,460
Sept. 30, 1984 .....	(225,419)	(44,441)	(269,860)
Surplus during fiscal year 1985 <sup>6</sup> .....		24,926	24,926
Sept. 30, 1985 .....	(225,419)	(19,515)	(244,934)
Surplus during fiscal year 1986 <sup>7</sup> .....	538	19,515	20,053
Sept. 30, 1986 .....	(224,881)		(224,881)
Surplus during fiscal year 1987 <sup>7</sup> .....	20,288		20,288
Sept. 30, 1987 .....	(204,593)		(204,593)
Deficit during fiscal year 1988 <sup>7</sup> .....	(14,279)		(14,279)
Sept. 30, 1988 .....	(218,872)		(218,872)
Surplus during fiscal year 1989 <sup>7</sup> .....	5,469		5,469
Sept. 30, 1989 .....	(213,403)		(213,403)
Deficit during fiscal year 1990 .....	(118,186)		(118,186)
Sept. 30, 1990 .....	(331,589)		(331,589)
Adjustment during fiscal year 1991 <sup>8</sup> .....	331,589		331,589
Surplus during fiscal year 1991 .....	1,570		1,570
Sept. 30, 1991 .....			1,570
Surplus during fiscal year 1992 .....	1,986		1,986
Sept. 30, 1992 .....			3,556
Surplus during fiscal year 1993 .....	7,766		7,766
Sept. 30, 1993 .....			11,322
Deficit during fiscal year 1994 .....	(335,428)		(335,428)
Sept. 30, 1994 .....			(324,106)
Deficit during fiscal year 1995 .....	(54,428)		(54,428)
Sept. 30, 1995 .....			(378,534)
Deficit during fiscal year 1996 .....	(75,322)		(75,322)
Sept. 30, 1996 .....			<sup>9</sup> (453,856)

<sup>1</sup> Amount District government had planned to borrow at the end of FY 1980. See p. 1032, of FY 1984 D.C. Hearings.

<sup>2</sup> In addition, an imbalance of \$66,208,000 in the capital budget of the D.C. Department of Transportation was funded through (1) a reprogramming of \$28,475,700 in the Supplemental Appropriations Act for fiscal year 1979 (Public Law 96-38) (see page 162, Senate Report No. 96-224) and (2) new budget (obligational) authority of \$37,733,100 in the D.C. Appropriations Act for fiscal year 1981 (see page 53, House Report No. 96-1271).

<sup>3</sup> Includes \$51,400,000 in additional revenues, \$9,699,000 reclassification of non-accrual employee annual leave, \$6,400,000 in expenditure reductions, and \$10,500,000 in accounting adjustments.

<sup>4</sup> Budgeted at \$20 million.

<sup>5</sup> Budgeted at \$15 million.

<sup>6</sup> Budgeted at \$20.1 million.

<sup>7</sup> Budgeted at \$20 million reduction.

<sup>8</sup> 12-year deficit recovery bonds sold September 1991 pursuant to P.L. 102-106 approved August 17, 1991.

<sup>9</sup> Cash portion of this amount is \$300 million with balance of \$154 million due to "accrual" estimates.

#### INTEREST ON SHORT-TERM BORROWING

The Committee recommends \$12,000,000 from local funds for fiscal year 1998 to pay the interest and other costs associated with borrowings to meet short-term cash needs of the District government.

#### CERTIFICATES OF PARTICIPATION

The Committee recommends \$7,923,000 from local funds for the semiannual lease payments on the land site of the One Judiciary Square Building for fiscal year 1998.

#### HUMAN RESOURCES DEVELOPMENT

The Committee recommends \$6,000,000 from local funds for human resources development in the District government.

## MANAGEMENT AND PRODUCTIVITY IMPROVEMENT FUND

The Committee recommends \$5,000,000 from local funds for fiscal 1998 for the Management and Productivity Improvement Fund.

CRITICAL IMPROVEMENTS AND REPAIRS TO SCHOOL FACILITIES AND  
STREETS

The Committee recommends \$30,000,000 for immediate, one-time critical improvements and repairs to school facilities and neighborhood and other streets. These improvements and repairs are urgently needed for roof, boiler, and chiller renovation or replacement at District schools and to repair potholes and streets throughout the District. By allocating this \$30,000,000 for these improvements and repairs, the District will be able to avoid interest and other costs associated with borrowings. Language in the bill requires that the improvements and repairs be completed not later than August 1, 1998, prior to the scheduled opening of the 1998–99 school year.

DISTRICT OF COLUMBIA FINANCIAL RESPONSIBILITY AND  
MANAGEMENT ASSISTANCE AUTHORITY

The Committee recommends \$3,220,000 for the operations of the District of Columbia Financial Responsibility and Management Assistance Authority for fiscal year 1998.

## ENTERPRISE FUNDS

The Committee recommends a total of \$641,300,000 for the activities funded through these appropriation titles.

ENTERPRISE FUNDS  
[In thousands of dollars]

Agency/Activity	FY 1997 approved	FY 1997 revised	FY 1998 District request	FY 1998 Authority request	FY 1998 amended request	Rec-omended in bill	Bill compared with—				
							FY 1997 approved	FY 1997 revised	FY 1998 District request	FY 1998 Authority request	FY 1998 amended request
Department of Public Works (Utility Administration)	200,000	200,000	263,425	263,425	263,425	263,425	63,425	0	0	0	0
Washington Aqueduct	25,743	25,743	33,885	33,885	33,885	33,885	8,142	0	0	0	0
Total, Water and Sewer Enterprise Fund	225,743	225,743	297,310	297,310	297,310	297,310	71,567	0	0	0	0
Lottery and Charitable Games	247,900	247,900	213,500	213,500	213,500	213,500	(34,400)	0	0	0	0
Cable Television	2,511	2,467	2,467	2,467	2,467	2,467	(44)	0	0	0	0
Public Service Commission	0	0	4,547	4,547	4,547	4,547	4,547	0	0	0	0
Office of People's Counsel	0	0	2,428	2,428	2,428	2,428	2,428	0	0	0	0
Department of Insurance and Securities Regulations	0	0	5,683	5,683	5,683	5,683	5,683	0	0	0	0
Office of Banking and Financial Institutions	0	0	600	600	600	600	600	0	0	0	0
Sports Commission (STARPLEX)	8,717	8,717	8,936	8,936	8,936	8,936	(2,781)	(3,000)	0	0	0
D.C. General Hospital	118,034	116,494	108,434	108,434	108,434	108,434	(9,600)	0	0	0	0
Retirement Board	16,667	16,667	16,762	16,762	16,762	16,762	(11,769)	(11,864)	(11,864)	(11,864)	(11,864)
Correctional Industries Fund	9,152	9,152	9,432	9,432	9,432	9,432	280	0	0	0	0
Washington Convention Center	47,996	47,996	46,400	46,400	46,400	46,400	(1,596)	0	0	0	0
Total, Enterprise Funds	676,720	675,136	716,499	713,499	701,635	701,635	24,915	(14,864)	(11,864)	(11,864)	(11,864)
Less Intra-District Funds	(81,231)	(68,276)	(67,250)	(67,250)	(60,335)	(60,335)	20,896	6,915	6,915	6,915	0
Revised, Enterprise Funds	595,489	606,860	649,249	646,249	653,164	641,300	45,811	34,440	(7,949)	(4,949)	(11,864)

## WATER AND SEWER UTILITY AUTHORITY AND WASHINGTON AQUEDUCT

The Committee recommends \$263,425,000 from other fund for fiscal year 1998 for the Water and Sewer Utility Authority.

The Water and Sewer Authority is responsible for providing retail water service to the District of Columbia and limited water service to portions of the surrounding metropolitan area. It is also responsible for providing retail wastewater collection and treatment service within the corporate limit of the District and wholesale service to portions of certain outlying areas, in an environmentally safe manner that protects our waterways.

## WASHINGTON AQUEDUCT

The Committee recommends \$33,885,000 from other funds for fiscal year 1998 for the Washington Aqueduct.

The mission of the Washington Aqueduct is to collect, purify, and pump an adequate supply of potable water for the District of Columbia, Arlington County, and the City of Falls Church, Virginia.

## LOTTERY AND CHARITABLE GAMES CONTROL BOARD

An appropriation of \$213,500,000 and 100 full-time equivalent positions from revenue generated by the Board are recommended for fiscal year 1998 for the Lottery and Charitable Games Control Board.

The mission of the District of Columbia Lottery and Charitable Games Control Board is to generate revenues for the general fund and regulate charitable games to support programs and services for the residents of the District of Columbia.

## OFFICE OF CABLE TELEVISION

A total of \$2,467,000 and eight full-time equivalent positions (including \$2,135,000 and eight full-time equivalent positions from local funds and \$332,000 from other funds) are recommended for the Office Cable Television for fiscal year 1998.

The mission of the Office of Cable Television is to protect, promote and advocate the public interest in cable television within the District of Columbia, to oversee and coordinate programming for the municipal channels, and to coordinate the Interagency Task Force on Telecommunications.

## PUBLIC SERVICE COMMISSION

A total of \$4,547,000 (including \$4,250,000 from local funds, \$117,000 from Federal funds, and \$180,000 from other funds) is recommended for fiscal year 1998 for the Public Service Commission.

The mission of the Public Service Commission is to serve the public interest by ensuring that financially healthy utilities provide safe, reliable, and quality service at just and reasonable rates for District of Columbia residential, business and government rate-payers.

## OFFICE OF PEOPLE'S COUNSEL

The Committee has approved \$2,428,000 from local funds for fiscal year 1998 for the Office of People's Counsel.

The mission of the Office of the People's Counsel is to ensure that utility consumers of natural gas, electric, and telephone services, in the District of Columbia have legal representation before local and federal decision-making bodies.

## DEPARTMENT OF INSURANCE AND SECURITIES REGULATION

The Committee recommends \$5,683,000 and 89 full-time equivalent positions from other funds for the Department of Insurance and Securities Regulation for fiscal year 1998.

The Department of Insurance and Securities Regulation is responsible for implementing and enforcing laws and regulations governing the insurance and securities industry in the District of Columbia.

## OFFICE OF BANKING AND FINANCIAL INSTITUTIONS

The Committee recommends \$600,000 (including \$100,000 from local funds and \$500,000 from other funds) for the Office of Banking and Financial Institutions for fiscal year 1998.

The Office of Banking and Financial Institutions is responsible for regulating all banking and financial institutions in the District of Columbia.

## SPORTS COMMISSION (STARPLEX)

The Committee recommends \$5,936,000 from other funds for the Sports Commission (STARPLEX) for fiscal year 1998.

The mission of the Sports Commission, formerly the D.C. Armory Board, is to consolidate the District's efforts in attracting amateur and professional sporting events to the District. The Sports Commission is an independent agency of the District and is responsible for the management of the Robert F. Kennedy Stadium and the secondary use of the D.C. Armory "to provide suitable facilities for major athletic events, conventions, . . . shall be operated as nearly as practicable on a self-supporting basis."

## D.C. GENERAL HOSPITAL (PBC)

The Committee recommends \$59,599,000 from other funds for the District of Columbia General Hospital (Public Benefit Corporation) for fiscal year 1998.

The Hospital provides inpatient, outpatient, emergency, diagnostic, preventive, and rehabilitative services.

## D.C. RETIREMENT BOARD

The Committee recommends a total of \$4,898,000 and eight full-time equivalent positions from investment income for fiscal year 1998 for the D.C. Retirement Board.

The Committee reduced the funds available to the D.C. Retirement Board due to passage of The National Capital Revitalization Act of 1997 (Public Law 105-33) which transferred to the Federal government responsibility for most of the pension benefit provi-

sions of the plans for police officers, fire fighters, teachers and judges. Approximately \$3,000,000,000 of the D.C. Retirement Board's assets of \$4,400,000,000 will be transferred to the Secretary of the Treasury to make pension payments to current and future retirees. The Committee also recommends bill language that limits the stipends for Board members to \$5,000 per year.

The mission of the District of Columbia Retirement Board is to invest, control, and manage the assets of the D.C. Teachers' Retirement Fund, the D.C. Police Officers and Fire Fighters' Retirement Fund, and the D.C. Judges Retirement Fund.

#### CORRECTIONAL INDUSTRIES FUND

The Committee recommends \$3,332,000 and 50 full-time equivalent positions from other funds for the Correctional Industries Fund for fiscal year 1998.

The mission of the Correctional Industries Fund is to rehabilitate inmates by equipping them with a means of livelihood after their release from the institutions.

#### WASHINGTON CONVENTION CENTER ENTERPRISE FUND

The Committee recommends \$41,000,000 from other funds for the Washington Convention Center Enterprise Fund for fiscal year 1998.

The primary mission of the Washington Convention Center is to serve as a public enterprise to expand the tax base of the District of Columbia by promoting and hosting large international and national conventions and trade shows that bring hundreds of thousands of out-of-town delegates and exhibitors to the city, to provide space and facilities for local public shows and event, to foster redevelopment of downtown Washington, D.C., and provide expanded employment business opportunities for residents of the District of Columbia.

The D.C. Committee to Promote Washington objective is to increase awareness of the District as a destination for travel, increase hotel occupancy, visitor spending, and business, and increase and support the number of festivals, including major sports and entertainment events.

The Washington Convention and Visitors Association objective is to increase and improve the economic base of both the public and private sectors of the area by attracting many meetings and conventions to the area through promotion, marketing, and direct sales to local, national and international travelers.

The D.C. Chamber of Commerce objective is to promote the District of Columbia as a tourist destination to minority markets and to increase District-based small minority, and under represented business' awareness of leisure travel, meeting, and convention opportunities in Washington, D.C.

#### CAPITAL OUTLAY

The Committee recommends \$269,330,000 for fiscal year 1998 (consisting of \$136,585,000 from local funds and \$132,745,000 from Federal funds) for the capital outlay program.

A brief explanation of the Committee's recommendations is provided starting below:

CAPITAL OUTLAY

	Estimate	Committee recommendation	Bill compared with estimate
Department of Business Services and Economic Development:			
One-Stop Business Center .....	\$2,705,000	\$2,705,000	0
Public Schools:			
Critical improvements to school facilities .....	66,826,000	66,826,000	0
Roof, boiler and chiller renovation or replacement .....	32,954,000	32,954,000	0
Department of Public Works:			
Parking meters .....	3,000,000	3,000,000	0
Total, Capital outlay, general fund .....	105,485,000	105,485,000	0
Highway trust fund .....	31,100,000	31,100,000	0
Federal grants .....	132,745,000	132,745,000	0
Grand total, Capital Outlay .....	269,330,000	269,330,000	0

*Department of Business Services and Economic Development.*—The Committee recommends \$2,705,000 for a one-stop business center.

*Public Schools.*—The Committee recommends \$66,826,000 for critical improvements to schools facilities, and \$32,954,000 for roof, boiler and chiller renovations and replacements.

*Department of Public Works.*—The Committee recommends \$3,000,000 for parking meters.

Also included in the bill is \$42,745,000 for Community Development Block Grants, \$90,000,000 for highway grants and \$31,100,000 for the highway trust fund.

GENERAL PROVISIONS

A number of general provisions are carried in the bill each year as the need warrants. Changes recommended or denied by the Committee are discussed in the paragraphs that follow:

The Committee has retained the original language in Sec. 123.

The Committee has not approved the deletion of Sec. 129 the prohibition against use of funds for abortions.

The Committee has retained Sec. 130 which prohibited the use of funds for the implementation of the Domestic Partners Act and revised to include D.C. Law and D.C. Code citations.

The Committee has approved the deletion of Sec. 131 which provided that the Commission on Judicial Disabilities and Tenure and the Judicial Nomination Commission shall serve without compensation on the Commissions.

The Committee has approved the revisions to Sec. 132 of last year's bill (new Sec. 131) changing the Board of Education to the Emergency Transitional Education Board of Trustees and the deletion of (2) which required a report breaking out of FTE positions and staff for the most current pay period broken out on the basis of control center, responsibility center, detailed object, and agency reporting code, and for all funding sources.

The Committee has approved the revisions to Sec. 133 of last year's bill (new Sec. 132) the deletion of (2) which required a report breaking out of FTE positions and staff for the most current pay

period broken out on the basis of control center, responsibility center, detailed object, and agency reporting code, and for all funding sources.

The Committee has approved the revision to Sec. 134 of last year's bill (new Sec. 133) changing the name of the Board of Education to Emergency Transitional Education Board of Trustees.

The Committee has approved the revision to Sec. 135 of last year's bill (new Sec. 134) changing the name of the Board of Education to Emergency Transitional Education Board of Trustees.

The Committee has approved the revision to Sec. 136 of last year's bill (new Sec. 135) changing the name of the Board of Education to Emergency Transitional Education Board of Trustees.

The Committee has approved the deletion of Sec. 138 which modified the Board of Education reduction-in-force procedures.

The Committee has retained Sec. 139 (new Sec. 137) which clarified the classification of employees of the District of Columbia public schools.

The Committee has retained Sec. 140 (new Sec. 138) on modification of reduction-in-force procedures and includes restrictions on use of official vehicles, source of payment for detailed employees with District Government, and reforms to disability compensation services.

The Committee has retained Sec. 141 (new Sec. 139) setting a ceiling on expenses and deficit and revised fiscal year 1997 language to reflect Committee markup and cap general fund expenditures to provide \$100 million for debt reduction and \$200 million for taxpayer relief fund. The Committee has also included a limitation on the number of full-time equivalent employees, and repealing provisions granting certain entities power to expend non-appropriated funds.

The Committee has retained Sec. 144 (new Sec. 140) which provided that all accounting, budget, and financial management personnel (including personnel of independent agencies but not legislative and judicial branches of the District government) shall be appointed by, shall serve at the pleasure of, and shall act under the direction and control of the Chief Financial Officer. The Committee has included the Lottery Board employees, Medicaid program, independent contracting authority, clarification of grounds for removal from office, and permitting selection legal of counsel under this provision.

The Committee has approved amendments to Sec. 143 (new Sec. 141) which amends the D.C. Retirement Reform Act.

The Committee has approved the deletion of Sec. 144 which was a technical amendment to the District of Columbia Self-Government and Governmental Reorganization Act.

The Committee has approved the deletion of Sec. 145 which was amendments to the District of Columbia School Reform Act of 1995.

The Committee has not approved the deletion of Sec. 146 (new Sec. 142) Compliance with Buy American Act.

The Committee has approved the deletion of Sec. 147 which provided that the Housing Finance Agency shall not be required to repay moneys advanced by the District government (including accrued interest thereon) pursuant to Congressional appropriations for fiscal years 1980 through 1992).

The Committee has approved the deletion of Sec. 148 which was amendments to the District of Columbia School Reform Act of 1995.

The Committee has approved the deletion of Sec. 149 on energy and water savings at District of Columbia facilities.

The Committee has approved the deletion of Sec. 150 on the reduction in number of members of the Board of Trustees of American University.

The Committee has approved the deletion of Sec. 151 waiving of Congressional review of certain Council acts.

The Committee has not approved the new Sec. 137 on reforms to the Disability Compensation Program. The reforms are under Sec. 138.

The Committee has approved a new Sec. 143 on special masters budgets.

The Committee has approved a Sec. 144 on the commencing of adverse actions for police.

The Committee has approved a new Sec. 145 on notice to police officers for out-of-service assignments.

The Committee has not approved the requested new Sec. 141 on the reimbursement for Presidential Protection Assistance.

The Committee has approved the new Sec. 146 on use of any surplus funds to be used to reduce the District's outstanding accumulated deficit.

The Committee has approved a new Sec. 147 which includes cap on salary of Retirement Board members and resumption of certain terminated annuities paid to child survivors of police and fire-fighters.

The Committee has approved a new Sec. 148 on pay raises for police officers.

The Committee has approved a new Sec. 149 which prohibits increases in welfare payments.

The Committee has approved a new Sec. 150 amending the Omnibus Consolidated Rescissions and Appropriations Act of 1996.

The Committee has approved a new Sec. 151 requiring impositions of liens for unpaid water and sewer bills.

The Committee has approved a new Sec. 152 on restrictions of powers over the Chief Financial Officer and Inspector General,

The Committee has approved a new Sec. 153 on the Financial Management System.

The Committee has approved a new Sec. 154 on the clarification of authority to conduct audits. The intent of this section is to void the present contract to perform the annual audit of the District of Columbia for fiscal year 1997, and that it is within the exclusive jurisdiction of the Inspector General to award this contract. This responsibility rests with the Inspector General for fiscal year 1997 and all future fiscal years.

The Committee has approved a new Sec. 155 requiring the use of direct deposit or mail for all payments.

The Committee has approved a new Sec. 156 on revision of certain auditing requirements.

The Committee has approved a new Sec. 157 on treatment of unclaimed property.

The Committee has approved a new Sec. 158 on bond financing by District Government.

The Committee has approved a new Sec. 159 on reopening of Pennsylvania Avenue in front of the White House.

The Committee has approved a new Sec. 160 on deposit of annual Federal contribution with authority, dishonored check collection, requiring District Government officials to provide information upon request to Congressional Committees, prohibiting certain helicopter flights over District, conforming references to Internal Revenue Code of 1986, and standards for review of recommendations of Business Regulatory Review Commission in Review of Regulations by Authority.

## TITLE II—D.C. MEDICAL LIABILITY REFORM

The Committee recommends a new title II that reforms medical liability practices in the District of Columbia. Section 202 provides for a statute of limitations that prohibits the initiation of liability action after the expiration of a 2-year period in certain instances and barring all actions after the expiration of a 5-year period that begins on the date the alleged injury occurred.

Section 203 limits the amount of noneconomic damages in a health care liability action to \$250,000.

### TITLE III—D.C. EDUCATION REFORM

The Committee continues its commitment to making world-class educational opportunities available to the young people of Washington, D.C., and believes such opportunities are necessary to the revitalization of the city.

The Committee recommends language in title III of the bill that will provide educational choices for families through expansion and improvement of the public charter school program as well as establish an educational choice scholarship program for children of low-income families. In addition, the bill includes language that continues administrative reforms of the public schools of the District of Columbia.

#### PUBLIC CHARTER SCHOOLS

The Committee recommends \$5.25 million in local funds for charter schools, an innovation in public education which expands educational opportunities free from traditional public school bureaucracy. By repealing this exemption, a modicum of fairness is restored to the application of the local property tax among the more than 50 labor organizations located in the District of Columbia. Included in the \$5.25 million recommended by the Committee is \$300,000 for the District of Columbia Public Charter School Board. The Committee encourages the development of 20 additional charter schools, as authorized, and encourages the development of a science and technology vocational education and traditional charter schools.

The bill makes several technical changes to the District of Columbia School Reform Act (P.L. 104–134) regarding charter schools. The bill permits public charter school funding allocations to take into account facility costs as well as the increased costs of boarding or residential schools. It also establishes the New Charter School Fund, a revolving account funded by \$1.5 million in unexpended fiscal year 1997 funds, for new charter schools to receive advances for start-up costs.

The bill also grants charter schools the authority to lease surplus District of Columbia public school property for \$1 per year, and defines authority to purchase such property. The following surplus schools should be candidates for such priority leases to public charter schools: Crummell, Emery, Lenox, Logan, Randall, Richardson Annex, Syphax, Armstrong, Blair, Bruce, Carver, Chamberlain, Fillmore, Franklin, Gales, Giddings, Hardy, Hayes, Jackson, Langley, Old Congress Heights, Webster, Woodson, Wormley, Blow Pierce, Harrison, Keene, Lewis, McKinley, Petworth, Richardson and Woodbridge.

As the District of Columbia develops a new pension system, the Committee recommends that every consideration for equity and access be extended to employees of public charter schools. Such eq-

uity and access should be designed to permit participation in the system at no cost to the system.

#### LOW-INCOME SCHOLARSHIPS FOR EDUCATIONAL CHOICE

The Committee recommends \$7,000,000 in Federal funds to provide scholarships that will enable children of low-income families to have an educational choice which at the present time is only available to those of greater financial means.

Under this program, a non-profit corporation is established to administer tuition, tutoring and transportation scholarships for District residents. For students whose family income is below the poverty level, tuition scholarships will cover the cost of tuition up to \$3,200. For students whose family's income is between 100 percent and 185 percent of the poverty level, the scholarships will pay three-quarters of the tuition up to \$2,400. Tuition scholarships may be used at private schools in the District and in public or private schools in surrounding jurisdictions. Tutoring and transportation assistance scholarships will cover the full cost of such activities, up to \$500, for students whose family incomes are no more than 185 percent of the poverty level. Scholarships are awarded randomly to student applicants who are District of Columbia residents, enrolled in school, and within the income limits. This scholarship program operates in a manner similar to the G.I. Bill and Federal day care assistance where the choice of where the funds are expended is made by the scholarship recipient rather than the government. Language in the bill protects students' civil rights, and the rights of students with disabilities.

The nonprofit corporation established to administer the program is overseen by a seven-member Board of Directors, six appointed by the President from nominations submitted by the Speaker of the House and the President of the Senate, and one appointed by the Mayor of the District of Columbia. The corporation is not an agency or entity of the U.S. or the District of Columbia governments.

#### OTHER EDUCATION REFORM PROVISIONS

The Committee recommends an appropriation of \$1,000,000 in Federal funds for the District's public schools for payment to the District Education and Learning Technologies Advancement (DELTA) Council authorized by section 2604 of the District of Columbia School Reform Act of 1995 (Public Law 104-134). The objective of the DELTA Council is designed to be the formal private sector entity to solicit, organize, and coordinate private sector contributions to the public schools and secure contributions of technology, equipment, hardware and software, and pro bono contributions of time and expertise of private sector personnel. These Federal funds will be matched with private contributions of \$3,000,000 which will provide a total of \$4,000,000 to be used to coordinate educational technology advancement between business and the District's public schools. Considerable assistance is expected from the business community and nonprofit organizations.

The bill includes language providing good-faith donors exemption from liability. The bill also includes language that gives the District of Columbia Public Schools contracting officer the option to waive the Davis-Bacon prevailing wage law in awarding construc-

tion and repair contracts based on quality and price, and thus obtain savings which can be devoted to other education priorities.

The Committee notes that of some 50 labor organizations located in the District of Columbia, only one, the National Education Association, enjoys a congressionally mandated exemption from the local property tax. The bill includes language restoring fairness in the application of the local property tax among labor organizations in the District of Columbia.

The bill includes language requiring a reduction of 200 non-instructional full-time-equivalent staff positions by January 1, 1998. The bill also includes language directing the District of Columbia Public Schools to develop teacher performance benchmarks and incentives. The bill also includes \$10 million for a pay raise for classroom teachers with valid teaching credentials, (to be distributed throughout the fiscal year as the qualification requirements are met) and requires a school-by-school budget and requesting an accurate student count, and requiring parents or guardians placing children in school or child care to prove District residency or else pay tuition.

The Committee requests that the schools develop for the fiscal year 1999 budget submission a compensation structure providing the highest pay and prestige to staff teaching children and serving at the school sites, rather than at the central administrative office. The Committee requests that the schools develop a comprehensive education technology plan, in close cooperation with the business community, experts in the field, and nearby and similar school districts, to take best advantage of computer and technology donations affected by the 21st Century Classrooms Act (P.L. 105-34, Title II B, Sec. 224), expand technological literacy, and use technology to improve educational achievement. The committee requests that the schools work closely with law enforcement to improve children's understanding of and relationship with the law and the police, advance effective juvenile delinquency prevention programs such as the Learning for Life initiative of the National Capital Area Boy Scouts and to develop a simplified and improved school safety and discipline policy.

#### FIRE CODE COMPLIANCE AND SAFETY

The Committee urges the District of Columbia Public Schools Emergency Board of Trustees, the Fire Marshal of the District of Columbia, and the appropriate judicial authorities to work with the community and experts in the field to develop and execute a more traditional and effective scheme of fire code compliance and safety.

#### RESCISSION OF FUNDS

Pursuant to clause 1(b) of rule X of the House of Representatives, the Committee reports that no rescissions of prior year budget authority are recommended in the accompanying bill.

#### INFLATION IMPACT STATEMENT

Clause 2(1)(4) of rule XI of the House of Representatives requests that each committee report accompanying a bill or resolution contain a statement as to whether enactment of the bill or resolution

may have an inflationary impact on prices and costs in the operation of the national economy.

It is the Committee's considered opinion that enactment of the accompanying bill will not have inflationary impact on prices and costs in the operation of the national economy, since the bill relates solely to the operation of the local government of the District of Columbia.

The Committee recommends the appropriation of \$827,500,000 in Federal funds including a Federal contribution of \$180,000,000 to the Operations of the Nation's Capital which becomes a part of local revenues from which appropriations for the operation of the City are made, \$169,000,000 payment to the District of Columbia Corrections Trustee for Operations, \$302,000,000 payment to the District of Columbia Corrections Trustee for correctional facilities, construction and repair, \$123,000,000 for District of Columbia Courts, \$23,000,000 for payment to the Pretrial Services, Defense Services, Parole, Adult Probation, and Offender Supervision Trustee for the District of Columbia, \$7,000,000 Federal contribution for parental choice in education, \$1,000,000 for District Education and Learning Technologies Advancement (DELTA) Council, \$2,000,000 for the Inspector General for investigative efforts, \$5,400,000 Federal payment for police pay raise, \$2,600,000 Federal payment for fire fighter pay raise, and \$12,500,000 to the United States Park Police.

COMPARISON WITH BUDGET RESOLUTION

Section 308(a)(1)(A) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), requires that the report accompanying a bill providing new budget authority contain a statement detailing how the authority compares with the reports submitted under section 602(b) of the Act for most recently agreed to concurrent resolution on the budget for the fiscal year. This information follows:

[In millions of dollars]

	602(b) allocation		This bill—	
	Budget authority	Outlays	Budget authority	Outlays
Discretionary .....	835	537	828	527
Mandatory .....				

The bill provides no new spending authority as described in section 401(c)(2) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended.

CONSTITUTIONAL AUTHORITY

Clause 2(1)(4) of rule XI of the Rules of the House of Representatives states that:

“Each report of a committee on a bill or joint resolution of a public character, shall include a statement citing the specific powers granted to the Congress in the Constitution to enact the law proposed by the bill or joint resolution.”

The Committee on Appropriations bases its authority to report this legislation from the following:

Clause 17 of Section 8 of Article I of the Constitution of the United States of America which states:

“The Congress shall have Power . . . To exercise exclusive Legislation in all Cases whatsoever, over such District (not exceeding ten Miles square) as may, by Cession of particular States, and the Acceptance of Congress, become the Seat of the Government of the United States . . .”. And

Clause 7 of Section 9 of Article I of the Constitution of the United States which states:

“No money shall be drawn from the Treasury but in consequence of Appropriations made by law \* \* \*”.

Appropriations contained in this Act are made pursuant to these specific powers granted by the Constitution.

**FIVE-YEAR PROJECTION OF OUTLAYS**

In compliance with section 308(a)(1)(C) of the Congressional Budget Act of 1974 (Public Law 93-344), as amended, the following table provided by the Congressional Budget Office contains 5-year projections of the outlays associated with the budget authority provided in the accompanying bill:

<i>Federal funds</i>	
<i>Item and fiscal year</i>	<i>Amount</i>
Budget authority in bill .....	\$827,500,000
Outlays:	
1998 .....	527,000,000
1999 .....	142,000,000
2000 .....	144,000,000
2001 .....	15,000,000
2002 .....	

The bill provides no new revenues or tax expenditures, and will have no effect on budget authority, tax expenditures, direct loan obligations, or primary loan guarantee commitments available under existing law for fiscal year 1998 and beyond.

**FINANCIAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS**

In accordance with section 308(a)(1)(D) of the Congressional Budget Act of 1974 (Public Law 93-344), as amended, the Committee is required to report new budget authority and outlays provided for financial assistance to State and local governments. The accompanying bill contains Federal funding as follows:

<i>Item</i>	<i>Recommendation</i>
New fiscal year 1998 budget authority .....	\$827,500,000
Fiscal year 1998 outlays resulting therefrom .....	527,000,000

**TRANSFERS OF FUNDS**

Clause 1(b), rule X, of the Rules of the House of Representatives requires that the report include information describing the transfer of funds recommended in the accompanying bill.

Language included under “Executive Office of the President, Federal Payment to the District of Columbia Criminal Justice System” provides transfer authority of \$800,000 to the United States Parole Commission.

## CHANGES IN THE APPLICATION OF EXISTING LAW

Pursuant to Clause 3, rule XXI of the Rules of the House of Representatives, the following statements are submitted describing the effect of provisions in the accompanying bill which might be construed, under some circumstances, as directly or indirectly changing the application of existing law.

1. Under "Governmental Direction and Support", there is language which provides that program fees collected from the issuance of bonds or other debt instruments shall be available for the payment of expenses of the District's debt management program. Section 490 of the Home Rule Charter (Public Law 93-198, as amended) authorizes the District government to issue revenue bonds for a number of specified purposes and was amended by Public Law 95-218 specifically to enable the District government to act as a conduit for the issuance of revenue bonds for private colleges and universities. This language will allow the District government to be reimbursed for the costs of issuing bonds on behalf of third-party beneficiaries.

3. Under "Public Safety and Justice", language provides an exemption for two classes of passenger motor vehicles from 31 U.S.C. 1343(c) which states, in part, that:

(c)(1) Except as specifically provided by law, an agency may use an appropriation to buy a passenger motor vehicle (except a bus or ambulance) only at a total cost (except costs required only for transportation) that

\* \* \* \* \*

(C) is not more than the maximum price established by the agency having authority under law to establish a maximum price; and

(D) is not more than the amount specified in a law.

The classes of motor vehicles exempted from the price ceiling are vehicles used for police, fire fighting and fire prevention activities. Because of the special requirements for those types of vehicles the costs exceed the maximum set for passenger motor vehicles for regular use.

4. Language is included under "Public Safety and Justice" authorizing the Mayor to reimburse the National Guard for expenses incurred in connection with emergency services performed by the Guard at the request of the Mayor. The language also provides that the availability of these funds is to be considered as constituting payment in advance for the emergency services involved.

8. Language is included under "Public Safety and Justice" providing \$500,000 for the Police Chief's confidential fund in fiscal year 1998 in accordance with the Police Chief's estimates.

9. Language under "Public Safety and Justice" requires the Police Department to provide quarterly reports on its efforts to increase efficiency and improve the professionalism in the Department.

10. Language under the "Public Safety and Justice" gives the Metropolitan Police Department and the Fire and Emergency Medical Services Department independent authority to make purchases up to \$500,000 and provides that the District of Columbia government may not require the Department to submit to any other pro-

urement review process, or to obtain the approval of any other official or employee.

11. Language is included under “Public Education System” authorizing the District of Columbia Public Schools to accept not to exceed 31 motor vehicles for exclusive use in the driver education program.

12. Language is included under “Public Education System” requiring the Board of Trustees of the University of the District of Columbia to establish a tuition rate for nonresident students at a level no lower than the rate for nonresident students at comparable public institutions of higher education in the metropolitan area.

13. Under “Human Support Services,” there is language providing that appropriations available solely for employees’ disability compensation shall remain available until expended. 31 U.S.C. 1301(c)(2) provides in part, that:

(c) An appropriation in a regular, annual appropriation law may be construed to be permanent or available continuously only if the appropriation—

\* \* \* \* \*

(2) expressly provides that it is available after the fiscal year covered by the law in which it appears.

14. Language under “Human Support Services” prohibits the District from providing free government service to private nonprofit organizations if the District would not be qualified to receive reimbursement pursuant to the Stewart B. McKinney Homeless Act.

15. Language is included under “Public Works” providing for the rental of one passenger-carrying vehicle for use by the Mayor and three passenger-carrying vehicles for use by the Council of the District of Columbia.

16. Language under “Repayment of General Fund Recovery Debt” provides funds to reduce the District’s accumulated general fund deficit.

17. Language under “Lottery and Charitable Games Enterprise Fund” requires the use of non-Federal funds to finance the operations of the Lottery Board and directs the District to identify the source of funding from its own locally-generated revenues.

18. The bill includes language under “D.C. Retirement Board” appropriating funds to pay legal, management, investment and other fees and administrative expenses of the District of Columbia Retirement Board. Section 121(f)(1) of the District of Columbia Retirement and Reform Act (Public Law 96–122) states that all administrative expenses incurred by the Board are to be paid out of funds appropriated for such purposes. The language recommended by the Committee appropriates the total amount required for the operation of the board and specifies that the total amount is to be from the investment income of the pension funds. The language also clarifies that all expenses of the Board are to be paid from this appropriation. A requirement for quarterly reports as well as timely submission of budget data and audit information is also included in the language.

19. Under “Capital Outlay” there is language that provides that the amount appropriated shall remain available until expended. This language is needed to provide an exemption to 31 U.S.C. 1301(c)(2) to allow the funds to remain available beyond fiscal year

1998. The exemption is needed because of the length of time required for the design and construction of capital projects.

20. The Committee has included language under "Capital Outlay" requiring that funds appropriated for capital outlay projects shall be managed and controlled in accordance with procedures and limitations established under the financial management system and that all such funds shall be available only for the specific project and purpose intended.

21. Section 101 of the "General Provisions" requires that all expenditures for consulting services obtained through procurement contracts be open for public inspection.

22. Language under section 104 grants the Mayor the authority within rates prescribed by Federal Travel Regulations, to establish allowances for privately owned automobile and motorcycles used for official purposes.

23. A proviso is included under section 105 of the bill permitting the Council of the District of Columbia to expend funds for travel and payment of dues without authorization by the Mayor.

24. Section 106 appropriates funds for refunding overpayments of taxes collected and for paying judgments against the District of Columbia government.

25. Section 107 of the "General Provisions" provides an exemption from the requirements of section 544 of the District of Columbia Public Assistance Act of 1982, effective April 6, 1982 (D.C. Law 4-101; D.C. Code, sec. 3-205.44).

Such amount as referred to in subsection (a) of this section shall not be less than the full amount determined as necessary on the basis of the minimum needs of such person as established by the Council.

Because of financing constraints, the District has regularly budgeted for a percentage of the public assistance payment standard, rather than for the full amount as required by Sec. 3-205.44 of the District of Columbia Code.

26. Language in section 111 of the "General Provisions" has been carried since 1979 and allows the payment of a percentage of taxes collected to individual who provide information to the District resulting in the collection of taxes.

27. A proviso is included under Section 113 requiring the Mayor to develop an annual plan for borrowing capital outlay funds and to submit quarterly reports to the Council of the District of Columbia and Congress.

28. Language in section 114 of the "General Provisions" requires the Mayor to obtain approval from the Council of the District of Columbia prior to borrowing funds for capital projects.

29. Section 115 of the "General Provisions" prohibits the Mayor from paying operating expenses with funds borrowed for capital projects.

30. Language in section 116 prohibits the obligation or expenditure of funds by reprogramming unless advance approval is obtained in accordance with established procedures set forth in House Report No. 96-443 as modified in House Report No. 98-265 or as modified by Public Law 104-8.

31. Language in section 117 prohibits the use of Federal funds in the bill to provide a personal cook, chauffeur, or other personal servants to any officer or employee of the District of Columbia government.

32. Language in section 118 prohibits the use of Federal funds in the bill to purchase passenger automobiles as defined in 15 U.S.C. 2001(2) with an Environmental Protection Agency estimated miles per gallon average of less than 22 miles per gallon.

33. Language in section 119 authorizes the Mayor to set the salary of the City Administrator at a rate not to exceed the maximum statutory rate established for level IV of the Federal Executive Schedule under 5 U.S.C. 5315, and provides that this salary may be payable to the City Administrator during fiscal year 1998. The language also authorizes the Mayor to set the per diem rate for board members of the Redevelopment Land Agency in the same manner consistent with their authority to set these rates for members of other boards and commissions of the District government. The Mayor does not have this authority at the present time.

34. Language under section 120 clarifies the pay setting authority for District employees as the District's Merit Personnel Act rather than title 5 of the United States Code.

35. Language in section 121 exempts the District from provisions of section 322 of the Economy Act of 1932 concerning expenditures for office leasing, alterations, improvements and repairs. This exemption was recommended by the General Accounting Office and was first carried in the fiscal year 1985 bill.

36. Language in section 123 prohibits the District government from renewing or extending sole source contracts without opening them to the competitive bidding process as set forth in section 303 of the District of Columbia Procurement Practices Act of 1985, effective February 21, 1986 (D.C. Law 6-85).

37. Sec. 124 requires any sequestration pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177) to be applied to each of the Federal fund appropriation accounts rather than to the aggregate total of these accounts.

38. Language in section 125 provides that in the event a sequestration order is issued after the amounts appropriated to the District have been paid to the District, the Mayor is required to pay the Secretary of the Treasury, within 15 days after receipt of a request from the Secretary, the amounts sequestered by the order provided the sequestration percentage is applied to each of the Federal appropriation accounts and not applied to the aggregate total.

39. Language in section 126 prohibits the expenditure of funds for programs or functions of which a reorganization plan is required but has not been approved by the Council.

40. Language under section 127 allows the District of Columbia government to accept and use, with the Mayor's approval, donations received for public purposes authorized by law. The language also requires that accurate records be maintained by the agency or entity administering the program and that the records be available for audit and public inspection. The language also allows the Council of the District of Columbia and the Board of Education to accept gifts and donations without the approval of the Mayor.

41. Language under section 128 continues current law as it relates to the prohibition on the use of Federal funds for salaries, expenses, or other costs associated with the offices of U.S. Senator or Representative under section of 4(d) of the D.C. Statehood Constitutional Convention Initiatives of 1979.

42. Language in section 129 prohibits funds appropriated in this Act from being expended for abortions, except where the life of the mother would be endangered if the fetus were carried to term or where the pregnancy is the result of an act of rape or incest.

43. Language in section 130 prohibits funds made available pursuant to any provision of this Act from being used to implement or enforce any system of registration of unmarried, cohabitating couples whether they are homosexual, lesbian, or heterosexual, including but not limited to registration for the purpose of extending employment, health, or governmental benefits to such couples on the same basis such benefits are extended to legally married couples.

44. Language in section 131 requires the Emergency Transitional Education Board of Trustees to submit to the Congress, Mayor, and Council of the District of Columbia no later than fifteen calendar days after the end of each month a report that sets forth:

(a) Current month expenditures and obligations, year-to-date expenditures and obligations, and total fiscal year expenditures projections vs. budget broken out on the basis of control center, responsibility center, agency reporting code, and object class, and for all funds, including capital financing;

(b) A list of each account for which spending is frozen and the amount of funds frozen;

(c) A list of all active contracts in excess of \$10,000 annually;

(d) All reprogramming requests and reports; and

(e) Changes made in the last month to the organizational structure of the D.C. Public Schools.

45. Language in section 132 requires the University of the District of Columbia to submit monthly reports as follows:

(a) Current month expenditures and obligations, year-to-date expenditures and obligations, and total fiscal year expenditures projections vs. budget broken out on the basis of control center, responsibility center, and object class, and for all funds including capital financing;

(b) A list of each account for which spending is frozen and the amount of funds frozen;

(c) A list of all active contracts in excess of \$10,000 annually;

(d) All reprogramming requests and reports;

(e) Changes made in the last month to the organizational structure of the university.

46. Language in section 133 requires annual reporting requirements from the Emergency Transitional Education Board of Trustees and the University of the District of Columbia on the number of validated schedule "A" positions, a compilation of all employees as of the proceeding December 31, verified as to its accuracy in accordance with the functions that each employee actually performs, and requires that the report be submitted to the Congress, the Mayor, and Council of the District of Columbia, not later than February 15 of each year.

47. Language in section 134 requires the Emergency Transitional Education Board of Trustees and the University of the District of Columbia to submit to the Congress, the Mayor, and Council of the District of Columbia, revised appropriated funds operating budget for the public school system and the University of the District of Columbia for such fiscal year that is in the total amount of the approved appropriation and that realigns budgeted data for personal services and other-than-personal services, respectively, with anticipated actual expenditures.

48. Language in section 135 requires the Emergency Transitional Education Board of Trustees, the Board of Trustees of the University of the District of Columbia, the Board of Library Trustees, and the Board of Governors of the D.C. School of Law to vote on and approve their respective annual or revised budget before submission to the Mayor of the District of Columbia for inclusion in the Mayor's budget submission to the Council of the District of Columbia.

49. Language in section 136 provides that the evaluation process and instruments for evaluating District of Columbia Public Schools employees shall be a non-negotiable item for collective bargaining purposes.

50. Language in section 138 requires user offices to account for and pay for employees detailed within the District Government, amends the reduction-in-force procedures, restricts providers from whom employees may receive disability compensation services, and revises application of binding arbitration procedures under new personnel rules.

51. Language in section 139 places a ceiling of the lesser of (1) total revenues, less \$192,741,000 or (2) \$4,493,375,000 excluding \$118,269,000 from intra-District funds on the total amount appropriated for operating expenses for the District of Columbia for fiscal year 1998 under the caption "Division of Expenses", limit 5 the number of full-time equivalent employees, and repeals provisions granting certain entities power to expend non-appropriated funds. In the latter case, the language is not intended to affect the Water and Sewer Authority's ability to meet its debt service requirements.

52. Language in Sec. 140 clarifies the authority over financial personnel, gives the Chief Financial Officer independent contracting authority, and authority over the District Medicaid Program during a control year, requires monthly reports on revenues and expenditures, clarifies grounds for removal from office of the Chief Financial Officer, and permits the Chief Financial Officer to select legal counsel.

53. Language in section 141 prohibits police, fire fighters and teachers having disability status unless the determination is made by a District designated entity and requires semi-annual reports of the actuarial impact of disability retirements.

54. Language in Sec. 142 states that none of the funds made available in this Act may be expended unless the entity agrees that in expending the funds the entity will comply with the Buy American Act.

55. Language in Sec. 143 requires that all Special Masters appointed by the District of Columbia Superior Court or the U.S. District Court for the District of Columbia Circuit to any agency of the

District of Columbia government prepare and annually submit to the District of Columbia Financial Responsibility and Management Assistance Authority, for inclusion in the annual budget, annual estimates of expenditures and appropriations.

56. Language in Sec. 144 amends the District of Columbia Government Comprehensive Merit Personnel Act on commencing of adverse actions for police.

57. Language in Sec. 145 changes the notice to police officers for out-of-service assignments.

58. Language in Sec. 146 requires any unused surplus as of the end of the fiscal year be used to reduce the District's outstanding accumulated deficit.

59. Language in Sec. 147 caps the salary of the Retirement Board members and resumes certain terminated annuities paid to child survivors of District of Columbia police and firefighters.

60. Language in Sec. 148 provides a 5% pay raise for police officers who perform primarily nonadministrative public safety services and are certified by the Chief of the Department as having met the minimum "Basic Certificate" standards transmitted by the District of Columbia Financial Responsibility and Management Assistance Authority to Congress by letter dated May 19, 1997.

61. Language in Sec. 149 prohibits an increase in welfare payments greater than the amount provided under the D.C. Public Assistance Act as in effect on the day after the effective date of the Public Assistance Temporary Amendment Act of 1997.

62. Language in Sec. 150 amends the Omnibus Consolidated Rescissions and Appropriations Act of 1996.

63. Language in Sec. 151 requires that liens be imposed for water and sewer bills that are 60 or more days late and the liens be assigned to a private entity in exchange for a cash payment or securitization.

64. Language in Sec. 152 provides restrictions on power over Chief Financial Officer and Inspector General.

65. Language in Sec. 153 provides specifications for improvements in the Financial Management System in the short term and long term.

66. Language in Sec. 154 provides clarification that the D.C. Inspector General contract for the District's annual audits.

67. Language in Sec. 155 authorizes direct deposit or mail for all payments.

68. Language in Sec. 156 revises certain auditing requirements.

69. Language in Sec. 157 amends the Uniform Disposition of Unclaimed Property Act of 1980 for treatment of unclaimed property.

70. Language in Sec. 158 prohibits the use of borrowings to finance or refund the accumulated general fund deficit, puts restrictions on debt restructuring, and requires all bonds to be sold at public sale.

71. Language in Sec. 159 requires that the portion of Pennsylvania Avenue in front of the White shall be reopened to regular vehicular traffic beginning January 1, 1998.

72. Language in Sec. 160 requires the annual Federal contribution be deposited into an escrow account held by the Authority, which shall allocate the funds to the Mayor. Also prescribes penalties for the handling and collection of dishonored checks, requires

District government officials to provide information upon request to Congressional Committees, prohibits certain helicopter flights over the District, conforms references to the Internal Revenue Code of 1986, and sets standards for the control board to review recommendations of the Business Regulatory Reform Commission. Language also makes technical changes and exempts the independent regional Water and Sewer Authority from budget reductions imposed by the Council or the Control Board. A technical correction is made to the Balanced Budget Act of 1997 to designate the proper name of the “Parks Authority”.

COMPLIANCE WITH CLAUSE 3—RULE XIII (RAMSEYER  
RULE)

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, 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 italics, existing law in which no change is proposed is shown in roman):

**DISTRICT OF COLUMBIA CODE**

**PART I—GOVERNMENT OF DISTRICT**

\* \* \* \* \*

**TITLE 1—ADMINISTRATION**

\* \* \* \* \*

**CHAPTER 3—MAYOR, COUNCIL, AND OTHER OFFICERS**

\* \* \* \* \*

**§ 1-357. Imposition of fee for delivery of bad check in payment of obligation due District of Columbia; amount of fee; manner of collection; exception**

(a) The Mayor of the District of Columbia shall prescribe and impose, in addition to any other penalties provided by law, a fee to be paid by each person who gives or causes to be given, in payment of any tax, assessment, fee, charge, or other obligation due the government of the District of Columbia, a check which is subsequently dishonored or not duly paid. The amount of the fee shall be prescribed from time to time by the Mayor and shall be based on the approximate cost to the District of Columbia of handling dishonored or unpaid checks and collecting the amounts they represent. The fee shall be collected in the same manner as the original obligation. *The Mayor may enter into a contract to collect the amount of the original obligation.* Any receipt previously given in reliance upon such check shall be void, and no other receipt shall be given for the payment of the original amount due until the fee has also been paid. This section shall not apply to a check which is not paid

because of the death of its drawer. The Mayor may issue rules and regulations necessary to carry out this section.

\* \* \* \* \*

(c) *In a case in which the amount of a dishonored or unpaid check is collected as a result of a contract, the Mayor shall collect any costs or expenses incurred to collect such amount from such person who gives or causes to be given, in payment of any obligation or liability due the government of the District of Columbia, a check which is subsequently dishonored or not duly paid. In a case in which the amount of a dishonored or unpaid check is collected as a result of an action at law or in equity, such costs and expenses shall include litigation expenses and attorney's fees.*

(d) *An action at law or in equity for the recovery of any amount owed to the District as a result of subsection (c), including any litigation expenses or attorney's fees may be initiated—*

(1) *by the Corporation Counsel of the District of Columbia; or*

(2) *in a case in which the Corporation Counsel does not exercise his or her authority, by the person who provides collection services as a result of a contract with the Mayor.*

(e) *Nothing in this section may be construed to eliminate the Mayor's exclusive authority with respect to any obligations and liabilities of the District of Columbia.*

\* \* \* \* \*

**CHAPTER 6—MERIT SYSTEM**

\* \* \* \* \*

***Subchapter XVII—Adverse Actions; Grievances***

**§ 1-617.1. Adverse actions**

(a) \* \* \*

\* \* \* \* \*

(b-1)(1) **[Except as provided in paragraph (2)]** *Except as provided in paragraphs (2) and (3) of this subsection, no corrective or adverse action shall be commenced pursuant to this section more than 45 days, not including Saturdays, Sundays, or legal holidays, after the date that the agency knew or should have known of the act or occurrence allegedly constituting cause, as that term is defined in subsection (d) of this section.*

\* \* \* \* \*

(3) *Except as provided in paragraph (2) of this subsection, for members of the Metropolitan Police Department, no corrective or adverse action shall be commenced pursuant to this section more than 120 days, not including Saturdays, Sundays, or legal holidays, after the date that the agency knew or should have known of the act or occurrence allegedly constituting cause, as that term is defined in subsection (d) of this section.*

\* \* \* \* \*

**Subchapter XXIV—Disability Compensation**

**§ 1-624.1. Definitions**

For the purpose of §§ 1-624.1 through 1-624.45:

(a) \* \* \*

\* \* \* \* \*

(c) The term “medical, surgical, and hospital services and supplies” included services and supplies by podiatrists, dentists, clinical psychologists, optometrists, chiropractors, osteopathic practitioners and hospitals within the scope of their practice as defined by District or State law *and as designated by the Mayor to provide services to injured employees*. Reimbursable chiropractic services are limited to treatment consisting of manual manipulation of the spine, to correct a subluxation as demonstrated by X-ray to exist, and subject to rules and regulations issued by the Mayor.

\* \* \* \* \*

(r)(1) *The term “managed care organization” means an organization of physicians and allied health professionals organized to and capable of providing systematic and comprehensive medical care and treatment of injured employees which is designated by the Mayor to provide such care and treatment under this title.*

(2) *The term “allied health professional” means a medical care provider (including a nurse, physical therapist, laboratory technicians, X-ray technician, social worker, or other provider who provides such care within the scope of practice under applicable law) who is employed by or affiliated with a managed care organization.*

\* \* \* \* \*

**§ 1-624.3. Medical services and initial medical and other benefits**

(a) The District government shall furnish to an employee who is injured while in the performance of duty the services, appliances, and supplies prescribed or recommended by a qualified physician, which the Major considers likely to cure, give relief, reduce the degree or period of disability, or aid in lessening the amount of the monthly compensation. These services, appliances, and supplies shall be furnished:

(1) \* \* \*

\* \* \* \* \*

[(3) By or on the order of District of Columbia government medical officers and hospitals, or, at the employee’s option, by or on order of physicians and hospitals designated or approved by the Mayor. Any medical service provided shall be subject to utilization review pursuant to § 1-624.23.

【The employee may initially select a physician to provide medical services, appliances, and supplies in accordance with such rules and regulations and instructions as the Mayor considers necessary, and may be furnished necessary and reasonable transportation and expenses incident to the securing of such services, appliances, and supplies. These expenses, when authorized or approved by the Mayor, shall be paid from the Employees’ Compensation Fund.】

(3) *By or on the order of the District of Columbia government medical officers and hospitals, or by or on the order of a physician or managed care organization designated or approved by the Mayor.*

\* \* \* \* \*

(c)(1) *An employee to whom services, appliances, or supplies are furnished pursuant to subsection (a) shall be provided with such services, appliances, and supplies (including reasonable transportation incident thereto) by a managed care organization or other health care provider designated by the Mayor, in accordance with such rules, regulations, and instructions as the Mayor considers appropriate.*

(2) *Any expenses incurred as a result of furnishing services, appliances, or supplies which are authorized by the Mayor under paragraph (1) shall be paid from the Employees' Compensation Fund.*

(3) *Any medical service provided pursuant to this subsection shall be subject to utilization review under section 2323.*

\* \* \* \* \*

**§ 1-624.24. Time for making claim; finding of facts; award; right to hearing; conduct of hearing**

(a) \* \* \*

\* \* \* \* \*

[(c) If compensation awarded under subsection (a) of this section is not paid within 20 days after the compensation becomes due, the amount of compensation owed shall increase by 20% unless:

[(1) A hearing or review is held pursuant to subsection (b) of this section or § 1-624.28 and the Mayor or court, in connection with the hearing or review, issues an order that stays the payment of compensation; or

[(2) a hearing examiner or court waives payment of the 20% penalty upon a showing by the Mayor that, due to conditions beyond the Mayor's control, the award could not be paid within the 20 days.]

\* \* \* \* \*

**Subchapter XXV—Reductions-in-Force**

\* \* \* \* \*

**§ 1-625.7 ABOLISHMENT OF POSITIONS FOR FISCAL YEAR**

(a) *Notwithstanding any other provision of law, regulation, or collective bargaining agreement either in effect or to be negotiated while this legislation is in effect for the fiscal year ending September 30, 1998, each agency head is authorized, within the agency head's discretion, to identify positions for abolishment.*

(b) *Prior to February 1, 1998, each personnel authority shall make a final determination that a position within the personnel authority is to be abolished.*

(c) *Notwithstanding any rights or procedures established by any other provision of this title, any District government employee, regardless of date of hire, who encumbers a position identified for*

*abolishment shall be separated without competition or assignment rights, except as provided in this section.*

*(d) An employee affected by the abolishment of a position pursuant to this section who, but for this section would be entitled to compete for retention, shall be entitled to one round of lateral competition pursuant to Chapter 24 of the District of Columbia Personnel Manual, which shall be limited to positions in the employee's competitive level.*

*(e) Each employee who is a bona fide resident of the District of Columbia shall have added 5 years to his or her creditable service for reduction-in-force purposes. For purposes of this subsection only, a nonresident District employee who was hired by the District government prior to January 1, 1980, and has not had a break in service since that date, or a former employee of the United States Department of Health and Human Services at Saint Department of Health and Human Services at Saint Elizabeths Hospital who accepted employment with the District government on October 1, 1987, and has not had a break in service since that date, shall be considered a District resident.*

*(f) Each employee selected for separation pursuant to this section shall be given written notice of at least 30 days before the effective date of his or her separation.*

*(g) Neither the establishment of a competitive area smaller than an agency, nor the determination that a specific position is to be abolished, nor separation pursuant to this section shall be subject to review except that—*

*(1) an employee may file a complaint contesting a determination or a separation pursuant to title XV of this Act or section 303 of the Human Rights Act of 1977 (DC Code, sec. 1-2543); and*

*(2) an employee may file with the Office of Employee Appeals an appeal contesting that the separation procedures of subsections (d) and (f) were not properly applied.*

*(h) An employee separated pursuant to this section shall be entitled to severance pay in accordance with title XI of this Act, except that the following shall be included in computing creditable service for severance pay for employees separated pursuant to this section—*

*(1) four years for an employee who qualified for veterans preference under this Act, and*

*(2) three years for an employee who qualified for residency preference under this Act.*

*(i) Separation pursuant to this section shall not affect an employee's rights under either the Agency Reemployment Priority Program or the Displaced Employee Program established pursuant to Chapter 24 of the District Personnel Manual.*

*(j) The Mayor shall submit to the Council a listing of all positions to be abolished by agency and responsibility center by March 1, 1998 or upon the delivery of termination notices to individual employees.*

*(k) Notwithstanding the provisions of section 1708 or section 2402(d), the provisions of this Act shall not be deemed negotiable.*

*(l) A personnel authority shall cause a 30-day termination notice to be served, no later than September 1, 1998, on any incumbent*

*employee remaining in any position identified to be abolished pursuant to subsection (b) of this section.*

\* \* \* \* \*

**CHAPTER 7—DISTRICT OF COLUMBIA EMPLOYEES RETIREMENT PROGRAM MANAGEMENT**

\* \* \* \* \*

***Subchapter II—Establishment of Retirement Board and Retirement Funds***

**§ 1-711. District of Columbia Retirement Board**

(a) \* \* \*

\* \* \* \* \*

(c)(1) Subject to the availability of appropriations for that purpose, each member of the Board shall be entitled to receive the hourly equivalent of the annual rate of pay in effect for the highest step of grade DS-15 under Chapter 6 of this title for each hour that the member is engaged in the actual performance of duties vested in the Board, except that a member of the Board who is a full-time officer or employee of the District of Columbia or the United States shall not be entitled to receive pay under this subsection for performance of duties vested in the Board during the employee's regularly scheduled working hours[.], and the total amount to which a member may be entitled under this subsection during a year (beginning with 1998) may not exceed \$5,000.

\* \* \* \* \*

**CHAPTER 11A—PROCUREMENT**

\* \* \* \* \*

***Subchapter II—Procurement Organization***

\* \* \* \* \*

**§ 1-1182.8. Creation and duties of Office of the Inspector General**

(a)(1)(A) \* \* \*

\* \* \* \* \*

(F) *The Mayor may not enter into any contract, or issue any order, rule, or regulation, under this subsection with respect to any authority or activity under the jurisdiction of the Inspector General. Nothing in this subparagraph may be construed to affect the ability of the Mayor to remove the Inspector General from office during a year other than a control year.*

(G) *The Authority or the Mayor (whichever is applicable) may remove the Chief Financial Officer under this paragraph only after the expiration of the 30-day period which begins on the date the Authority or the Mayor (as the case may be) submits a written statement to the Committees on Appropriations of the Senate and House of Representatives, the Committee on Government Reform and Oversight of the House of Representatives, and the Committee on Govern-*

mental Affairs of the Senate, explaining the factual circumstances involved.

(H) For purposes of subparagraph (A), removal 'for cause' means removal on any of the following grounds:

- (i) Permanent disability.
- (ii) Inefficiency.
- (iii) Neglect of duty.
- (iv) Malfeasance.
- (v) A felony or conduct involving moral turpitude.

\* \* \* \* \*

(5) the Inspector may include in any audits conducted pursuant to this subsection (by contract or otherwise) of the activities of the District government such audits of the activities of the Authority as the Inspector General considers appropriate.

\* \* \* \* \*

## TITLE 4.—POLICE AND FIRE DEPARTMENTS

\* \* \* \* \*

### CHAPTER 6—POLICE AND FIREFIGHTERS RETIREMENT AND DISABILITY

\* \* \* \* \*

#### § 4-622. Survivor benefits and annuities

- (1) \* \* \*
- (5)(A)

\* \* \* \* \*

(D) If the annuity of a child under subparagraph (A) or subparagraph (B) terminates because of marriage and such marriage ends, the annuity shall resume on the first day of the month in which it ends, but only if the individual is not otherwise ineligible for the annuity.

\* \* \* \* \*

## TITLE 42—PERSONAL PROPERTY

\* \* \* \* \*

### CHAPTER 2—DISPOSITION OF UNCLAIMED PROPERTY

\* \* \* \* \*

#### § 42-202. Definitions

As used in this chapter, the term:

- (1) \* \* \*

\* \* \* \* \*

[(4) "Business association" means any corporation (other than a public corporation), joint stock company, business trust,

partnership, or any association for business purposes of 2 or more individuals, whether or not for profit, including a banking organization, financial organization, life insurance corporation, or utility.】

(4) “Business association” means a corporation, joint stock company, investment company, partnership, unincorporated association, joint venture, limited liability, business trust, trust company, financial organization, insurance company, mutual fund, utility, or other business entity consisting of one or more persons, whether or not for profit.

\* \* \* \* \*

(18) “Record” means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(19) “Property” means a fixed and certain interest in or right in property that is held, issued, or owed in the course of a holder’s business, or by a government or governmental entity, and all income or increments therefrom, including an interest referred to as or evidenced by any of the following:

(A) Money, check, draft, deposit, interest, dividend, and income.

(B) Credit balance, customer overpayment, gift certificate, security deposit, refund, credit memorandum, unpaid wage, unused airline ticket, unused ticket, mineral proceed, and unidentified remittance and electronic fund transfer.

(C) Stock or other evidence of ownership of an interest in a business association.

(D) Bond, debenture, note, or other evidence of indebtedness.

(E) Money deposited to redeem stocks, bonds, coupons, or other securities or to make distributions.

(F) An amount due and payable under the terms of an insurance policy, including policies providing life insurance, property and casualty insurance, workers compensation insurance, or health and disability benefits insurance.

(G) An amount distributable from a trust or custodial fund established under a plan to provide health, welfare, pension, vacation, severance, retirement, death, stock purchase, profit sharing, employee savings, supplemental unemployment insurance, or similar benefits.

**§ 42-203. Property presumed abandoned**

(a) All intangible personal property, not otherwise covered by this chapter, including any income or increment thereon and deducting any lawful charges, that is held or owing in the ordinary course of the holder’s business and has remained unclaimed by the owner for more than [5] 3 years after it became payable or distributable is presumed abandoned.

\* \* \* \* \*

(d) A record of the issuance of a check, draft, or similar instrument by a holder is prima facie evidence of property held or owned to a person other than the holder. In claiming property from a holder who is also the issuer, the Mayor’s burden of proof as to the exist-

*ence and amount of the property and its abandonment is satisfied by showing issuance of the instrument and passage of the requisite period of abandonment. Defenses of payment, satisfaction, discharge, and want of consideration are affirmative defenses that may be established by the holder.*

\* \* \* \* \*

**§ 42.206. Bank deposits and funds in financial organizations**

(a) Any demand, savings, or matured time deposit with a banking or financial organization, including deposits that are automatically renewable, and any funds paid toward the purchase of shares, a mutual investment certificate, or any other interest in a financial organization is presumed abandoned unless the owner within [5] 3 years has:

(1) \* \* \*

\* \* \* \* \*

(d) A sum payable on any other written instrument on which a banking or financial organization or business association in the District is directly liable, including, but not limited to, certified checks, drafts, or money orders, that has been outstanding for more than [5] 3 years after it was payable, or after its issuance if payable on demand, is presumed abandoned unless the owner has, within [5] 3 years, communicated in writing with the banking or financial organization or business association concerning it or otherwise indicated an interest as evidence by a memorandum on file prepared by an employee of the banking or financial organization or business association.

(e) No holder may impose with respect to property described in subsection (a) of this section any charges due to dormancy or inactivity, or cease payment of interest unless:

(1) \* \* \*

\* \* \* \* \*

*(4) The amount of the deduction is limited to an amount that is not unconscionable.*

(f) No holder shall deduct from the amount of any draft, registered check, money order, certified check, traveler’s check, cashier’s check, treasurer’s check, or any similar written instrument any charges imposed by reason of the failure to present such items for encashment unless:

(1) \* \* \*

\* \* \* \* \*

*(3) The amount of the deduction is limited to an amount that is not unconscionable.*

**§ 42-207. Funds owing under life insurance policies**

(a) Funds held or owing under nay life or endowment insurance policy or annuity contract that has matured or terminated are presumed abandoned if unclaimed for more than [5] 3 years after the funds became due and payable as established form the records of the insurance company holding or owing the funds

\* \* \* \* \*

(c) For purposes of this section, a life or endowment insurance policy or annuity contract not mature by actual proof of the death of the insured or annuitant according to the records of the company is matured and the proceeds due and payable if:

(1) The company knows that the insured or annuitant has died; or

(2)(A) \* \* \*

\* \* \* \* \*

(C) Neither the insured nor any other person appearing to have an interest in the policy within the preceding [5] 3 years, according to the records of the company, has assigned, readjusted, or paid premiums on the policy, subjected the policy to a loan, corresponded in writing with the company concerning the policy, or otherwise indicated an interest as evidenced by a memorandum or other record on file prepared by an employee of the company.

\* \* \* \* \*

**§ 42-208. Deposits and refunds held by utilities**

The following funds held or owing by any utility are presumed abandoned:

(1) Any deposit, including any interest thereon, made by a subscriber with a utility to secure payment for, or any sum paid in advance for, utility services to be furnished, less any lawful deductions, that has remained unclaimed by the person appearing on the records of the utility entitled thereto for more than [5 years] 1 year after the termination of the services for which the deposit or advance payment was made; and

(2) Any sum which a utility has been ordered to refund and which was received for utility services rendered, together with any interest thereon, less any lawful deductions, that has remained unclaimed by the person appearing on the records of the utility entitled thereto for more than [5 years] 1 year after it became payable in accordance with the final determination or order providing for the refund, regardless of whether the final determination or order requires any person entitled to a refund to make a claim.

**§ 42-209. Stock and other intangible interests in business associations**

(a) Subject to § 42-204, any stock, other certificate of ownership, or other intangible ownership interest, or any dividend, profit, distribution, interest, payment on principal, or other sum held or owing by a business association for or to the owner, is presumed abandoned if the owner has not claimed it, corresponded in writing with the business association concerning it, or otherwise communicated with the association concerning it, as evidenced by a memorandum or other record on file with the association with [5] 3 years after the date prescribed for payment or delivery.

(b) Subject to § 42-204, any intangible interest in a business association, as evidenced by the stock records or membership records of the association, is presumed abandoned if:

(1) The interest in the association is owned by a person who for more than **[5]** 3 years has not:

(A) Claimed a dividend, profit, distribution, interest, payment on principal, or other sum held or owing by the association for or to the person; or

(B) Corresponded in writing with the association or otherwise communicated with the association, as evidenced by a memorandum or other record on file with the association;

(2) The association does not know the location of the owner at the end of the **[5-year]** 3-year period; and

\* \* \* \* \*

*(d) For purposes of subsection (b), the return of official shareholder notifications or communications by the postal service as undeliverable shall be evidence that the association does not know the location of the owner.*

*(e) In the case of property consisting of stock or other intangible ownership interest enrolled in a plan that provides for the automatic reinvestment of dividends, distribution, or other sums payable as a result of the interest, the property may not be presumed to be abandoned under this section unless either of the following applies:*

*(1) The records available to the administrator of the plan show, with respect to any intangible ownership interest not enrolled in the reinvestment plan, that the owner has not within 3 years communicated in any manner described in subsection (a).*

*(2) 3 years have elapsed since the location of the owner became unknown to the association, as evidenced by the return of official shareholder notifications or by the postal service as undeliverable, and the owner has not within those 3 years communicated in any manner described in subsection (a). The 3-year period from the return of official shareholder notifications or communication shall commence from the earlier of the return of the second such mailing or the time the holder discontinues mailings to the shareholder.*

**§ 42-210. Property of business associations and banking or financial organizations held in course of dissolution**

*(a) All intangible personal property distributable in the course of a voluntary or involuntary dissolution of a business association, banking organization, or financial organization organized under the laws of or created in the District, that is unclaimed by the owner within 60 days after the date of final distribution, is presumed abandoned.*

*(b) All intangible property payable or distributable to a member or participant in a class action suit, either one allowed by the court to be maintained as such or one essentially handled as a class action suit and remaining for more than one year after the time for the final payment or distribution is presumed abandoned, unless within the preceding one year, there has been a communication between the member or participant and the holder concerning the property. Intangible property payable or distributable as the result*

*of litigation or settlement of a dispute before a judicial or administrative body and remaining unclaimed for more than one year after the time for the final distribution is presumed abandoned.*

\* \* \* \* \*

**§ 42-211. Property held by fiduciaries**

(a) All intangible personal property and any income or increment thereon, held in a fiduciary capacity for the benefit of another person, is presumed abandoned unless the owner, within [5] 3 years after it becomes payable or distributable, has increased or decreased the principal, accepted payment of principal or income, corresponded in writing concerning the property, or otherwise indicated an interest as evidenced by a memorandum on file with the fiduciary.

\* \* \* \* \*

**§ 42-212. Property held by public officers and agencies**

Except for property held by the Property Clerk of the Metropolitan Police Department, as provided in §§ 4-152 to 4-169, all intangible personal property held for the owner by any public corporation, public authority, or public officer of the District government, that has remained unclaimed by the owner for more than [2 years] 1 year, is presumed abandoned.

**§ 42-213. Employee benefit trust distributions**

All employee benefit trust distributions and any income or other increment thereon is presumed abandoned if the owner within [5] 3 years after it becomes payable or distributable has not accepted the distribution, corresponded in writing concerning the distribution, or otherwise indicated an interest as evidenced by a memorandum or other record on file with the fiduciary of the trust or custodial fund or administrator of the plan under which the trust or fund is established.

\* \* \* \* \*

**§ 42-215. Contents of safe deposit box or other safekeeping repository**

Except as provided in § 34-103, all personal property, tangible or intangible, held in a safe deposit box or any other safekeeping repository in the District by any person in the ordinary course of business, which is unclaimed by the owner for [5] 3 years or more from the date on which the lease or rental period on the box or other repository expired is presumed abandoned.

**§ 42-216. Unpaid wages or outstanding payroll checks**

[Unpaid wages or outstanding payroll checks] *Wages or other compensation for personal services* held or owing in the ordinary course of the holder's business that have remained unclaimed by the owner for more than 1 year after becoming payable or distributable are presumed abandoned.

**§ 42-217. Report of property presumed abandoned**

(a) \* \* \*

\* \* \* \* \*

[(d) The report as of the prior June 30th must be filed before November 1st of each year, but the report as of the prior December 1st of life insurance corporations must be filed before May 1st of each year. The Mayor may postpone the reporting date upon written request by any person required to file a report. In calendar year 1981, the report concerning all property presumed to be abandoned as of June 30, 1980 (and December 1, 1980, for insurance companies), must be filed no later than June 20, 1981. In calendar year 1992, a report concerning all property presumed to be abandoned as of October 31, 1991, must be filed no later than January 2, 1992.

[(e) If the holder of property presumed abandoned under this chapter has in its records an address of the apparent owner, the holder shall, not more than 120 days prior to filing the report required by this section, send written notice to the owner at the last known address to prevent abandonment from being presumed. Within respect to the property required to be reported by June 20, 1981, pursuant to subsection (d) of this section, the holder shall send the written notice between March 15, 1981, and June 20, 1981 (to prevent abandonment from being presumed) to the owner at the last known address.]

*(d)(1) The report as of the prior June 30th must be filed before November 1st of each year, but a report with respect to a life insurance company must be filed before May 1st of each year as of the prior December 31. The Mayor may postpone the reporting date upon written request by any person required to file a report.*

*(2) In calendar year 1998, a report concerning all property presumed to be abandoned as of October 31, 1997, must be filed no later than January 2, 1998.*

*(e) Not earlier than 120 days prior to filing the report required under this section (and not later than 60 days prior to filing such report), the holder of property presumed abandoned shall send written notice to the apparent owner of the property stating that the holder is in possession of property subject to this Act, but only if—*

*(1) the holder has in its records an address for the apparent owner, unless the holder's records indicate that such address is not accurate; and*

*(2) the value of the property is at least \$50.*

\* \* \* \* \*

**§ 42-218. Notice of abandoned property**

(a) \* \* \*

(b) The published notice shall be entitled "Notice of Names of Persons Appearing To Be Owners of Abandoned Property" and shall contain:

(1) \* \* \*

\* \* \* \* \*

[(3) A statement that if proof of claim is not presented by the owner to the holder and if the owner's right to receive the

property is not established to the holder's satisfaction before April 1st, or in the case of life insurance companies October 1, the abandoned property will be placed in the custody of the Mayor not later than May 1st, or in the case of life insurance corporations November 1st, and all further claims must thereafter be directed to the Mayor.】

*(3) A statement that property of the owner is presumed to be abandoned and has been taken into the protective custody of the Mayor, except in the case of property described in section 119(a)(1) which is not paid or delivered to the Mayor pursuant to such section.*

\* \* \* \* \*

(e) The mailed notice shall contain:

(1) \* \* \*

\* \* \* \* \*

【(3) A statement that, if satisfactory proof of claim is not presented by the owner to the holder by the date specified in the published notice, the property will be placed in the custody of the Mayor and all further claims must be directed to the Mayor.】

*(3) A statement explaining that property of the owner is presumed to be abandoned, the property has been taken into the protective custody of the Mayor (other than property described in section 119(a)(1) which is not paid or delivered to the Mayor pursuant to such section), and information about the property and its return to the owner is available to a person having a legal or beneficial interest in the property, upon request to the Mayor.*

\* \* \* \* \*

【(g)(1) With respect to the property reported on or before June 20, 1981, pursuant to § 42-217(d), the Mayor shall cause the newspaper notice required by subsection (a) of this section and the mailing notice required by subsection (d) of this section to be completed no later than July 15, 1981. The newspaper notice shall contain all the information required by paragraphs (1) and (2) of subsection (b) of this section and a statement that if proof of claim is not presented by the owner to the holder and if the owner's right to receive the property is not established to the holder's satisfaction on or before August 30, 1981, all further claims must thereafter be directed to the Mayor.

【(2) With respect to the property reported on or before January 2, 1992, pursuant to § 42-217(d), the Mayor shall cause the newspaper notice required by subsection (a) of this section to be completed no later than April 30, 1992. The newspaper notice shall contain all the information required by subsections (b) (1) and (2) of this section and a statement that if proof of claim is not presented by the owner to the holder and if the owner's right to receive the property is not established to the holder's satisfaction on or before June 1, 1992, the abandoned property will be placed in the custody of the Mayor not later than July 1, 1992, and all further claims must thereafter be directed to the Mayor.】

(g) *With respect to property reported and delivered on or before January 2, 1998, pursuant to section 117(d)(2), the Mayor shall cause the newspaper notice required by subsection (a) and the notice mailed under subsection (d) to be completed no later than May 1, 1998.*

**§ 42-219. Payment or delivery of abandoned property**

[(a) Except as otherwise provided in subsections (b) and (c) of this section, every person who has filed a report under § 42-217 shall, within 6 months after the final date for filing reports as required by § 42-217, pay or deliver to the Mayor all abandoned property specified in the report. With respect to property reported by holders on or before June 20, 1981, pursuant to § 42-217(d), the holders shall pay or deliver to the Mayor all abandoned property specified in the report no later than September 15, 1981.

[(b) If the owner establishes the right to receive the abandoned property to the satisfaction of the holder before the property has been delivered or if it appears that for some other reason the presumption of abandonment is erroneous, the holder need not pay or delivery the property which will no longer be presumed abandoned to the Mayor, but in lieu thereof shall file a verified written explanation of the proof of claim or of the error in the presumption of abandonment.

[(c) In the case of sums payable on traveler's checks, money orders, and similar written instruments presumed abandoned under § 42-205 or any other property reported pursuant to § 42-217 for which the holder has not reported the name of the apparent owner, the property shall be paid or delivered to the Mayor at the time of filing the report specified in § 42-217(d).]

*(a) Upon the filing of the report required under section 117 with respect to property presumed abandoned, the holder of the property shall pay or deliver (or cause to be paid or delivered) to the Mayor the property described in the report as abandoned, except that—*

*(1) in the case of property consisting of an automatically renewable deposit for which a penalty or forfeiture in the payment of interest would result if payment were made to the Mayor at such time, the holder may delay the payment or delivery of the property to the Mayor until such time as the penalty or forfeiture will not occur; and*

*(2) in the case of tangible property held in a safe deposit box or other safekeeping depository, the holder shall pay or deliver (or cause to be paid or delivered) the property to the Mayor upon the expiration of the 120-day period which begins on the date the holder files the report required under section 117.*

*(b) If the Mayor postpones the reporting date with respect to the property under section 117(d), the holder, upon receipt of the extension, may make an interim payment under this section on the amount the holder estimates will ultimately be due.*

\* \* \* \* \*

**§ 42-222. Sale of abandoned property**

(a) All abandoned property other than money delivered to the Mayor under this chapter [may be sold] *which remains unclaimed*

one year after the delivery to the Mayor may be sold after the delivery by the Mayor to the highest bidder at public sale. The Mayor may decline the highest bid and reoffer the property for sale if the Mayor considers the price bid insufficient. The Mayor need not offer any property for sale if, in the Mayor's opinion, the probable cost of sale exceeds the value of the property.

\* \* \* \* \*

*(d)(1) Notwithstanding subsection (a), abandoned property consisting of securities delivered to the Mayor under this Act may not be sold under this section until the expiration of the 3-year period which begins on the date the property is delivered to the Mayor, except that the Mayor may sell the property prior to the expiration of such period if the Mayor finds that sale at such time is in the best interests of the District of Columbia.*

*(2) If the Mayor sells any property described in paragraph (1) prior to the expiration of the 3-year period described in such paragraph, any person making a claim with respect to the property pursuant to this Act prior to the expiration of such period is entitled to either the proceeds of the sale of the securities or the market value of the securities at the time the claim is made, whichever is greater, less any deduction for fees pursuant section 123(c). If the Mayor does not sell any such property prior to the expiration of such 3-year period, a person may make a claim with respect to the property in accordance with section 124 and other applicable provisions of this Act.*

\* \* \* \* \*

**§ 42-229. Periods of limitations**

(a) \* \* \*

**[(b) No action or proceeding may be commenced by the Mayor to enforce any provision of this chapter more than 10 years from the date any property was reportable under this chapter. With respect to property initially reportable pursuant to § 42-242, no action or proceeding may be commenced by the Mayor to enforce any provisions of this chapter more than 10 years from the effective date of this chapter.]**

*(b) No action or proceeding may be commenced by the Mayor to enforce any provision of this Act with respect to the reporting, delivery, or payment of property more than 10 years after the holder specifically identified the property in a report filed with the Mayor or gave express notice to the Mayor of a dispute regarding the property. The period of limitation shall be tolled in the absence of such a report or other express notice, or by the filing of a report that is fraudulent.*

**§ 42-230. Verified reports; examination of records**

(a) \* \* \*

\* \* \* \* \*

**[(d) If a holder shall fail to maintain the records required by § 42-232 and the available records of the holder for the periods subject to the chapter are not sufficient to permit the preparation of a report and delivery of abandoned property, the holder shall be**

ordered to report and delivery such property as may reasonably be estimated based upon any other records of the holder which exist.】

*(d) If a holder fails to maintain the records required by section 132 and the records of the holder available for the periods for which this Act applies to the property involved are insufficient to permit the preparation of a report and delivery of the property, the holder shall be required to report and pay such amounts as may reasonably be estimated from any available records.*

\* \* \* \* \*

**§ 42-232. Retention of records**

【(a) Except as provided in subsection (b) of this section and unless the Mayor provides otherwise by rule, every holder required to file a report under § 42-217 shall, as to any property for which it has obtained the address of the owner, maintain a record of the name and address of the owner for 10 years after the date the property may have become reportable.】

*(a) Except as provided in subsection (b) and unless the Mayor provides otherwise by rule, every holder required to file a report under section 117 shall retain all books, records, and documents necessary to establish the accuracy of such report and the compliance of the report with the requirements of this Act for 10 years after the property becomes reportable, together with a record of the name and address of the owner of the property in the case of any property for which the holder has obtained the last known address of the owner.*

\* \* \* \* \*

**§ 42-235. Interested and penalties**

(a) \* \* \*

【(b) Any person who willfully fails to submit a report or perform other duties required under this chapter shall pay \$200 for each day the report is not rendered or the duty is not performed, but shall not pay more than \$10,000.

【(c) Any person who willfully fails to pay or deliver property to the Mayor as required under this chapter shall pay in addition to interest as prescribed by subsection (a) of this section, a civil penalty equal to 25% of the value of the property that should have been paid or delivered.

【(d) Any person who willfully refuses to pay or deliver property to the Mayor as required under this chapter, within 30 days after written demand, is guilty of a misdemeanor and upon conviction may be punished by a fine of not more than \$300 or imprisonment for not more than 90 days, or both. Prosecution shall be by the Office of the Corporation Counsel.】

*(b) Except as otherwise provided in subsection (c), a person who fails to report, pay, or deliver property within the time prescribed under this Act, or fails to perform other duties imposed by this Act, shall pay (in addition to the interest required under subsection (a)) a civil penalty of \$200 for each day the report, payment, or delivery is withheld or the duty is not performed, up to a maximum of \$10,000.*

*(c) A person who willfully fails to report, pay, or deliver property within the time prescribed under this Act, or fails to perform other*

*duties imposed by this Act, shall pay (in addition to the interest required under subsection (a)) a civil penalty of \$1,000 for each day the report, payment, or delivery is withheld or the duty is not performed, up to a maximum of \$25,000, plus 25 percent of the value of any property that should have been paid or delivered.*

*(d) The Mayor may waive the imposition of any interest or penalty (or any part thereof) against any person under subsection (b) or (c) if the person's failure to pay or deliver property is satisfactorily explained to the Mayor and if the failure has resulted from a mistake by the person in understanding or applying the law or the facts involved.*

\* \* \* \* \*

*(f) A holder who fails to exercise due diligence with respect to information required to be reported under section 117 shall pay (in addition to any other interest or penalty which may be imposed under this section) a penalty of \$10 with respect to each item involved.*

\* \* \* \* \*

**TITLE 47—TAXATION AND FISCAL AFFAIRS**

\* \* \* \* \*

**CHAPTER 18—INCOME AND FRANCHISE TAXES**

\* \* \* \* \*

***Subchapter I—Repeal of Prior Income Tax Law and Applicability of Subchapter; General Definitions***

\* \* \* \* \*

**§ 47-1801.4—General definitions**

For the purposes of this chapter and wherever appearing herein, unless otherwise required by the context the term:

(1) \* \* \*

\* \* \* \* \*

**[(28A) “Internal Revenue Code of 1986” means the Internal Revenue Code of 1986 (100 Stat. 2085; 26 U.S.C. 1 et seq.), as amended through April 11, 1995. The provisions of the Internal Revenue Code of 1986 shall be effective on the same dates that they are effective for federal tax purposes, except that section 162(l) shall only apply to taxable years beginning after December 31, 1994.]**

*(28A) The term “Internal Revenue Code of 1986” means the Internal Revenue Code of 1986 (100 Stat. 2085; 26 U.S.C. 1 et seq.), as amended through August 20, 1996. The provisions of the Internal Revenue Code of 1986 shall be effective on the same dates that they are effective for Federal tax purposes.*

\* \* \* \* \*

**CHAPTER 34—MISCELLANEOUS PROVISIONS**

\* \* \* \* \*

**§ 47-3401.1. Intermediate-term advances for liquidation of deficit.**

[(a) IN GENERAL.—If the conditions in subsection (b) are satisfied, the Secretary shall make an advance of funds from time to time, out of any money in the Treasury not otherwise appropriated and to the extent provided in advance in annual appropriations Acts, for the purpose of assisting the District government in liquidating the outstanding accumulated operating deficit of the general fund of the District government existing as of September 30, 1997.

[(b) CONDITIONS TO MAKING ANY INTERMEDIATE-TERM ADVANCE.—The Secretary shall make an advance under this section if—

[(1) the Mayor delivers to the Secretary the following instruments, in form and substance satisfactory to the Secretary—

[(A) a financing agreement in which the Mayor agrees to procedures for requisitioning advances;

[(B) a requisition for an advance under this section; and

[(C) a promissory note evidencing the District government's obligation to reimburse the Treasury for the requisitioned advance, which note may be a general obligation bond issued under section 461(a) of the District of Columbia Self-Government and Governmental Reorganization Act by the District government to the Secretary if the Secretary determines that such a bond is satisfactory;

[(2) the date on which the requisitioned advance is requested to be made is not later than 3 years from the date of enactment of the Balanced Budget Act of 1997;

[(3) the District government delivers to the Secretary—

[(A) evidence demonstrating to the satisfaction of the Secretary that, at the time of the Mayor's requisition for an advance, the District government is effectively unable to obtain credit in the public credit markets or elsewhere in sufficient amounts and on sufficiently reasonable terms to meet the District government's need for financing to accomplish the purpose described in subsection (a); and

[(B) a schedule setting out the anticipated timing and amounts of requisitions for advances under this section;

[(4) the Authority certifies to the Secretary that—

[(A) there is an approved financial plan and budget in effect under the District of Columbia Financial Responsibility and Management Assistance Act of 1995 for the fiscal year in which the requisition is to be made;

[(B) at the time that the Mayor's requisition for an advance is delivered to the Secretary, the District government is in compliance with the approved financial plan and budget;

[(C) both the receipt of funds from such advance and the reimbursement of Treasury for such advance are consist-

ent with the approved financial plan and budget for the year;

[(D) such advance will not adversely affect the financial stability of the District government; and

[(E) at the time that the Mayor's requisition for an advance is delivered to the Secretary, the District government is effectively unable to obtain credit in the public credit markets or elsewhere in sufficient amounts and on sufficiently reasonable terms to meet the District government's need for financing to accomplish the purpose described in subsection (a);

[(5) the Inspector General of the District of Columbia certifies to the Secretary the information described in subparagraphs (A) through (D) of paragraph (4), and in making this certification, the Inspector General may rely upon an audit conducted by an outside auditor engaged by the Inspector General under section 208(a)(4) of the District of Columbia Procurement Practices Act of 1985 if, after reasonable inquiry, the Inspector General concurs in the findings of such audit;

[(6) the Secretary determines that—

[(A) there is reasonable assurance of reimbursement for the requisitioned advance; and

[(B) the debt owed by the District government to the Treasury on account of the requisitioned advance will not be subordinate to any other debt owed by the District or to any other claims against the District; and

[(7) the Secretary receives from such persons as the Secretary determines to be appropriate such additional certifications and opinions relating to such matters as the Secretary determines to be appropriate.

[(c) AMOUNT OF ANY INTERMEDIATE-TERM ADVANCE.—

[(1) IN GENERAL.—Except as provided in paragraph (3), if the conditions in paragraph (2) are satisfied, each advance made under this section shall be in the amount designated by the Mayor in the Mayor's requisition for such advance.

[(2) CONDITIONS APPLICABLE TO DESIGNATED AMOUNT.—Paragraph (1) applies if—

[(A) the Mayor certifies that the amount designated in the Mayor's requisition for such advance is needed to accomplish the purpose described in subsection (a) within 30 days of the time that the Mayor's requisition is delivered to the Secretary; and

[(B) the Authority concurs in the Mayor's certification under subparagraph (A).

[(3) MAXIMUM AMOUNT.—Notwithstanding paragraph (1), the aggregate amount of all advances made under this section shall not be greater than \$300,000,000.

[(d) MATURITY OF ANY INTERMEDIATE-TERM ADVANCE.—

[(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), each advance made under this section shall mature on the date designated by the Mayor in the Mayor's requisition for such advance.

[(2) LATEST PERMISSIBLE MATURITY DATE.—Notwithstanding paragraph (1), the maturity date for any advance made under

this section shall not be later than 10 years from the date on which the first advance under this section is made.

[(4) SECRETARY'S RIGHT TO REQUIRE EARLY REIMBURSEMENT.—Notwithstanding paragraph (1), if the Secretary determines, at any time while any advance made under this section has not been fully reimbursed, that the District is able to obtain credit in the public credit markets or elsewhere in sufficient amounts and on sufficiently reasonable terms, in the judgment of the Secretary, to refinance all or a portion of the unpaid balance of such advance in the public credit markets or elsewhere without adversely affecting the financial stability of the District government, the Secretary may require reimbursement for all or a portion of the unpaid balance of such advance at any time after the Secretary makes the determination.]

[(e) INTEREST RATE.—Each advance made under this section shall bear interest at an annual rate equal to a rate determined by the Secretary at the time that the Secretary makes such advance taking into consideration the prevailing yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the repayment schedule of such advance, plus 1/8 of 1 percent.]

[(f) OTHER TERMS AND CONDITIONS.—Each advance made under this section shall be on such other terms and conditions, including repayment schedule, as the Secretary determines to be appropriate.]

[(g) DEPOSIT OF ADVANCES.—As provided in section 204(b) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, advances made under this section for the account of the District government shall be deposited by the Secretary into an escrow account held by the Authority.]

\* \* \* \* \*

**BALANCED BUDGET ACT OF 1997**

\* \* \* \* \*

**TITLE XI—DISTRICT OF COLUMBIA  
REVITALIZATION**

\* \* \* \* \*

**Subtitle B—Management Reform Plans**

\* \* \* \* \*

**SEC. 11105. REFORM OF POWERS AND DUTIES OF DEPARTMENT HEADS.**

(a) \* \* \*

(b) CONTROL OVER PERSONNEL.—

(1) IN GENERAL.—Notwithstanding any other provision of law and except as provided in [paragraph (3)] *paragraphs (3) and (4)*, all personnel of the departments of the government of the

District of Columbia described in section 11102(b)(1) shall be appointed by and shall act under the direction and control of the head of the department involved.

\* \* \* \* \*

(3) REQUIREMENTS FOR ADVERSE ACTIONS.—The head of each of the departments described in section 11102(b)(1) may take corrective or adverse action against any personnel of the department **[pursuant]** *in accordance with binding arbitration procedures in effect under a collective bargaining agreement, or pursuant to rules (promulgated consistent with the publication and comment provisions of the District of Columbia Administrative Procedure Act) which—*

(A) \* \* \*

\* \* \* \* \*

(4) EXCEPTION FOR PERSONNEL UNDER DIRECTION AND CONTROL OF CHIEF FINANCIAL OFFICER.—*This subsection shall not apply with respect to any personnel who are appointed by, serve at the pleasure of, and act under the direction and control of the Chief Financial Officer of the District of Columbia pursuant to section 424(a)(4) of the District of Columbia Home Rule Act.*

\* \* \* \* \*

## Subtitle C—Criminal Justice

### CHAPTER 1—CORRECTIONS

#### SEC. 11201. BUREAU OF PRISONS.

(a) \* \* \*

\* \* \* \* \*

(g) LORTON CORRECTIONAL COMPLEX.—

(1) \* \* \*

(2) TRANSFER OF LAND.—

(A) IN GENERAL.—

(i) \* \* \*

(ii) FAIRFAX COUNTY **[DEPARTMENT OF PARKS AND RECREATION]** *PARKS AUTHORITY*.—Any acres of parcel 106–4–001–54 located west of Ox Road (State Route 123) on which the Lorton Correctional Complex is located not transferred under clause (i) shall be assigned to the Department of the Interior, National Park Service, for conveyance to the Fairfax County **[Department of Parks and Recreation]** *Parks Authority* for recreational purposes pursuant to the section 203(k)(2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)(2)).

\* \* \* \* \*

**Subtitle H—Miscellaneous Provisions**

**CHAPTER 1—REGULATORY REFORM IN THE DISTRICT OF COLUMBIA**

**SEC. 11701. REVIEW AND REVISION OF REGULATIONS AND PERMIT AND APPLICATION PROCESSES.**

(a) REVIEW OF CURRENT REGULATIONS BY AUTHORITY.—

(1) IN GENERAL.—Not later than 6 months after the date of the enactment of this title, the District of Columbia Financial Responsibility and Management Assistance Authority shall complete a review of regulations of the District of Columbia in effect as of the date of the enactment of this title and analyze the extent to which such regulations unnecessarily and inappropriately impair economic development in the District of Columbia and the financial stability and management efficiency of the District of Columbia government. [To the greatest extent possible, such review shall take into account the work and recommendations of the Business Regulatory Reform Commission pursuant to the Business Regulatory Reform Commission Act of 1994 (DC Code, sec. 2–4101 et seq.) and other existing and ongoing public and private regulatory reform efforts.] *In carrying out such review, the Authority shall include an explicit reference to each recommendation made by the Business Regulatory Reform Commission pursuant to the Business Regulatory Reform Commission Act of 1994 (DC Code, sec. 2–4101 et seq.), together with specific findings and conclusions with respect to each such recommendation.* The Authority shall transmit the findings of its review to the Mayor, Council, and Congress.

\* \* \* \* \*

**CHAPTER 2—OTHER MISCELLANEOUS PROVISIONS**

\* \* \* \* \*

**[SEC. 11714. PERMITTING EXCESS APPROPRIATIONS BY WATER AND SEWER AUTHORITY FOR CAPITAL PROJECTS.**

[(a) IN GENERAL.—Section 445A of the District of Columbia Self-Government and Governmental Reorganization Act (DC Code, sec. 43–1691), as added by section 4(a) of the District of Columbia Water and Sewer Authority Act of 1996, is amended—

[(1) by striking “The District” and inserting “(a) IN GENERAL.—The District”; and

[(2) by adding at the end the following new subsection:

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

[(b) CONFORMING AMENDMENT.—The fourth sentence of section 446 of such Act (DC Code, sec. 47–304), as amended by section

2(c)(2) of the District of Columbia Water and Sewer Authority Act of 1996, is amended by striking “in section 467(d)” and inserting “in section 445A(b), section 467(d)”.

[(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to fiscal years beginning on or after October 1, 1996.]

\* \* \* \* \*

**DISTRICT OF COLUMBIA FINANCIAL RESPONSIBILITY AND MANAGEMENT ASSISTANCE ACT OF 1995**

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) SHORT TITLE.—This Act may be cited as the “District of Columbia Financial Responsibility and Management Assistance Act of 1995”.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

\* \* \* \* \*

**TITLE II—RESPONSIBILITIES OF AUTHORITY**

**Subtitle A—Establishment and Enforcement of Financial Plan and Budget for District Government**

Sec. 201. Development of financial plan and budget for District of Columbia.

\* \* \* \* \*

Sec. 205. *Deposit of annual Federal contribution with Authority.*

\* \* \* \* \*

**TITLE I—ESTABLISHMENT AND ORGANIZATION OF AUTHORITY**

\* \* \* \* \*

**SEC. 106. FUNDING FOR OPERATION OF AUTHORITY.**

(a) \* \* \*

\* \* \* \* \*

[(d) USE OF INTEREST ON ACCOUNTS FOR DISTRICT.—

[(1) IN GENERAL.—Notwithstanding any other provision of this Act, the Authority may transfer or otherwise expend any amounts derived from interest earned on accounts held by the Authority on behalf of the District of Columbia for such purposes as it considers appropriate to promote the economic stability and management efficiency of the District government.

[(2) SPENDING NOT SUBJECT TO APPROPRIATION BY CONGRESS.—Notwithstanding subsection (a)(3), any amounts transferred or otherwise expended pursuant to paragraph (1) may be obligated or expended without approval by Act of Congress.]

\* \* \* \* \*

(e) ANNUAL FINANCIAL AUDIT.—

(1) IN GENERAL.—For each fiscal year (beginning with fiscal year 1997), the Authority shall enter into a contract, using an-

*nual appropriations to the Authority, with an auditor who is a certified public accountant licensed in the District of Columbia to conduct an audit of the Authority's financial statements for the fiscal year, in accordance with generally accepted government auditing standards, and the financial statements shall be prepared in accordance with generally accepted accounting principles.*

*(2) CONTENTS.—The auditor shall include in the audit conducted under this subsection the following information:*

*(A) An audited budgetary statement comparing gross actual revenues and expenditures of the Authority during the fiscal year with amounts appropriated, together with the revenue projections on which the appropriations are based, to determine the surplus or deficit thereof.*

*(B) An unaudited statement of monthly cash flows, showing projected and actual receipts and disbursements by category (with variances).*

*(C) A discussion and analysis of the financial condition and results of operations of the Authority prepared by the independent auditor.*

*(3) SUBMISSION.—The Authority shall submit the audit reports and financial statements conducted under this subsection to Congress, the President, the Comptroller General, the Council, and the Mayor.*

## **TITLE II—RESPONSIBILITIES OF AUTHORITY**

### **Subtitle A—Establishment and Enforcement of Financial Plan and Budget for District Government**

\* \* \* \* \*

#### **SEC. 203. REVIEW OF ACTIVITIES OF DISTRICT GOVERNMENT TO ENSURE COMPLIANCE WITH APPROVED FINANCIAL PLAN AND BUDGET.**

(a) \* \* \*

(b) **EFFECT OF APPROVED FINANCIAL PLAN AND BUDGET ON CONTRACTS AND LEASES.—**

(1) \* \* \*

\* \* \* \* \*

*(5) DEEMED APPROVAL.—If the Authority does not notify the Mayor (or the appropriate officer or agent of the District government) that it has determined that a contract or lease submitted under this subsection is consistent with the financial plan and budget or is not consistent with the financial plan and budget during the 30-day period which begins on the first day after the Authority receives the contract or lease, the Authority shall be deemed to have determined that the contract or lease is consistent with the financial plan and budget.*

**[(5)] (6) APPLICATION TO RULES AND REGULATIONS.**—The provisions of this subsection shall apply with respect to a rule or regulation issued or proposed to be issued by the Mayor (or the head of any department or agency of the District government) in the same manner as such provisions apply to a contract or lease.

\* \* \* \* \*

**SEC. 205. DEPOSIT OF ANNUAL FEDERAL CONTRIBUTION WITH AUTHORITY.**

(a) **IN GENERAL.**—

(1) **DEPOSIT INTO ESCROW ACCOUNT.**—*In the case of a fiscal year which is a control year, the Secretary of the Treasury shall deposit any Federal contribution to the District of Columbia for the year authorized under section 11601(c)(2) of the Balanced Budget Act of 1997 into an escrow account held by the Authority, which shall allocate the funds to the Mayor at such intervals and in accordance with such terms and conditions as it considers appropriate to implement the financial plan for the year. In establishing such terms and conditions, the Authority shall give priority to using the Federal contribution for cash flow management and the payment of outstanding bills owed by the District government.*

(2) **EXCEPTION FOR AMOUNTS WITHHELD FOR ADVANCES.**—*Paragraph (1) shall not apply with respect to any portion of the Federal contribution which is withheld by the Secretary of the Treasury in accordance with section 605(b)(2) of title VI of the District of Columbia Revenue Act of 1939 to reimburse the Secretary for advances made under title VI of such Act.*

(b) **EXPENDITURE OF FUNDS FROM ACCOUNT IN ACCORDANCE WITH AUTHORITY INSTRUCTIONS.**—*Any funds allocated by the Authority to the Mayor from the escrow account described in paragraph (1) may be expended by the Mayor only in accordance with the terms and conditions established by the Authority at the time the funds are allocated.*

\* \* \* \* \*

**SEC. 207. RECOMMENDATIONS ON FINANCIAL STABILITY AND MANAGEMENT RESPONSIBILITY.**

(a) \* \* \*

\* \* \* \* \*

(d) **ADDITIONAL POWER TO ISSUE ORDERS, RULES, AND REGULATIONS.**—

(1) **IN GENERAL.**—In addition to the authority described in **[(subsection (c),] subsection (c) (and except as provided in paragraph (4))**, the Authority may at any time issue such orders, rules, or regulations as it considers appropriate to carry out the purposes of this Act and the amendments made by this Act, to the extent that the issuance of such an order, rule, or regulation is within the authority of the Mayor or the head of any department or agency of the District government, and any such order, rule, or regulation shall be legally binding to the

same extent as if issued by the Mayor or the head of any such department or agency.

\* \* \* \* \*

(4) *EXCEPTION FOR CHIEF FINANCIAL OFFICER AND INSPECTOR GENERAL.—Effective July 1, 1997, the Authority may not enter into any contract, or issue any order, rule, or regulation, under this subsection with respect to any authority or activity (including activities relating to personnel management) under the jurisdiction of the Chief Financial Officer or Inspector General of the District of Columbia. Nothing in this paragraph may be construed to affect the ability of the Authority to remove the Chief Financial Officer or Inspector General from office during a control year.*

### Subtitle C—Other Duties of Authority

\* \* \* \* \*

#### SEC. 225. DISPOSITION OF CERTAIN SCHOOL PROPERTY.

(a) \* \* \*

\* \* \* \* \*

(d) *FACILITY OR PROPERTY DESCRIBED.—A facility or property described in this subsection is a facility or property which is described in [section 2209(b)(1)(B) of the District of Columbia School Reform Act of 1995] section 2209(b)(1)(C) of the District of Columbia School Reform Act of 1995, other than a facility or real property that is subject to a lease under section 2209(b)(1)(A)(ii) of such Act, and with respect to which the Authority has made the following determinations:*

(1) \* \* \*

\* \* \* \* \*

---

## DISTRICT OF COLUMBIA SELF-GOVERNMENT AND GOVERNMENTAL REORGANIZATION ACT

\* \* \* \* \*

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

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\* \* \* \* \*

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\* \* \* \* \*

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

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

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Sec. 445B. *Special masters' budgets.*

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PART E—BORROWING

Subpart 1—Borrowing

Sec. 461. District's authority to issue and redeem general obligation bonds for capital projects.

\* \* \* \* \*

Sec. 468. *Restrictions on restructuring of debt.*

\* \* \* \* \*

TITLE IV—THE DISTRICT CHARTER

\* \* \* \* \*

PART B—THE MAYOR

\* \* \* \* \*

CHIEF FINANCIAL OFFICER OF THE DISTRICT OF COLUMBIA

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

(1) \* \* \*

(A) in paragraph (2), by striking “, who shall be appointed” and all that follows through “direction and control”; and

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

\* \* \* \* \*

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

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

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

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

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

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

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

(4) AUTHORITY OVER FINANCIAL PERSONNEL.—

(A) IN GENERAL.—*Notwithstanding any other provision of law or regulation (including any law or regulation providing for collective bargaining or the enforcement of any collective bargaining agreement), the heads and all personnel of the offices described in subparagraph (B), together with all other District of Columbia accounting, budget, and fi-*

nancial management personnel (including personnel of independent agencies but not including personnel of the legislative or judicial branches of the District government) shall be appointed by, shall serve at the pleasure of, and shall act under the direction and control of the Chief Financial Officer, and shall be considered at-will employees not covered by the District of Columbia Government Comprehensive Merit Personnel Act of 1978.

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

(i) The Office of the Treasurer (or any successor office).

(ii) The Controller of the District of Columbia (or any successor office).

(iii) The Office of the Budget (or any successor office).

(iv) The Office of Financial Information Services (or any successor office).

(v) The Department of Finance and Revenue (or any successor office).

(vi) The District of Columbia Lottery and Charitable Games Control Board (or any successor office).

(C) REMOVAL OF PERSONNEL BY AUTHORITY.—In addition to the power of the Chief Financial Officer to remove any of the personnel covered under this paragraph, the Authority may remove any such personnel for cause, after consultation with the Mayor and the Chief Financial Officer.

(5) EXCLUSION FROM CONTRACTING AUTHORITY OF MAYOR.—The Mayor may not enter into any contract, or issue any order, rule, or regulation, under this subsection with respect to any authority or activity under the jurisdiction of the Chief Financial Officer. Nothing in this paragraph may be construed to affect the ability of the Mayor to remove the Chief Financial Officer from office during a year other than a control year.

(6) SELECTION OF COUNSEL.—In any action brought by or on behalf of the Chief Financial Officer, and in any action brought against the Chief Financial Officer, the Chief Financial Officer shall be represented by such counsel as it may select, including the Corporation Counsel of the District of Columbia.

(b) APPOINTMENT.—

(1) \* \* \*

(2) REMOVAL.—

(A) \* \* \*

\* \* \* \* \*

(C) CONSULTATION WITH CONGRESS.—The Authority or the Mayor (whichever is applicable) may remove the Chief Financial Officer under this paragraph only after the expiration of the 30-day period which begins on the date the Authority or the Mayor (as the case may be) submits a written statement to the Committees on Appropriations of the Senate and the House of Representatives, the Committee on Government Reform and Oversight of the House of Representatives, and the Committee on Governmental Affairs of the Senate, explaining the factual circumstances involved.

(D) FOR CAUSE DEFINED.—For purposes of this paragraph, removal “for cause” means removal on any of the following grounds:

- (i) Permanent disability.
- (ii) Inefficiency.
- (iii) Neglect of duty.
- (iv) Malfeasance.
- (v) A felony or conduct involving moral turpitude.

(c) FUNCTIONS DURING CONTROL YEAR.—During a control year, the Chief Financial Officer shall have the following duties:

(1) \* \* \*

\* \* \* \* \*

(18) Administering the State plan for medical assistance for the District of Columbia under title XIX of the Social Security Act, including exercising all responsibilities over the finances and personnel of the Office for Public Health Financing or any successor office responsible for administering such plan.

\* \* \* \* \*

(d) FUNCTIONS DURING ALL YEARS.—At all times, the Chief Financial Officer shall have the following duties:

(1) \* \* \*

\* \* \* \* \*

(8) Preparing monthly reports containing the following information (and submitting such reports to Congress, the Council, the Mayor, and the Authority not later than the 21st day of the month following the month covered by the report):

(A) The cash flow of the District government, including a statement of funds received and disbursed for all standard categories of revenues and expenses.

(B) The revenues and expenditures of the District government, including a comparison of the amounts projected for such revenues and expenditures in the annual budget for the fiscal year involved with actual revenues and expenditures during the month.

(C) The obligations of funds made by or on behalf of the District government, together with a statement of accounts payable and the disbursements paid towards such accounts during the month and during the fiscal year involved.

(9) Ensuring that any regular report on the status of the funds of the District government prepared by the Chief Financial Officer includes information on the funds of all entities within the District government (including funds in any accounts of the Authority and interest earned on such accounts).

\* \* \* \* \*

PART D—DISTRICT BUDGET AND FINANCIAL MANAGEMENT

Subpart 1—Budget and Financial Management

\* \* \* \* \*

SPECIAL MASTERS' BUDGETS

*SEC. 445B. All Special Masters appointed by the District of Columbia Superior Court or the United States District Court for the District of Columbia to any agency of the District of Columbia government shall prepare and annually submit to the District of Columbia Financial Responsibility and Management Assistance Authority, for inclusion in the annual budget, annual estimates of expenditures and appropriations. Such annual estimates shall be approved by the District of Columbia Financial Responsibility and Management Assistance Authority and the Council of the District of Columbia pursuant to section 202 of the District of Columbia Financial Responsibility and Management Assistance Act of 1995.*

\* \* \* \* \*

REDUCTIONS IN BUDGETS OF INDEPENDENT AGENCIES

SEC. 453. (a) \* \* \*

\* \* \* \* \*

**[(c) Subsection (a) shall not apply to amounts appropriated or otherwise made available to the Council or to the District of Columbia Financial Responsibility and Management Assistance Authority established under section 101(a) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995.]**

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

\* \* \* \* \*

PART E—BORROWING

Subpart 1—Borrowing

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

SEC. 461. (a)(1) Subject to the limitations in section 603(b), the District may incur indebtedness by issuing general obligation bonds to refund indebtedness of the District at any time outstanding, to finance the outstanding accumulated operating deficit of the general fund of the District of \$331,589,000, existing as of September 30, 1990, **[to finance or refund the outstanding accumulated operating deficit of the general fund of the District of \$500,000,000, existing as of September 30, 1997,]** and to provide for the payment of the cost of acquiring or undertaking its various capital projects. Such bonds shall bear interest, payable on such dates, at such date or dates and at such maturities as the Mayor, subject to the provisions of section 462 of this Act, may from time to time determine to be necessary to make such bonds marketable.

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

\* \* \* \* \*

PUBLIC OR PRIVATE SALE

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

\* \* \* \* \*

RESTRICTIONS ON RESTRUCTURING OF DEBT

SEC. 468. *Notwithstanding any other provision of this title, the District may not borrow any funds or issue any bonds, notes, or other obligations to repay any other borrowing of funds or issuance of bonds, notes, or other obligations unless—*

(1) *the aggregate cost to the District of the new borrowing or issuance does not exceed the aggregate cost of the original borrowing or issuance; and*

(2) *the date provided for the final repayment of the new borrowing or issuance is not later than the date provided for the final repayment of the original borrowing or issuance.*

\* \* \* \* \*

TITLE VI—RESERVATION OF CONGRESSIONAL AUTHORITY

\* \* \* \* \*

LIMITATIONS ON THE COUNCIL

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

(1) \* \* \*

\* \* \* \* \*

(9) enact any act, resolution, or rule with respect to any provision of title 23 of the District of Columbia Code (relating to criminal procedure), or with respect to any provision of any law codified in title 22 or 24 of the District of Columbia Code (relating to crimes and treatment of prisoners), or with respect to any criminal offense pertaining to articles subject to regulation

under chapter 32 of title 22 of the District of Columbia Code, during the forty-eight full calendar months immediately following the day on which the members of the Council first elected pursuant to this Act take office; **[or]**

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

(11) enact any act, resolution, or rule which increases the amount of payment which may be for any individual under the Temporary Assistance for Needy Families Program to an amount greater than the amount provided under such program under the District of Columbia Public Assistance Act of 1982, as in effect on the day after the effective date of the Public Assistance Temporary Amendment Act of 1997.

\* \* \* \* \*

**SECTION 152 OF THE DISTRICT OF COLUMBIA  
APPROPRIATIONS ACT, 1996**

CHIEF FINANCIAL OFFICER POWERS

SEC. 152. Notwithstanding any other provision of law, for the fiscal years ending September 30, 1996 and September 30, 1997—

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

- [(The Office of the Treasurer.**
- [(The Controller of the District of Columbia.**
- [(The Office of the Budget.**
- [(The Office of Financial Information Services.**
- [(The Department of Finance and Revenue.**

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

\* \* \* \* \*

**SECTION 142 OF THE DISTRICT OF COLUMBIA  
APPROPRIATIONS ACT, 1997**

CHIEF FINANCIAL OFFICER POWERS DURING CONTROL PERIODS

SEC. 142. Notwithstanding any other provision of law, during any control period in effect under subtitle A of title II of the District of Columbia Financial Responsibility and Management Assistance Act of 1995 the following shall apply:

**[(a) The heads and all personnel of the following offices, together with all other District of Columbia accounting, budget,**

and financial management personnel (including personnel of independent agencies but not including personnel of the legislative and judicial branches of the District government), shall be appointed by, shall serve at the pleasure of, and shall act under the direction and control of the Chief Financial Officer:

- 【The Office of the Treasurer.
- 【The Controller of the District of Columbia.
- 【The Office of the Budget.
- 【The Office of Financial Information Services.
- 【The Department of Finance and Revenue.

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

\* \* \* \* \*

**SECTION 517 OF THE OMNIBUS CONSOLIDATED RECISSIONS AND APPROPRIATIONS ACT OF 1996**

SEC. 517. The Secretary of Health and Human Services shall grant a waiver of the requirements set forth in section 1903(m)(2)(A)(ii) of the Social Security Act to D.C. Chartered Health Plan, Inc. of the District of Columbia: Provided, That such waiver shall be deemed to have been in place for all contract periods from October 1, 1991 through the current contract period or 【October 1, 1999】 *the date of the enactment of this Act*, whichever shall be later.

**DISTRICT OF COLUMBIA SCHOOL REFORM ACT OF 1995**

\* \* \* \* \*

**TITLE II—DISTRICT OF COLUMBIA SCHOOL REFORM**

\* \* \* \* \*

**SEC. 2003. GENERAL EFFECTIVE DATE.**

Except as otherwise provided in this title, this title 【shall be effective during the period beginning on the date of enactment of this Act and ending 5 years after such date.】 *shall take effect on the date of the enactment of this Act.*

\* \* \* \* \*

**Subtitle B—Public Charter Schools**

\* \* \* \* \*

**SEC. 2203. PROCESS FOR APPROVING OR DENYING PUBLIC CHARTER SCHOOL PETITIONS.**

(a) \* \* \*

\* \* \* \* \*

(i) NUMBER OF PETITIONS.—

(1) \* \* \*

(2) SUBSEQUENT YEARS.—

[(A) IN GENERAL.—Subject to subparagraph (B), during calendar year 1997, and during each subsequent calendar year, each eligible chartering authority shall not approve more than 10 petitions to establish a public charter school under this subtitle. Any such petition shall be approved during the period that begins on January 1 and ends on April 1.]

(A) IN GENERAL.—

(i) ANNUAL LIMIT.—Subject to subparagraph (B) and clause (ii), during calendar year 1997, and during each subsequent calendar year, each eligible chartering authority shall not approve more than 10 petitions to establish a public charter school under this subtitle.

(ii) TIMETABLE.—Any petition approved under clause (i) shall be approved during an application approval period that terminates on April 1 of each year. Such an approval period may commence before or after January 1 of the calendar year in which it terminates, except that any petition approved at any time during such an approval period shall count, for purposes of clause (i), against the total number of petitions approved during the calendar year in which the approval period terminates.

\* \* \* \* \*

**SEC. 2205. BOARD OF TRUSTEES OF A PUBLIC CHARTER SCHOOL.**

(a) BOARD OF TRUSTEES.—The members of a Board of Trustees of a public charter school shall be elected or selected pursuant to the charter granted to the school. Such Board of Trustees shall have an odd number of members that does not exceed [7,] 15, of which—

(1) \* \* \*

\* \* \* \* \*

**SEC. 2209. DISTRICT OF COLUMBIA PUBLIC SCHOOL SERVICES TO PUBLIC CHARTER SCHOOLS.**

(a) \* \* \*

(b) PREFERENCE IN LEASING OR PURCHASING PUBLIC SCHOOL FACILITIES.—

(1) FORMER PUBLIC SCHOOL PROPERTY.—

[(A) IN GENERAL.—Notwithstanding any other provision of law relating to the disposition of a facility or property described in subparagraph (B), the Mayor and the District of Columbia Government shall give preference to an eligible applicant whose petition to establish a public charter school has been conditionally approved under section 2203(d)(2), or a Board of Trustees, with respect to the purchase or lease of a facility or property described in subparagraph (B), provided that doing so will not result in a significant loss of revenue that might be obtained from other dispositions or uses of the facility or property.]

(A) *IN GENERAL.*—Notwithstanding any other provision of law relating to the disposition of a facility or property described in subparagraph (C), the Mayor and the District of Columbia Government—

(i) subject to clause (ii), shall give preference to an eligible applicant whose petition to establish a public charter school has been conditionally approved under section 2203(d)(2), or a Board of Trustees, with respect to the purchase of a facility or property described in subparagraph (C), if doing so will not result in a significant loss of revenue that might be obtained from other dispositions or uses of the facility or property; and

(ii) shall lease a facility or property described in subparagraph (C), at an annual rate of \$1, to an eligible applicant whose petition to establish a public charter school has been conditionally approved under section 2203(d)(2), or a Board of Trustees, if—

(I) the eligible applicant or Board of Trustees requests a lease pursuant to this paragraph for the purpose of operating the facility or property as a public charter school under this subtitle; and

(II) the facility or property is not yet otherwise disposed of (by sale, lease, or otherwise).

(B) *TERMINATION OF LEASE.*—Any lease entered into pursuant to this paragraph with respect to a public charter school shall be deemed to terminate—

(i) upon the denial of an application to renew the charter granted to the school under section 2212, or, in a case where judicial review of the denial is sought under section 2212(d)(6), upon the entry of an order, not subject to further review, upholding a decision to deny such an application, whichever occurs later;

(ii) upon the revocation of the charter granted to the school under section 2213, or, in a case where judicial review of the revocation is sought under section 2213(c)(6), upon the entry of an order, not subject to further review, upholding the revocation, whichever occurs later; or

(iii) in the case of a lease to an eligible applicant whose petition to establish a public charter school has been conditionally approved under section 2203(d)(2), upon the termination of such conditional approval by reason of the applicant's failure timely to submit the identification and information described in section 2202(6)(B)(i).

**[(B)] (C) PROPERTY DESCRIBED.**—A facility or property referred to in subparagraph (A) is a facility, or real property—

(i) \* \* \*

\* \* \* \* \*

(2) *CURRENT PUBLIC SCHOOL PROPERTY.*—

**[(A) IN GENERAL.**—Notwithstanding any other provision of law relating to the disposition of a facility or property

described in subparagraph (B), the Mayor and the District of Columbia Government shall give preference to an eligible applicant whose petition to establish a public charter school has been conditionally approved under section 2203(d)(2), or a Board of Trustees, in leasing, or otherwise contracting for the use of, a facility or property described in subparagraph (B).】

(A) *IN GENERAL.*—Notwithstanding any other provision of law relating to the disposition of a facility or property described in subparagraph (C), but subject to paragraph (3), the Mayor and the District of Columbia Government shall lease a facility or property described in subparagraph (C), at an annual rate of \$1, to an eligible applicant whose petition to establish a public charter school has been conditionally approved under section 2203(d)(2), or a Board of Trustees, if the eligible applicant or Board of Trustees requests a lease pursuant to this paragraph for the purpose of—

(i) operating the facility or property as a public charter school under this subtitle; or

(ii) using the facility or property for a purpose directly related to the operation of a public charter school under this subtitle.

(B) *TERMINATION OF LEASE.*—Any lease entered into pursuant to this paragraph with respect to a public charter school shall be deemed to terminate—

(i) upon the denial of an application to renew the charter granted to the school under section 2212, or, in a case where judicial review of the denial is sought under section 2212(d)(6), upon the entry of an order, not subject to further review, upholding a decision to deny such an application, whichever occurs later;

(ii) upon the revocation of the charter granted to the school under section 2213, or, in a case where judicial review of the revocation is sought under section 2213(c)(6), upon the entry of an order, not subject to further review, upholding the revocation, whichever occurs later; or

(iii) in the case of a lease to an eligible applicant whose petition to establish a public charter school has been conditionally approved under section 2203(d)(2), upon the termination of such conditional approval by reason of the applicant's failure timely to submit the identification and information described in section 2202(6)(B)(i).

【(B)】 (C) *PROPERTY DESCRIBED.*—A facility or property referred to in subparagraph (A) is a facility, real property, or a designated area of a facility or real property, that—

(i) is under the jurisdiction of the Board of Education; and

(ii) is available for use because the Board of Education is not using, for educational, administrative, or

other purposes, the facility, real property, or designated area.

\* \* \* \* \*

(3) SPECIAL RULE FOR PERSONS CONVERTING PUBLIC SCHOOL INTO CHARTER SCHOOL.—

(A) IN GENERAL.—Notwithstanding any other provision of law relating to the disposition of a facility or property described in this paragraph, the Mayor and the District of Columbia Government shall lease a facility or property, at an annual rate of \$1, to an eligible applicant whose petition to establish a public charter school has been conditionally approved under section 2203(d)(2), or a Board of Trustees, if—

(i) the facility or property is under the jurisdiction of the Board of Education;

(ii) the eligible applicant or Board of Trustees requests a lease pursuant to this paragraph for the purpose of operating the facility or property as a public charter school under this subtitle; and

(iii) immediately prior to the date of such request, the facility or property—

(I) was operated as a District of Columbia public school, and the requirements of section 2202(a) were met; or

(II) was operated as a public charter school under this subtitle.

(B) TERMINATION OF LEASE.—Any lease entered into pursuant to this paragraph with respect to a public charter school shall be deemed to terminate—

(i) upon the denial of an application to renew the charter granted to the school under section 2212, or, in a case where judicial review of the denial is sought under section 2212(d)(6), upon the entry of an order, not subject to further review, upholding a decision to deny such an application, whichever occurs later;

(ii) upon the revocation of the charter granted to the school under section 2213, or, in a case where judicial review of the revocation is sought under section 2213(c)(6), upon the entry of an order, not subject to further review, upholding the revocation, whichever occurs later; or

(iii) in the case of a lease to an eligible applicant whose petition to establish a public charter school has been conditionally approved under section 2203(d)(2), upon the termination of such conditional approval by reason of the applicant's failure timely to submit the identification and information described in section 2202(6)(B)(i).

\* \* \* \* \*

SEC. 2214. PUBLIC CHARTER SCHOOL BOARD.

(a) \* \* \*

\* \* \* \* \*

(g) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out the provisions of this section and conducting the Board's functions required by this subtitle, there are authorized to be appropriated *to the Board* \$300,000 for fiscal year 1997 and such sums as may be necessary for each of the 3 succeeding fiscal years.

\* \* \* \* \*

**Subtitle D—Per Capita District of Columbia Public School and Public Charter School Funding**

**SEC. 2401. ANNUAL BUDGETS FOR SCHOOLS.**

(a) \* \* \*

(b) FORMULA.—

(1) \* \* \*

\* \* \* \* \*

(3) EXCEPTIONS.—

(A) \* \* \*

(B) PAYMENT.—Notwithstanding paragraph (2), the Mayor and the District of Columbia Council, in consultation with the Board of Education and the Superintendent, may adjust the amount of the annual payment under paragraph (1) to increase the amount of such payment if a District of Columbia public school or a public charter school serves a high number of students—

- (i) with special needs; **[or]**
- (ii) who do not meet minimum literacy standards**[.];**
- or
- (iii) to whom the school provides room and board in a residential setting.

(C) ADJUSTMENT FOR FACILITIES COSTS.—*Notwithstanding paragraph (2), the Mayor and the District of Columbia Council, in consultation with the Board of Education and the Superintendent, shall adjust the amount of the annual payment under paragraph (1) to increase the amount of such payment for a public charter school to take into account leases or purchases of, or improvements to, real property, if the school, not later than April 1 of the fiscal year preceding the payment, requests such an adjustment.*

\* \* \* \* \*

**SEC. 2403. PAYMENTS.**

(a) IN GENERAL.—

(1) \* \* \*

(2) TRANSFER OF ESCROW FUNDS.—

**[(A) INITIAL PAYMENT.—Not later than October 15, 1996, and not later than October 15 of each year thereafter, the Mayor shall transfer, by electronic funds transfer, an amount equal to 75 percent of the amount of the annual payment for each public charter school determined by using the formula established pursuant to section 2401(b) to a bank designated by such school.]**

(A) INITIAL PAYMENT.—

(i) *IN GENERAL.*—Except as provided in clause (ii), not later than October 15, 1996, and not later than October 15 of each year thereafter, the Mayor shall transfer, by electronic funds transfer, an amount equal to 75 percent of the amount of the annual payment for each public charter school determined by using the formula established pursuant to section 2401(b) to a bank designated by such school.

(ii) *REDUCTION IN CASE OF NEW SCHOOL.*—In the case of a public charter school that has received a payment under subsection (b) in the fiscal year immediately preceding the fiscal year in which a transfer under clause (i) is made, the amount transferred to the school under clause (i) shall be reduced by an amount equal to 75 percent of the amount of the payment under subsection (b).

(B) *FINAL PAYMENT.*—

(i) *IN GENERAL.*—Except as provided in [clause (ii),] clauses (ii) and (iii), not later than May 1, 1997, and not later than May 1 of each year thereafter, the Mayor shall transfer the remainder of the annual payment for a public charter school in the same manner as the initial payment was made under subparagraph (A).

(ii) *ADJUSTMENT FOR ENROLLMENT.*—Not later than March 15, 1997, and not later than March 15 of each year thereafter, if the enrollment number of a public charter school has changed from the number reported to the Mayor and the Board of Education, as required under section 2402(a), the Mayor shall increase the payment in an amount equal to 50 percent of the amount provided for each student who has enrolled in such school in excess of such enrollment number, or shall reduce the payment in an amount equal to 50 percent of the amount provided for each student who has withdrawn or dropped out of such school below such enrollment number.

(iii) *REDUCTION IN CASE OF NEW SCHOOL.*—In the case of a public charter school that has received a payment under subsection (b) in the fiscal year immediately preceding the fiscal year in which a transfer under clause (i) is made, the amount transferred to the school under clause (i) shall be reduced by an amount equal to 25 percent of the amount of the payment under subsection (b).

[(b) *EXCEPTION FOR NEW SCHOOLS.*—

[(1) *AUTHORIZATION.*—There are authorized to be appropriated \$200,000 for each fiscal year to carry out this subsection.

[(2) *DISBURSEMENT TO MAYOR.*—The Secretary of the Treasury shall make available and disburse to the Mayor, not later than August 1 of each of the fiscal years 1996 through 2000, such funds as have been appropriated under paragraph (1).

【(3) ESCROW.—The Mayor shall place in escrow, for use by public charter schools, any sum disbursed under paragraph (2) and not paid under paragraph (4).

【(4) PAYMENTS TO SCHOOLS.—The Mayor shall pay to public charter schools described in paragraph (5), in accordance with this subsection, any sum disbursed under paragraph (2).

【(5) SCHOOLS DESCRIBED.—The schools referred to in paragraph (4) are public charter schools that—

【(A) did not operate as public charter schools during any portion of the fiscal year preceding the fiscal year for which funds are authorized to be appropriated under paragraph (1); and

【(B) operated as public charter schools during the fiscal year for which funds are authorized to be appropriated under paragraph (1).

【(6) FORMULA.—

【(A) 1996.—The amount of the payment to a public charter school described in paragraph (5) that begins operation in fiscal year 1996 shall be calculated by multiplying \$6,300 by  $\frac{1}{12}$  of the total anticipated enrollment as set forth in the petition to establish the public charter school; and

【(B) 1997 THROUGH 2000.—The amount of the payment to a public charter school described in paragraph (5) that begins operation in any of fiscal years 1997 through 2000 shall be calculated by multiplying the uniform dollar amount used in the formula established under section 2401(b) by  $\frac{1}{12}$  of the total anticipated enrollment as set forth in the petition to establish the public charter school.

【(7) PAYMENT TO SCHOOLS.—

【(A) TRANSFER.—On September 1 of each of the years 1996 through 2000, the Mayor shall transfer, by electronic funds transfer, the amount determined under paragraph (6) for each public charter school from the escrow account established under subsection (a) to a bank designated by each such school.

【(B) PRO RATA AND REMAINING FUNDS.—Subparagraphs (C) and (D) of subsection (a)(2) shall apply to payments made under this subsection, except that for purposes of this subparagraph references to District of Columbia public schools in such subparagraphs (C) and (D) shall be read to refer to public charter schools.】

(b) PAYMENTS TO NEW SCHOOLS.—

(1) ESTABLISHMENT OF FUND.—*There is established in the general fund of the District of Columbia a fund to be known as the “New Charter School Fund”.*

(2) CONTENTS OF FUND.—*The New Charter School Fund shall consist of—*

(A) *unexpended and unobligated amounts appropriated from local funds for public charter schools for fiscal year 1997 that reverted to the general fund of the District of Columbia;*

(B) *amounts credited to the fund in accordance with this subsection upon the receipt by a public charter school de-*

scribed in paragraph (5) of its first initial payment under subsection (a)(2)(A) or its first final payment under subsection (a)(2)(B); and

(C) any interest earned on such amounts.

(3) **EXPENDITURES FROM FUND.**—

(A) **IN GENERAL.**—Not later than June 1, 1998, and not later than June 1 of each year thereafter, the Chief Financial Officer of the District of Columbia shall pay, from the New Charter School Fund, to each public charter school described in paragraph (5), an amount equal to 25 percent of the amount yielded by multiplying the uniform dollar amount used in the formula established under section 2401(b) by the total anticipated enrollment as set forth in the petition to establish the public charter school.

(B) **PRO RATA REDUCTION.**—If the amounts in the New Charter School Fund for any year are insufficient to pay the full amount that each public charter school described in paragraph (5) is eligible to receive under this subsection for such year, the Chief Financial Officer of the District of Columbia shall ratably reduce such amounts for such year on the basis of the formula described in section 2401(b).

(C) **FORM OF PAYMENT.**—Payments under this subsection shall be made by electronic funds transfer from the New Charter School Fund to a bank designated by a public charter school.

(4) **CREDITS TO FUND.**—Upon the receipt by a public charter school described in paragraph (5) of—

(A) its first initial payment under subsection (a)(2)(A), the Chief Financial Officer of the District of Columbia shall credit the New Charter School Fund with 75 percent of the amount paid to the school under paragraph (3); and

(B) its first final payment under subsection (a)(2)(B), the Chief Financial Officer of the District of Columbia shall credit the New Charter School Fund with 25 percent of the amount paid to the school under paragraph (3).

(5) **SCHOOLS DESCRIBED.**—A public charter school described in this paragraph is a public charter school that—

(A) did not enroll any students during any portion of the fiscal year preceding the most recent fiscal year for which funds are appropriated to carry out this subsection; and

(B) operated as a public charter school during the most recent fiscal year for which funds are appropriated to carry out this subsection.

(6) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to the Chief Financial Officer of the District of Columbia such sums as may be necessary to carry out this subsection for each fiscal year.

\* \* \* \* \*

**Subtitle F—Partnerships With Business**

\* \* \* \* \*

**[SEC. 2603. ELIGIBILITY CRITERIA FOR PRIVATE, NONPROFIT CORPORATION.**

**[A private, nonprofit corporation shall be eligible to receive a grant under section 2602 if the corporation is a national business organization incorporated in the District of Columbia, that—**

**[(1) has a board of directors which includes members who are also chief executive officers of technology-related corporations involved in education and workforce development issues;**

**[(2) has extensive practical experience with initiatives that link business resources and expertise with education and training systems;**

**[(3) has experience in working with State and local educational agencies throughout the United States with respect to the integration of academic studies with workforce preparation programs; and**

**[(4) has a nationwide structure through which additional resources can be leveraged and innovative practices disseminated.]**

**SEC. 2603. ELIGIBILITY CRITERIA FOR PRIVATE, NONPROFIT CORPORATION.**

*A private, nonprofit corporation shall be eligible to receive a grant under section 2602 if the corporation is a business organization incorporated in the District of Columbia, that—*

*(1) has a board of directors which includes members who are also executives of technology-related corporations involved in education and workforce development issues;*

*(2) has extensive practical experience with initiatives that link business resources and expertise with education and training systems;*

*(3) has experience in working with State and local educational agencies with respect to the integration of academic studies with workforce preparation programs; and*

*(4) has a structure through which additional resources can be leveraged and innovative practices disseminated.*

\* \* \* \* \*

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 2(1)(2)(b) of rule XI of the House of Representatives, the results of each roll call vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLLCALL NO. 1

Date: September 29, 1997.

Measure: District of Columbia Appropriations Bill, FY 1998.

Motion by: Mr. Moran.

Description of Motion: To amend the Taylor amendment by substituting entire new bill text that included the text of the Senate reported D.C. Appropriations Bill plus a five percent pay raise for policemen and fire fighters.

Results: Rejected 19 yeas to 23 nays, 1 present.

<i>Members Voting Yea</i>	<i>Members Voting Nay</i>
Ms. DeLauro	Mr. Aderholt
Mr. Dixon	Mr. Bonilla
Mr. Edwards	Mr. Callahan
Mr. Fazio	Mr. Cunningham
Mr. Hoyer	Mr. DeLay
Miss Kaptur	Mr. Frelinghuysen
Mrs. Lowey	Mr. Hobson
Mrs. Meek	Mr. Kingston
Mr. Mollohan	Mr. Knollenberg
Mr. Moran	Mr. Lewis
Mr. Obey	Mr. Livingston
Ms. Pelosi	Mr. Miller
Mr. Price	Mrs. Northup
Mr. Sabo	Mr. Packard
Mr. Serrano	Mr. Porter
Mr. Skaggs	Mr. Rogers
Mr. Stokes	Mr. Skeen
Mr. Visclosky	Mr. Taylor
Mr. Yates	Mr. Tiahrt
	Mr. Walsh
	Mr. Wamp
	Mr. Wicker
	Mr. Wolf
<i>Members Voting Present</i>	
Mr. Nethercutt	

#### FULL COMMITTEE VOTES

Pursuant to the provisions of clause 2(1)(2)(b) of rule XI of the House of Representatives, the results of each roll call vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

#### ROLLCALL NO. 2

Date: September 29, 1997.

Measure: District of Columbia Appropriations Bill, FY 1998.

Motion by: Mr. Lewis of California.

Description of Motion: To report the bill and authorize the Chairman to seek a rule on such terms and conditions as he may deem appropriate, and to authorize the Chairman to move that the House disagree to the amendments of the Senate on the bill.

Results: Adopted 23 yeas to 18 nays.

<i>Members Voting Yea</i>	<i>Members Voting Nay</i>
Mr. Aderholt	Ms. DeLauro
Mr. Bonilla	Mr. Dixon
Mr. Callahan	Mr. Edwards
Mr. Cunningham	Mr. Hoyer
Mr. DeLay	Miss Kaptur
Mr. Frelinghuysen	Mrs. Lowey
Mr. Hobson	Mrs. Meek
Mr. Knollenberg	Mr. Mollohan
Mr. Lewis	Mr. Moran
Mr. Livingston	Mr. Obey

Mr. Miller  
Mr. Nethercutt  
Mrs. Northup  
Mr. Packard  
Mr. Porter  
Mr. Rogers  
Mr. Skeen  
Mr. Taylor  
Mr. Tiahrt  
Mr. Walsh  
Mr. Wamp  
Mr. Wicker  
Mr. Wolf

Ms. Pelosi  
Mr. Price  
Mr. Sabo  
Mr. Serrano  
Mr. Skaggs  
Mr. Stokes  
Mr. Visclosky  
Mr. Yates

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATION) AUTHORITY FOR 1997 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1998

(In thousands of dollars)

	Appropriated 1997 (enacted to date)	FY 1997 revised	FY 1998 Dis- trict request	FY 1998 authority's request	FY 1998 amended request	Recommended in bill	Bill compared with—			FY 1998 amended
							Appro- priated 1997	FY 1997 revised	District request	
<b>FEDERAL FUNDS</b>										
Federal payment to the District of Columbia .....	660,000	660,000	660,000	660,000	0	0	(660,000)	(660,000)	(660,000)	0
Federal contributions to retirement funds .....	52,070	52,070	52,070	52,070	0	0	(52,070)	(52,070)	(52,070)	0
Presidential Inauguration .....	5,702	5,702	0	0	0	0	(5,702)	0	0	0
Federal contribution for repair of drinking water system .....	1,000	1,000	0	0	0	0	(1,000)	0	0	0
Federal contribution to the Operations of the Nation's Cap- ital .....	0	0	0	0	160,000	180,000	180,000	180,000	180,000	20,000
Federal payment for the Inspector General for Investigative efforts .....	0	0	0	0	0	2,000	2,000	2,000	2,000	2,000
Federal Payment for police pay raise .....	0	0	0	0	0	5,400	5,400	5,400	5,400	5,400
Federal Payment for fire fighters pay raise .....	0	0	0	0	0	2,600	2,600	2,600	2,600	2,600
Federal contribution to Public Schools .....	0	0	0	0	0	1,000	0	0	0	0
Payment to the District of Columbia Corrections Trustee Operations .....	0	0	0	0	169,000	169,000	169,000	169,000	169,000	0
Payment to the District of Columbia Corrections Trustee for Correctional Facilities, Construction and Repair .....	0	0	0	0	302,000	302,000	302,000	302,000	302,000	0
Federal payment to the District of Columbia Criminal Jus- tice System .....	0	0	0	0	146,000	146,000	146,000	146,000	146,000	0
Payment to the National Park Service, Park Police .....	0	0	0	0	0	12,500	12,500	12,500	12,500	12,500
Federal Payment to the District of Columbia Scholarship Fund .....	0	0	0	0	0	7,000	7,000	7,000	7,000	7,000
<b>Total, Federal funds .....</b>	<b>718,772</b>	<b>718,772</b>	<b>712,070</b>	<b>712,070</b>	<b>777,000</b>	<b>827,500</b>	<b>108,728</b>	<b>108,728</b>	<b>115,430</b>	<b>50,500</b>
<b>DISTRICT OF COLUMBIA FUNDS</b>										
Operating Expenses:										
Governmental Direction and Support .....	115,663	110,522	106,982	104,327	105,177	119,177	8,655	12,195	14,850	14,000
Economic Development & Regulation .....	135,704	131,202	125,339	120,072	120,072	120,072	(15,632)	(5,267)	0	0
Public Safety and Justice .....	1,041,281	1,037,893	999,470	1,003,877	494,970	502,970	(538,311)	(496,500)	(500,907)	8,000
Public Education System .....	758,815	750,077	755,106	756,044	672,444	673,444	(85,371)	(76,633)	(82,600)	1,000
Human Support Services .....	1,685,707	1,661,150	1,718,705	1,718,939	1,718,939	1,718,939	33,232	57,789	234	0

Public Works .....	247,967	242,684	240,674	241,934	241,934	241,934	(6,033)	(750)	1,260	0	0
Washington Convention Center Transfer Payment .....	5,400	5,400	0	0	0	5,400	0	0	5,400	5,400	5,400
Repayment of Loans and Interest .....	333,710	333,710	0	0	0	366,976	33,266	33,266	366,976	366,976	366,976
Repayment of General Fund Recovery Debt .....	38,314	38,314	0	0	0	39,020	706	39,020	39,020	39,020	39,020
Payment of Interest on Short-Term Borrowing .....	34,461	34,461	0	0	0	12,000	(22,461)	(22,461)	12,000	12,000	12,000
Presidential Inauguration .....	5,702	5,702	0	0	0	0	(5,702)	(5,702)	0	0	0
Certification of Participation .....	7,926	7,926	0	0	0	7,923	(3)	(3)	7,923	7,923	7,923
Human Resources Development .....	12,257	12,257	0	0	0	6,000	(6,257)	(6,257)	6,000	6,000	6,000
Cost Reduction Initiatives .....	(47,411)	0	0	0	0	0	47,411	0	0	0	0
Management and Productivity Improvement Fund .....	0	0	0	0	0	5,000	5,000	5,000	5,000	5,000	5,000
Financial Authority .....	3,400	3,220	0	3,220	3,220	3,220	(180)	0	3,220	0	0
Financing and Other Uses .....	0	0	441,855	441,696	484,773	0	0	0	(441,855)	(441,696)	(484,773)
Pay-As-You-Go Capital Outlay .....	0	0	0	0	0	30,000	30,000	30,000	30,000	30,000	30,000
Total, Local funds (general fund) .....	4,378,896	4,374,518	4,388,131	4,390,109	3,841,529	3,852,075	(526,821)	(522,443)	(536,056)	(538,034)	10,546
Enterprise and Other Uses .....	0	0	15,725	15,725	15,725	0	0	0	(15,725)	(15,725)	(15,725)
Water and Sewer Authority & Wash. Aqueduct .....	221,362	221,362	297,310	297,310	297,310	297,310	75,948	75,948	0	0	0
Lottery & Charitable Games .....	247,900	247,900	213,500	213,500	213,500	213,500	(34,400)	(34,400)	0	0	0
Cable Television .....	2,511	2,467	0	0	0	2,467	(44)	0	2,467	2,467	2,467
Public Service Commission .....	0	0	0	0	0	4,547	4,547	4,547	4,547	4,547	4,547
Office of People's Counsel .....	0	0	0	0	0	2,428	2,428	2,428	2,428	2,428	2,428
Office of Banking and Financial Institutions .....	0	0	0	0	0	600	600	600	600	600	600
Dept. of Insurance and Securities Regulation .....	0	0	0	0	0	5,683	5,683	5,683	5,683	5,683	5,683
Sports Commission (Starplex) .....	8,717	8,717	8,936	5,936	5,936	5,936	(2,781)	(2,781)	(3,000)	0	0
D.C. General Hospital .....	52,684	64,099	52,684	59,599	59,599	59,599	6,915	(4,500)	6,915	0	0
D.C. Retirement Board .....	16,667	16,667	16,762	16,762	16,762	4,898	(11,769)	(11,769)	(11,864)	(11,864)	(11,864)
Correctional Industries Fund .....	3,052	3,052	3,332	3,332	3,332	3,332	280	280	0	0	0
Washington Convention Center .....	42,596	42,596	41,000	41,000	41,000	41,000	(1,596)	(1,596)	0	0	0
Total, Enterprise and Other Uses .....	595,489	606,860	649,249	649,249	653,164	641,300	45,811	34,440	(7,949)	(4,949)	(11,864)
Total, Operating Expenses .....	4,974,385	4,981,378	5,037,380	5,036,358	4,494,693	4,493,375	(481,010)	(488,003)	(544,005)	(542,983)	(1,318)
Capital Outlay:											
General Fund .....	46,923	46,923	128,624	269,330	269,330	269,330	222,407	222,407	140,706	0	0
Total, District of Columbia Funds .....	5,021,308	5,028,301	5,166,004	5,305,688	4,764,023	4,762,705	(258,603)	(265,596)	(403,299)	(542,983)	(1,318)

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATION) AUTHORITY FOR 1997 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1998—Continued

[In thousands of dollars]

	Appropriated 1997 (enacted to date)	FY 1997 revised	FY 1998 Dis- trict request	FY 1998 authority's request	FY 1998 amended request	Recommended in bill	Bill compared with—				
							Appro- priated 1997	FY 1997 revised	District request	Authority request	FY 1998 amended
Less Savings from the National Capital Revitaliza- tion Act of 1997 .....	(619,637)	(619,637)	(597,069)	(584,536)	0	0	619,637	619,637	597,069	584,536	0
Revised Total .....	4,401,671	4,408,664	4,568,935	4,721,152	4,764,023	4,762,705	361,034	354,041	193,770	41,553	(1,318)

DISSENTING VIEWS OF HON. DAVID OBEY, HON. JAMES P. MORAN, HON. JULIAN C. DIXON, AND HON. MARTIN OLAV SABO

Over the past few years, Congress has helped the District of Columbia to get back on its feet. The relationship between the District and the Federal government was redefined, management controls were put into place, and the Federal government assumed responsibilities which had become a burden on the District. With this bill, we are withdrawing our helping hand.

As reported from the Subcommittee, the bill offered little to the people of the District of Columbia. It cut \$300M from the consensus budget submitted by the Mayor, Council and Control Board, which would have resulted in a 22% across the board cut in discretionary spending. An arbitrary 10% cut in personnel was imposed on all but the police and fire departments, even though there has already been a 27% cut in the city's workforce since 1995. Beyond the actual appropriations, page after page of general provisions and unrelated titles were added to the bill, overriding the authority of elected officials as well as the very body charged by Congress with turning the city around: the Control Board.

Wisely, the full Committee amended the bill to eliminate the \$300 Million funding cut and restore some, but not all, of the staffing cuts. It also eliminated an unfair and unwanted residency requirement for District of Columbia employees, which would have impacted more than two-thirds of the city's police officers, 50% of its firefighters and 44% of its teachers.

Despite this amendment, however, there remains a laundry list of legislative and ancillary provisions. In fact, the House bill contains more than 62 provisions that are not found in the Senate bill. While some of these are justifiable technical corrections, others are unwarranted micro-management of the District, pure and simple.

These include items such as closing the DC law school, putting a permanent cap on welfare payments, restricting authority to approve contracts, and cutting DC school personnel. We also have the downright silly provisions, such as restricting issuance of a business license for helicopter tours; a trivial matter which should not concern this Committee. Finally we have the ideological provisions the majority has been advocating nationally, such as the school vouchers, allowing waivers of the Davis-Bacon Act, and medical malpractice reform. None of these belong in the bill.

The Committee's job is to evaluate the City's budget request and appropriate federal funds. Decisions over the day to day operations of the District should be left to the Mayor and the City Council. The first level of oversight is provided by the Control Board. Federal legislation affecting the District of Columbia should be considered by District of Columbia Subcommittee of the Government Reform Committee.

The Administration has indicated that it will veto the bill if some of these provisions remain. The best course for the House is to adopt a clean bill that supports the consensus budget. This would be easily conferenced with the Senate, and signed by the President. A clean bill will allow the city to move forward with the reforms that must be put into place.

#### DC VOUCHER PLAN

Among the numerous legislative items included in this bill is a so-called “Student Opportunity Scholarship” program which the majority argues is the answer to the problems besetting the District of Columbia Public Schools. This program would authorize \$45 million over five years to fund tuition vouchers for District students. We oppose the inclusion of such a program in this bill. We believe it is fundamentally unfair and simply wrong for the majority to hold the District of Columbia’s budget hostage to its national agenda of promoting private school vouchers at the expense of public education.

As the new fiscal year begins, we face a situation where the District of Columbia government will be operating without an agreed upon budget, yet the majority has attached to this bill a voucher proposal that they know will result in a Presidential veto. Unfortunately, the majority seems intent on ignoring the lessons of two years ago when it took six months because of the voucher issue—including several filibusters in the Senate—before a final District of Columbia Appropriations Bill became law. A similar delay this year will only distract the District from making needed management and financial reforms and force the District back into a crisis environment where the order of the day is managing to a Continuing Resolution rather than improving the schools, repairing the roads, and reducing crime.

*Vouchers will not ensure parental choice in education for 97% of DC students*

Educational choice is held up by voucher supporters as the main reason that Members should embrace this bill. But choice for whom? We all agree that the District of Columbia schools are not doing the job we want in providing a high quality education to all District students. But, we are also convinced that providing an opportunity for 2,000 to 3,000 DC students to attend private schools will not improve public education for the remaining 75,000, or 97 percent, students remaining in District schools.

The vouchers proposal does not represent real choice for the majority of District families. And even the lucky few parents whose children might receive a voucher are being unfairly led to believe that their children can attend any private school to which they apply. They should know that the bill allows private schools to screen out and deny admission to students on the basis of religion, test scores, behavior, and physical ability, in contrast to public schools, which don’t have the luxury of closing their doors to students who pose a challenge.

Moreover, the maximum tuition voucher of \$3,200 for students at the poverty level and \$2,400 for students at 185 percent of the poverty level effectively puts many, if not most, private schools out of

the range of voucher students. According to a Congressional Research Service analysis, even the maximum vouchers would be insufficient to pay the full cost of attending many private schools or any suburban public school. This means that the few low-income parents whose students are fortunate enough to receive a voucher will have to pay the difference, putting real educational choice out of the reach of most poor families.

The voucher plan fails to contribute to the overall improvement of DC public schools and diverts attention and resources away from efforts to raise standards and improve achievement in the DC schools.

We believe that the challenge for our Committee and Congress is not to help 2,500 students move out, but to help all 78,000 students in the District move up academically. If we are serious about providing a solution for 100 percent of the students, not just 3 percent of the students, we can put \$7.0 million in federal funds to better use. With \$7.0 million in federal funds:

- 116 DC schools—benefiting 60,000 students—could implement comprehensive school reform programs based on solid educational research—like the widely successful Success for All developed at Johns Hopkins University—that helps prevent kids from falling behind in reading—and the Laboratory for Success model developed at Temple University;

- 140 new after school programs could be started to provide safe havens and additional learning opportunities for 14,000 children in the District who otherwise would be home alone;

- new textbooks for every elementary and secondary school student could be purchased; and

- 66,000 new hard cover books for the District's public libraries could be bought.

*The voucher plan erodes local control over education policy*

In support of their case, voucher proponents often refer to the failures of the school system, documented in a November 1996 study conducted by the District of Columbia Financial Responsibility and Management Assistance Authority. However, the story of the public schools should not end there. In response to these findings, the Authority embarked on a bold initiative to shake up the school system by implementing a new management structure with a mandate to improve the public schools. Specifically, on November 15, 1996, the Authority appointed General Julius W. Becton, Jr. as Chief Executive Officer and Superintendent of DCPS and established the Emergency Transitional Education Board of Trustees.

Although General Becton has been on the job for less than a year, he has already taken significant steps to move the public schools in a more positive direction. He has developed an academic plan focusing on high standards and accountability for results, redesigned the budget structure to hold managers accountable for spending, and implemented comprehensive security and facilities' management plans. These efforts hold much promise for the system.

We need a vote of confidence for General Becton, who has faced an army of problems during his brief tenure but has made real progress. We can help the public schools improve by holding the

administrators and teachers accountable while ensuring that infrastructure and instruction needs are met.

*The effectiveness of vouchers in improving educational achievement is uncertain*

Evaluations of existing voucher programs provide no conclusive evidenced of the benefit of these programs for student achievement. Research on the impact of existing private school voucher programs has not demonstrated substantial achievement benefits. In fact, most differences between performance in public and private schools can be explained by the family background of the students (i.e. family income, parents' educational attainment, etc.).

Milwaukee and Cleveland are the only communities in the country to provide publicly-funded tuition vouchers for private schools. The Cleveland experiment is too new to evaluate, but the Milwaukee program is the longest-running publicly funded voucher program. Three separate evaluations of the Milwaukee program have found vastly different results.

The first evaluation conducted by Professor John Witte of the University of Wisconsin found that the educational performance for voucher students did not improve significantly, concluding that: "There is no evidence that choice students do better or worse than Milwaukee Public Schools students once we have controlled for gender, race, income, grade, and prior achievement."

A second evaluation of the Witte data by Paul Peterson at Harvard did find evidence that the Milwaukee voucher program had a substantial positive impact on the achievement of students who remained in the program for 3 to 4 years. However, this second analysis has been severely criticized as being flawed because it did not account for the severe attrition of voucher students during the two years in which the study claimed positive results. Moreover, this second evaluation did not control for student family background and prior achievement.

A third evaluation of the Milwaukee program found that voucher students outperformed non-voucher students in math, but not in reading.

These conflicting results provide more a lesson in the art of statistics, than in the effectiveness of voucher programs. The one clear implication of these studies is that the impact of voucher programs on student achievement remains unproven.

*Vouchers will result in protracted litigation*

If adopted, we believe this voucher plan will certainly face a court challenge. The Supreme Court has consistently held that public funds cannot pay, either directly or indirectly, for the religious education or the religious mission of parochial schools. With regard to the only two publicly funded voucher programs in the country—in Milwaukee and Cleveland, both state courts have ruled that the participation of religious schools violates federal and state constitutional provisions barring governmental aid to religious institutions.

Most policymakers would agree that District students deserve a quality public education. However, adopting a publicly funded voucher program for the District of Columbia was a bad idea two

years ago when Congress rejected it, and it remains a bad idea now.

DAVID OBEY.  
JAMES P. MORAN.  
JULIAN C. DIXON.  
MARTIN OLAV SABO.

