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{ REPORT  
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## DISTRICT OF COLUMBIA APPROPRIATIONS BILL, 1999

—————  
JULY 21, 1998.—Ordered to be printed  
—————

Mr. FAIRCLOTH, from the Committee on Appropriations,  
submitted the following

### REPORT

[To accompany S. 2333]

The Committee on Appropriations reports the bill (S. 2333) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1999, and for other purposes, reports favorably thereon and recommends that the bill do pass.

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## SUMMARY OF BILL

The following discussion of the bill includes general information on initiatives and concerns of the Committee and an analysis of the total resources estimated to be available to the District of Columbia in the coming fiscal year.

The Committee considered requests from the President for Federal funds totaling \$486,200,000 in budget authority for the District of Columbia appropriation. This amount was contained in the Budget of the U.S. Government—1999, transmitted to the Congress on February 2, 1998 (House Doc. 105–177).

The requested funds consist of: (1) \$184,800,000 for the D.C. corrections trustee operations; (2) \$142,000,000 for D.C. courts operations and capital improvements; (3) \$59,400,000 for the Offender Services Agency operations; and (4) \$100,000,000 for an economic development initiative.

The Senate bill includes a recommendation of \$6,767,680,000, including \$3,476,092,000 in local funds; \$2,300,200,000 in Federal grants; and \$991,388,000 in private and other funds to be appropriated in fiscal year 1999 for the District of Columbia. In addition to these recommended amounts, the Committee recommends an appropriation of \$481,800,000 in Federal funds for the operations itemized below.

### *Federal Funds*

<i>Item</i>	
Federal payment for management reform .....	\$25,000,000
Federal payment for economic development in the District of Columbia .....	500,000
Federal payment for Boys Town U.S.A., operations in the District of Columbia .....	7,100,000
Federal payment to the District of Columbia for the Nation's capital infrastructure fund .....	75,000,000
Federal payment to D.C. corrections trustee operations .....	184,800,000
Federal payment for D.C. courts .....	128,000,000
Federal payment to D.C. Offender Supervision, Defender and Court Services Agency .....	59,400,000
Federal payment to Georgetown Waterfront Park fund .....	1,000,000
Federal payment for a National Museum of American Music and a city museum .....	1,000,000
Subtotal (Federal funds included in this bill) .....	481,800,000
Federal grants .....	2,300,199,780
Total Federal funds .....	2,781,999,780

A comparative summary of the appropriations recommended follows:

COMPARATIVE SUMMARY OF BILL

	Fiscal year 1998 enacted	Fiscal year 1999 request	Committee recommendation	Committee recommendation compared with	
				Fiscal year 1998 enacted	Fiscal year 1999 request
<b>FEDERAL FUNDS</b>					
Federal payment for management reform .....	\$8,000,000	.....	\$25,000,000	+\$17,000,000	+\$25,000,000
Federal support for economic development in the District of Columbia .....	190,000,000	\$100,000,000	500,000	-189,500,000	-99,500,000
Federal payment for Boys Town USA operations in the District of Columbia .....	.....	.....	7,100,000	+7,100,000	+7,100,000
Federal payment to the District of Columbia for the Nation's Capital infrastructure fund .....	.....	.....	75,000,000	+75,000,000	+75,000,000
Federal payment to the District of Columbia corrections trustee operations .....	169,000,000	184,800,000	184,800,000	+15,800,000	.....
Federal payment to the District of Columbia corrections trustee for correctional facilities, construction and repair <sup>1</sup> .....	(302,000,000)	.....	.....	(-302,000,000)	.....
Federal payment to the District of Columbia Courts .....	151,000,000	142,000,000	128,000,000	-23,000,000	-14,000,000
U.S. Park Police (Sec. 141) .....	12,000,000	.....	.....	-12,000,000	.....
Federal payment for Medicare coordinated care demonstration project (Sec. 160) .....	3,000,000	.....	.....	-3,000,000	.....
District of Columbia Offender Supervision, Defender, and Court Services Agency .....	.....	59,400,000	59,400,000	+59,400,000	.....
Federal payment for Georgetown Waterfront Park fund .....	.....	.....	1,000,000	+1,000,000	+1,000,000
Federal payment for National Museum of American Music and City Museum .....	.....	.....	1,000,000	+1,000,000	+1,000,000
Total, Federal funds to the District of Columbia .....	533,000,000	486,200,000	481,800,000	-51,200,000	-4,400,000
<b>DISTRICT OF COLUMBIA FUNDS</b>					
Operating Expenses					
Governmental direction and support .....	(105,177,000)	(164,717,000)	(164,717,000)	(+59,540,000)	.....
Economic development and regulation .....	(120,072,000)	(156,039,000)	(156,039,000)	(+35,967,000)	.....
Public safety and justice .....	(529,739,000)	(751,346,000)	(751,346,000)	(+221,607,000)	.....
Public education system .....	(672,444,000)	(773,334,000)	(773,334,000)	(+100,890,000)	.....
Human support services .....	(1,718,939,000)	(1,514,751,000)	(1,514,751,000)	(-204,188,000)	.....

Public works .....	(241,934,000)	(266,912,000)	(266,912,000)	(266,912,000)	(+ 24,978,000)
Financing and other .....	(454,773,000)	(451,623,000)	(451,623,000)	(451,623,000)	(- 3,150,000)
Productivity savings .....	.....	(- 10,000,000)	(- 10,000,000)	(- 10,000,000)	(- 10,000,000)
Receivership programs .....	.....	(318,979,000)	(318,979,000)	(318,979,000)	(+ 318,979,000)
District of Columbia Financial Responsibility and Management Assistance Authority .....	(3,220,000)	(7,840,000)	(7,840,000)	(7,840,000)	(+ 4,620,000)
Deficit reduction and revitalization .....	(201,090,000)	.....	.....	.....	(- 201,090,000)
Total, operating expenses, general fund .....	(4,047,388,000)	(4,395,541,000)	(4,395,541,000)	(4,395,541,000)	(+ 348,153,000)
Enterprise Funds					
Enterprise and other uses .....	(15,725,000)	.....	.....	.....	(- 15,725,000)
Water and Sewer Authority and the Washington Aqueduct .....	(297,310,000)	(273,314,000)	(273,314,000)	(273,314,000)	(- 23,996,000)
Lottery and Charitable Games Control Board .....	(213,500,000)	(225,200,000)	(225,200,000)	(225,200,000)	(+ 11,700,000)
Office of Cable Television .....	.....	(2,108,000)	(2,108,000)	(2,108,000)	(+ 2,108,000)
Public Service Commission .....	.....	(5,026,000)	(5,026,000)	(5,026,000)	(+ 5,026,000)
Office of the People's Counsel .....	.....	(2,501,000)	(2,501,000)	(2,501,000)	(+ 2,501,000)
Office of Banking and Financial Institutions .....	.....	(640,000)	(640,000)	(640,000)	(+ 640,000)
Office of Insurance and Securities Regulation .....	.....	(7,001,000)	(7,001,000)	(7,001,000)	(+ 7,001,000)
D.C. General Hospital .....	(52,684,000)	(66,764,000)	(66,764,000)	(66,764,000)	(+ 14,080,000)
Starplex Fund .....	(5,936,000)	(8,751,000)	(8,751,000)	(8,751,000)	(+ 2,815,000)
D.C. Retirement Board .....	(16,762,000)	(18,202,000)	(18,202,000)	(18,202,000)	(+ 1,440,000)
Correctional Industries Fund .....	(3,332,000)	(3,332,000)	(3,332,000)	(3,332,000)	.....
Washington Convention Center Enterprise Fund .....	(41,000,000)	(48,139,000)	(48,139,000)	(48,139,000)	(+ 7,139,000)
Total, Enterprise Funds .....	(646,249,000)	(660,978,000)	(660,978,000)	(660,978,000)	(+ 14,729,000)
Total, operating expenses .....	(4,693,637,000)	(5,056,519,000)	(5,056,519,000)	(5,056,519,000)	(+ 362,882,000)
Capital Outlay					
General fund .....	(259,330,000)	(1,711,160,737)	(1,711,160,737)	(1,711,160,737)	(+ 1,441,830,737)
Total, District of Columbia funds .....	(4,962,967,000)	(6,767,679,737)	(6,767,679,737)	(6,767,679,737)	(+ 1,804,712,737)

COMPARATIVE SUMMARY OF BILL—Continued

	Fiscal year 1998 enacted	Fiscal year 1999 request	Committee rec- ommendation	Committee recommendation compared with	
				Fiscal year 1998 enacted	Fiscal year 1999 request
Total:					
Federal Funds to the District of Columbia .....	533,000,000	486,200,000	481,800,000	- 51,200,000	- 4,400,000
District of Columbia funds .....	(4,962,967,000)	(6,767,679,737)	(6,767,679,737)	(+ 1,804,712,737)	.....

<sup>1</sup> Funded in D.C. bill for fiscal year 1998 and in the Commerce, Justice, and State, the Judiciary bill for fiscal year 1999.

## GENERAL STATEMENT

### DISTRICT OF COLUMBIA FINANCIAL CONDITION

The District of Columbia Financial Responsibility and Management Assistance Authority (hereinafter referred to in this report as “the Authority”) and the Office of the Chief Financial Officer [OCFO] for the District were created by the District of Columbia Financial Responsibility and Management Assistance [DCFRMA] Act of 1995 (Public Law 104–8) and were first involved with the District’s budget for fiscal year 1996. The efforts of the Authority and the OCFO have resulted in improved tax administration and financial reporting for the District. Achieving a balanced budget or surplus is critical to the District government’s effort to regain independent authority over its budget. Under provisions of the DCFRMA Act, the District government is to remain under the control of the Authority until it has had a balanced budget for 4 consecutive fiscal years.

The District of Columbia appropriation for fiscal year 1997 (Public Law 104–194) approved a deficit of \$74,000,000. Instead, the District ended fiscal year 1997 with a budget surplus of \$185,900,000.

The appropriation for fiscal year 1998 (Public Law 105–100) included a surplus of \$201,000,000. This surplus was anticipated as a result of the Federal Government taking over certain funding responsibilities from the District under provisions of the National Capital Revitalization and Self-government Improvement Act of 1997 (Public Law 105–33) (hereinafter referred to in this report as “the Revitalization Act”). Congress directed the majority of these funds be used to reduce its accumulated deficit. The June 1998 projections suggest that the District may have a surplus of \$254,000,000 for fiscal year 1998.

At the beginning of fiscal year 1997, the District’s accumulated general fund deficit was \$518,249,000. By the end of fiscal year 1997, the accumulated general fund deficit fell to \$332,357,000. If the District achieves a surplus of \$254,000,000 for fiscal year 1998, the accumulated deficit could fall to approximately \$78,600,000 by September 30, 1998.

During fiscal years 1995, 1996, and 1997, the District had asked the U.S. Treasury for cash advances, repayable at the beginning of the next fiscal year. During fiscal year 1998, the District has been able to cover its cash needs by borrowing from the private financial marketplace, obviating the need to ask the U.S. Treasury for advances.

#### NO SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1998

No additional funding for the District of Columbia was requested by the President or the Authority, and none was included in the

Emergency Supplemental Appropriations Act for Fiscal Year 1998  
(Public Law 105–174).

MANAGEMENT REFORMS

The District of Columbia Management Reform Act of 1997 (Public Law 105–33) ordered a major temporary restructuring of responsibility in the District government. It transferred the final authority to appoint and dismiss heads of nine major departments from the Mayor to the Authority. It directed the Authority, with the assistance of consultants, to establish management reform plans for these nine departments and four administrative functions.<sup>1</sup> Representatives of the Authority, the Mayor’s Office, the District Council, and affected departments were directed to form management reform teams to review and implement reforms of targeted departments.

The District of Columbia Appropriations, Fiscal Year 1998 (Public Law 105–100) (hereinafter referred to as “the fiscal year 1998 appropriations act”) provided \$8,000,000 in Federal funds, to remain available for 2 fiscal years, to help pay for the management reform efforts. In addition to the management consultants, this appropriation funds the position of a chief management officer [CMO] to oversee the responsibilities assigned to the Authority by the Management Reform Act. The Authority appointed Dr. Camille Cates Barnett to the position of CMO for a 5-year term on January 15, 1998. In addition, the District was permitted to spend from local funds savings attributable to the Revitalization Act on management and productivity improvements.

Following much controversy during the fiscal year 1998 appropriations process over a new versus upgraded financial management system [FMS], the District purchased a new financial management system which is being integrated into District government agencies and departments. The new FMS will assist the District government in implementing management reform and improving its fiscal condition.

CHANGES IN DISTRICT LEADERSHIP

The 3-year term of all five initial members of the Authority expired in June 1998. The terms of three members (Andrew F. Brimmer, Chairman; Stephen D. Harlan; and Constance B. Newman) were extended for 90 days. In June 1998 the President appointed Robert P. Watkins, a District lawyer; and Alice M. Rivlin, Vice Chairman of the Federal Reserve Board, to serve on the Authority. Mrs. Rivlin will assume the role of chair of the Authority in September 1998.

On May 21, 1998, Mayor Marion Barry announced his intention not to seek reelection for a fifth term.

<sup>1</sup>The nine departments are: administrative services; consumer and regulatory affairs; corrections; employment services; fire and emergency medical services; housing and community development; human services; public works; public health. The four administrative functions are: asset management; information resources management; personnel; and procurement.

## PUBLIC SCHOOLS

The D.C. Public Schools [DCPS] System remains in serious condition. The schools opened 3 weeks late in September 1997 because of court-ordered safety requirements related to repairs of heating and cooling systems and the replacement of more than 50 school building roofs. Problems remain with the physical condition of DCPS facilities, and questions surround payroll and enrollment records. Criticism about the quality of educational services for students continues. The former chief executive for the schools, Gen. Julius W. Becton, Jr., resigned in April and was replaced by Arlene Ackerman, former deputy superintendent for the Seattle public schools. Mrs. Ackerman had been serving as chief academic officer and deputy superintendent of the DCPS since August 1997.

In a January 6, 1998, decision, the U.S. Court of Appeals ruled that the Authority did not have the power to delegate responsibility for the school system to the D.C. Emergency Transitional Education Board of Trustees and that the trustees could serve only as advisers to the Authority. As a result of this ruling, the Authority now bears more direct responsibility for accomplishing reforms in the DCPS.

The DCPS has embarked upon its summer STARS (Students and Teachers Achieving Results for Success) Program initiative. Students in grades 1 through 11 scoring below basic levels on the Stanford-9 reading and mathematics achievement tests will be required to attend summer school. An estimated 20,000 students will be in school the summer of 1998, at a cost of \$7,000,000. To help fund this program in fiscal year 1998, the District received a grant of \$5,000,000 from the Federal fund for the improvement of education.

In early April 1998, the District government disclosed that the DCPS projected \$62,000,000 in overspending on personnel and other items for fiscal year 1998. The Authority agreed to cover \$34,700,000 from the \$201,000,000 surplus and other amounts available for management reform. The DCPS is expected to cover the remaining \$27,300,000 through other budget cuts.

On May 18, 1998, citing fiscal mismanagement, the D.C. Board of Education voted to revoke the charter it had granted to the Marcus Garvey Public Charter School, which has been in operation for 2 school years. On May 20, the school's board of directors filed suit in D.C. Superior Court to block the school closing.

## METROPOLITAN POLICE DEPARTMENT [MPD]

Concerns remain over the operation of the District's police department. Since December 10, 1996, the Metropolitan Police Department [MPD] has been supervised jointly by a group of city officials under a memorandum of understanding partnership. The consulting firm of Booz-Allen & Hamilton has been conducting a management review of the police force for the Authority and has recommended an administrative overhaul. The fiscal year 1998 appropriations act required quarterly reports to the Congress from the MPD concerning the activities of the District's 83 police service areas [PSA's]. Reports for the second quarter have been received.

A technical amendment to the conference agreement on the Emergency Supplemental Appropriations Act for Fiscal Year 1998 (section 10007 of the general provisions of Public Law 105-174) clarified that the terms of the April 21, 1998, contract signed with the District's new chief of the MPD, Charles H. Ramsey, were valid, superceding other provisions of the District's laws. The contract required that the chief of police report to the Authority rather than the Mayor. Public Law 104-174 also provides that the Mayor may not appoint or dismiss the police chief without the approval of the Authority. These procedures would apply to any other individual serving as police chief as long as the Authority exists.

#### PRESIDENT'S BUDGET PROPOSAL FOR FISCAL YEAR 1999

The President's budget proposal for fiscal year 1999, released in February 1998, proposes \$486,200,000 in Federal funds for the District of Columbia. In May 1998 the Senate Budget Committee recommended a 302(b) allocation for the District of Columbia of \$482,000,000. In June 1998 the allocation was revised to \$491,000,000.

The \$486,200,000 total encompasses a \$184,800,000 payment to the D.C. corrections trustee for operations; \$142,000,000 for the D.C. courts, including \$121,000,000 for operations and \$21,000,000 for capital improvements; \$54,900,000 for offender services; and \$100,000,000 in Federal funds for an economic development initiative. The economic development component includes \$50,000,000 to capitalize a locally chartered economic development corporation; \$25,000,000 for Metro station improvements at the proposed Washington Convention Center; and \$25,000,000 in payment to the District government for management reforms to improve the economic development infrastructure.

Unlike previous fiscal years, no unrestricted Federal payment or Federal contribution to the Nation's Capital is proposed. Although the Revitalization Act authorizes a Federal contribution in concept, it indicated no specific dollar amount or formula for fiscal years after 1998.

#### TOTAL RESOURCES

Based on recommendations in the bill, a total of \$6,900,592,000, including \$132,912,000 of intra-District funds, 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. The financing of appropriations from District funds is from various local taxes, fees, charges, and other collections received by the District government.

#### INTRA-DISTRICT FUNDS

Based on recommendations in the bill, a total of \$132,912,000 is allocated to intra-District funds. Intra-District payments are a mechanism that District agencies (buying agencies) use to pay for services rendered by other District agencies (selling agencies). The mechanism allows a buying agency to transfer funds to a selling agency. The intra-District payment covers the selling agency's costs of delivering the services. Each District government agency selling

a service to another agency has an intra-District revenue budget. The intra-District budget reflects the selling agency's projection of costs related to the services it will render. The intra-District budget is an internal government transaction. Although these funds are included in the total ceiling for the recommended fiscal year 1999 budget of District funds, intra-District funds are not included in the recommended total appropriation for the individual District budget functions: governmental direction and support; economic development and regulation; public safety and justice; public education system; human support services; public works; financing and other uses; receivership programs; the Authority; and enterprise funds.

#### FEDERAL FUNDS

A total of \$2,781,999,780 in Federal funds will be available to the District government during fiscal year 1999. Included in this total are the Federal payments for the D.C. correctional facilities, the operation of both the D.C. court system and offender services, management reform, and the Boys Town U.S.A. expansion project in the District of Columbia. Other Federal funds will be received by the District government 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 1999:

<i>Federal Funds</i>	
<i>Item</i>	
Federal payment for management reform .....	\$25,000,000
Federal payment for economic development in the District of Columbia .....	500,000
Federal payment for Boys Town U.S.A. operations in the District of Columbia .....	7,100,000
Federal payment to the District of Columbia for the Nation's capital infrastructure fund .....	75,000,000
Federal payment to D.C. corrections trustee operations .....	184,800,000
Federal payment for D.C. courts .....	128,000,000
Federal payment to D.C. Offender Supervision, Defender and Court Services Agency .....	59,400,000
Federal payment for Georgetown Waterfront Park fund .....	1,000,000
Federal payment for a National Museum of American Music and a city museum .....	1,000,000
Subtotal (Federal funds included in this bill) .....	481,800,000
Federal grants .....	2,300,199,780
Total Federal funds .....	2,781,999,780

#### FEDERAL PAYMENT FOR MANAGEMENT REFORM

The Committee recommends an appropriation of \$25,000,000 from Federal funds to be made available to the Authority for fiscal year 1999 to continue the implementation of management reform initiatives authorized in the District of Columbia Management Reform Act of 1997 (the Management Reform Act), sections 11101 through 11106 of the Revitalization Act.

The President's budget proposal recommends \$25,000,000 for management reforms to improve the District's economic development infrastructure. While the Committee is recommending an appropriation of \$25,000,000, the Committee directs that the appropriated funds not be restricted to management reforms related to economic development. Instead, the Committee directs the Authority, the chief management officer [CMO], the chief financial officer [CFO], and department heads to continue the program of management reforms initiated in fiscal year 1998.

The Management Reform Act required the Authority to hire consultants to analyze and recommend reforms for the following nine agencies and four administrative functions: Administrative Services, Consumer and Regulatory Affairs; Corrections; Employment Services; Fire and Emergency Services; Health; Housing and Community Development; Human Services; Public Works; asset management; human resources; information resource management; and procurement. In early 1998, the consultants completed their analyses. Their reports documented key findings and recommended reforms and investments. With the Authority's hiring of a CMO in January 1998, the District government began implementing a number of the consultants' recommendations.

On March 18, 1998, the Senate Appropriations Subcommittee on the District of Columbia held a hearing on the status of management reform. The CMO, CFO, and chair of the Authority testified on plans for improving service delivery to District residents; continuing the implementation of management reform initiatives; and on fiscal year 1999 budget priorities for achieving the desired improvements and reforms.

The Committee recognizes that improved tax collections and spending controls have restored balance to the District's budget. However, the Committee notes with concern the serious condition of service delivery in the District and expects fundamental alterations to the systems, processes, and structures of each District agency through the aggressive implementation of management reform initiatives. The Committee directs the CMO to report to the Appropriations Committees of the Senate and House of Representatives, the Senate Committee on Governmental Affairs, and the Committee on Government Reform and Oversight of the House of Representatives by May 1, 1999, on the status of agency performance and service delivery throughout the District government as a result of management reform initiatives. The CMO's report should also include an itemization and explanation of cost savings and increases in revenues generated by management reforms and their impact on the District's financial plan.

#### FEDERAL SUPPORT FOR ECONOMIC DEVELOPMENT IN THE DISTRICT OF COLUMBIA

The Committee recommends no Federal funds for the capitalization of the National Capital Revitalization Corporation [NCRC] Act of 1998. The Committee notes with concern that Congress has not been consulted as to either the composition of the Board of the NCRC, its duties, the scope of its activities, the relationship between the NCRC and other Federal or local agencies, the relationship between the NCRC and Congress, or the extent to which ac-

tions taken by the NCRC may conflict with previous economic incentives adopted by the Congress on behalf of the District of Columbia. The Committee further notes that the budget of the District of Columbia for fiscal year 1999 included a request for \$50,000,000 to capitalize the NCRC. The Committee has rejected this request on the grounds that it is inappropriate for the Congress to fund such an entity without assurance that Congress will have an opportunity to exercise oversight of the funds provided, or otherwise have a voice in decisions which will implicate a number of Federal agencies and employees, as well as the interests of the Nation in the affairs of the Nation's Capital.

The Committee does support further study of the concept of an economic development corporation for the District of Columbia. The Committee has provided \$500,000 to the Authority for the purpose of studying the feasibility of such an economic development corporation for the District of Columbia. The Committee directs the Authority to conduct this feasibility study, to include recommendations on possible economic development corporation legislation, and to report to Congress not later than May 1, 1999. The Committee expects the Authority to consult with the Mayor of the District of Columbia, the District Council, the Delegate to the U.S. House of Representatives for the District of Columbia, the General Services Administration, the National Capital Planning Commission, the National Park Service, and such Federal and local agencies, nonprofit organizations (both public and private), and individuals as the Authority deems appropriate.

#### FEDERAL CONTRIBUTION FOR BOYS TOWN U.S.A. OPERATIONS IN THE DISTRICT OF COLUMBIA

The Committee recommends an appropriation of \$7,100,000 for the expansion of Boys Town U.S.A. operations in the District of Columbia. Boys Town U.S.A. is a nonprofit, nonsectarian organization dedicated to providing food, clothing, shelter, education, and medical care to homeless, neglected, and abused children. Founded in Omaha, NE, in 1917 as a home for wayward boys, Boys Town has grown to include national training centers, a research hospital, a national hotline, and care centers in 18 cities.

At the 18 centers across the United States, Boys Town provides a variety of services designed to give a child the respect, dignity, and discipline needed to forge a better life. These services include emergency and residential services that combine family style living, innovative treatment technology, and education. Boys Town also provides in-home counseling and training to families in crisis, training to foster parents, and classes that focus on problem resolution and parenting skills.

In 1992, Boys Town purchased 12 acres of land at 4801 Sargent Road in Northeast Washington. At the site, Boys Town operates an emergency short-term residential center and a long-term residential home, and provides foster family services and parenting services. Since 1993, when Boys Town opened its doors in the District, its short- and long-term shelters have served 675 youth, and its counseling services have served 1,040 families. In 1997 the short- and long-term shelters were filled to capacity, providing housing for 300 boys and girls.

Boys Town requests a one-time appropriation of \$7,100,000 to cover the capital costs and first year operating expenses for additional facilities. The funds will be used to construct another emergency short-term residential center and four long-term residential homes. The money will also be used to fund additional foster family services. The emergency residential center will be able to provide temporary housing for 300 troubled girls a year, 24 hour crisis and respite services for teens and families, counseling, education, and skill training for parents. Each of the four residential homes will provide long-term family style living with family teachers for up to six children.

The costs associated with the new center, homes, and services are: \$4,700,000 in capital costs (\$2,200,000 for the emergency center and \$2,400,000 for the residential homes); and \$2,400,000 in first year expenses (\$1,200,000 for the emergency center; \$900,000 for the residential homes; and \$300,000 for reunification and aftercare).

In 1997, a total of 1,639 abuse and neglect cases were filed for civil prosecution in the D.C. Superior Court. As of December 1997, 6,080 children were being supervised by the Child and Family Services Agency, the District's child protection system. Of these children, 3,116 were in out-of-home placements, such as foster care and group homes. In 1997, 3,095 juveniles were arrested for offenses which include homicide, rape, vehicle theft, robbery, aggravated assault, larceny, disorderly conduct, drug offenses, sex offenses, prostitution, vandalism, simple assault, and petty theft.

Boys Town operations across the country generally enjoy stable contractual relationships with the State agencies with whom they contract. The District's Boys Town operations receive referrals from the Department of Human Services [DHS], which has not been consistent in its payments to Boys Town for the emergency shelter, treatment and foster care, and long-term care services it has provided. In fact, most payments owed by DHS to Boys Town are between 60 and 120 days delinquent. The crisis in the District's Child and Family Services Agency resulted in the establishment in August 1995 of the LaShawn Foster Care Receiver. Despite the outstanding payments owed by the District government, Boys Town continues to provide services and shelter to the District's disadvantaged youth.

The Committee recommends a one-time appropriation of \$7,100,000 for the capital costs and first year's operating expenses for the Boys Town expansion project in the District of Columbia. With District children staying in foster care twice as long as the national average and with social workers handling staggering case-loads, the District of Columbia's youth are in dire need of new child care facilities. Expanded services at the District's Boys Town Center will help relieve the pressure placed on the District's child welfare system. Boys Town's innovative approach to child welfare and impressive record of success will provide the District's at-risk youth a means to exchange harmful situations for a functional and vital family environment.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA FOR THE  
NATION'S CAPITAL INFRASTRUCTURE FUND

The Committee recommends a payment of \$75,000,000 to the Nation's Capital infrastructure fund for the repair and maintenance of the District's roads, highways, bridges and transit. The District's consensus budget recommends \$254,000,000 in Federal funds for the District's cost of infrastructure repairs and improvements. The President's budget proposal does not include funding for the Nation's Capital infrastructure fund.

Each day almost one-half of 1 million people flow into the District. Many of these individuals commute from the surrounding suburban areas by automobile, substantially contributing to the wear and tear on the District's roads and bridges. Proper maintenance of the District's roadways is necessary for the District to remain a viable place to live, work, and visit. According to the Office of the Chief Financial Officer, 28 percent of the District's 1,020 miles of streets and highways have been rated as mediocre or poor. Both the District's failure to invest in proper maintenance and the heavy flow of commuters into and out of the District each day have contributed to the deteriorated condition of the District's roadways.

The appropriated funds shall be used to rehabilitate and reconstruct those roads and bridges identified by the District government as priorities for repair during fiscal year 1999. Prior to obligating any of the appropriated funds, the Authority, in consultation with the Director of the Department of Public Works and the CMO, shall provide to the Appropriations Committees of the Senate and House of Representatives by January 1, 1999, a program for infrastructure repairs and improvements to the District's roads, highways and bridges to be implemented during fiscal year 1999.

The Committee has provided the Authority discretionary authority to transfer not more than \$25,000,000 of the appropriated funds to the Washington Metropolitan Area Transit Authority [WMATA] for the purpose of constructing a Metrorail station expansion. The Committee notes that the proposed construction of the Washington Convention Center, approved by the Authority on July 13, 1998, will be built adjacent to the Mount Vernon Square-UDC Metrorail Station. This station is not able, in its current configuration as a residential station, to accommodate the volume of traffic that a new convention center would generate.

The Committee has provided that, from the \$75,000,000 appropriated to the Authority, up to \$25,000,000 may be transferred to WMATA to fund the cost of the reconstruction of the Mount Vernon Square-UDC Metrorail Station to accommodate the anticipated traffic of the new convention center. The Committee directs that, prior to any transfer of funds by the Authority to WMATA, the Authority shall report to the Committees on Appropriations of the Senate and House of Representatives, the Committee on Governmental Affairs of the Senate, and the Committee on Government Reform and Oversight of the House of Representatives with a justification for the transfer of funds to WMATA.

## FEDERAL PAYMENT TO CORRECTIONS TRUSTEE OPERATIONS

Pursuant to section 11601 of the Revitalization Act, the Committee recommends an appropriation of \$184,800,000 for payment to the D.C. corrections trustee for the administration and operation of correctional facilities for sentenced adult felons.

The corrections trustee is responsible for: (1) financial oversight of the operations of the D.C. Department of Corrections [DOC]; (2) facilitating the closure of the Lorton correctional complex in Lorton, VA, by December 31, 2001, and the transfer of sentenced felon prisoners from the District to the Federal Bureau of Prisons; and (3) assisting the DOC in its reformation and stabilization.

Of the appropriated funds, approximately \$178,300,000 will be used to house the District's sentenced adult felon population in private, Federal, and District facilities. Of the current D.C. adult felon population of 7,200 inmates, 2,000 inmates will be transferred to private facilities contracted by the Federal Prison System by December 31, 1999. The remaining inmates will be transferred to the Federal Prison System when the Lorton complex is closed or by December 31, 2001, whichever is earlier.

During this transition period, the corrections trustee will work closely with the DOC to oversee its financial operations and assist in the strategic planning process to prepare the DOC for its new role as a local correctional authority. In its new role, the DOC will be responsible for its pretrial and misdemeanor inmate population and those prisoners held for court-related procedures.

The remaining appropriation of \$6,500,000 shall be used for personnel services; internal controls and audits; and administrative expenses. The Committee supports the efforts of the corrections trustee to improve the policies, efficiencies, and operations at the DOC by the establishment of an internal control, accountability, and audit system.

## FEDERAL PAYMENT FOR D.C. COURTS

The National Capital Revitalization and Self-Government Improvement Act of 1997 (hereinafter in this section referred to as "the Revitalization Act") required the Federal Government to finance the D.C. courts (hereinafter in this section referred to as "courts") beginning in fiscal year 1998. The Federal payment funds the operations of the D.C. Court of Appeals, Superior Court, and the court system. Beginning with the fiscal year 1999 appropriations bill, the Federal Government will also provide funds for capital improvements. By law, the annual budget includes estimates of the expenditures for the operations of the courts prepared by the Joint Committee on Judicial Administration and the President's recommendation for funding the courts' operations.

The President's recommended level for fiscal year 1999 is \$142,000,000, which includes: \$121,000,000 for the courts operations; and \$21,000,000 for capital improvements for District courthouse facilities, said sum to remain available until September 30, 2001. The courts have requested \$148,000,000, which includes: \$133,000,000 for operations; and \$15,000,000 for capital improvements for fiscal year 1999 only. Based on the following analysis, the Committee supports the President's proposed funding level of

\$121,000,000 for the courts' operations; and \$7,000,000 for the courts' capital improvement program for fiscal year 1999 only.

*Program initiatives*

The courts' proposed budget includes \$80,427,000 in program initiatives. Of that amount, the President's proposed budget recommends only \$189,000 to fund the jury management system. The administration provided no explanation of why it supports this program initiative; nor did the administration provide an explanation of why it does not support the remaining seven program initiatives proposed by the courts.

The Committee does not take a position on the merits of the courts' proposed program initiatives. While the Committee has reviewed the proposed program descriptions and does not object to the goals these programs are designed to accomplish, the Committee is concerned that the courts are proposing to undertake new programs when they sought an \$8,000,000 supplemental appropriation for fiscal year 1998. The Committee directs the courts to determine methods to reduce their operating costs and increase efficiencies. The Committee further directs that funding for new program initiatives be derived from cost savings generated by improved efficiencies in the courts' operations.

*Quarterly apportionments*

The Committee directs that the quarterly apportionments paid by the Treasury to the courts shall be in equal payments, exclusive of payments for the capital account and the pension account. Should the Office of Management and Budget [OMB] recommend that more than an equal quarterly payment be made to the courts, the Director of OMB shall forward to the chairmen of the Committees on Appropriations of the Senate and House of Representatives a written request that includes an itemized statement of the recommended payment and a justification for each item for which an increased payment is recommended. Both Committee chairmen shall provide OMB with a written approval of the payment request before OMB can direct the increased quarterly payment by the Treasury of the United States.

*Payroll and financial services*

Since the Federal Government began funding the courts' operations in fiscal year 1998, the Committee has requested documentation from the courts in an effort to determine the division of the courts expenses between personnel and nonpersonnel functions. Public Law 105-100, District of Columbia Appropriations, Fiscal Year 1998, included language requiring the Treasury of the United States to make quarterly apportionments approved by the Office of Management and Budget. The law further required the General Services Administration [GSA] to provide, on a contractual basis, payroll and financial services for the courts and to provide the President and Congress with monthly financial reports. GSA and the courts have failed to provide the Committee with timely monthly financial reports, and the data provided did not assist the Committee in analyzing the courts' budget.

To assist the Committee in obtaining timely, useful and thorough financial information on the courts' monthly expenditures, the Committee directs the courts to contract with the Department of Agriculture's National Finance Center [NFC] to provide payroll and personnel financial services. The NFC shall provide monthly financial reports on the courts' monthly personnel expenditures. The reports should break down employees between judicial and non-judicial employees; identify each employee by office, function, and job title; and designate the salary for each employee. The NFC shall submit copies of the monthly reports directly to the four congressional committees with jurisdiction over the District of Columbia. Through the regular receipt of accurate, detailed information on the courts' expenditures, the Committee will be better equipped to analyze future funding requests from the courts.

#### *Court personnel*

The Committee notes that on December 7, 1997, the Joint Committee on Judicial Administration authorized a 7-percent pay scale adjustment, and the courts are requesting an additional \$542,000 for court employees compensation. The courts are also proposing to fill 87 additional FTE positions in fiscal year 1999. Because of the courts' purported budget shortfall for fiscal year 1998, the Committee supports the President's proposed FTE level for fiscal year 1999, allocated by entity as follows:

<i>Entity</i>	<i>FTE level</i>
Court of appeals .....	96
Superior court .....	1,017
District court system .....	120
	<hr/>
Total FTE .....	1,233

The Committee directs the courts to review actual personnel needs, taking into consideration the impact of the passage of the Revitalization Act; Governmentwide downsizing at both the Federal, State, and local levels; and efficiencies resulting from technological improvements. The Committee further directs the courts to submit to Congress by April 1, 1999, a viable staffing model that ties individual staff positions to both job title and function.

#### *D.C. courts capital projects*

The President's budget proposal requests \$21,000,000, to remain available until September 30, 2001, for capital improvements for District courthouse facilities. However, the supporting documentation and projected costs provided the Committee in the President's District of Columbia Court's Budget Request (H. Doc. 105-230), are based on August 1995 data. The capital budget subdivides the restoration projects into three project groups: those to be completed within 2 years; those to be completed within 3 to 5 years; and those to be completed in 6 to 15 years.

Based on the dated cost projections and extended time-line for capital projects included in the courts' capital improvements program, the Committee is funding \$7,000,000 in fiscal year 1999 to fund the first year of the courts' 3-year capital program. The Committee looks forward to receiving a timely, accurate, and detailed

master plan for the courts' capital improvement program to accompany the courts' capital funding request for fiscal year 2000.

The Committee directs OMB to report to the Committee prior to releasing funds during fiscal year 1999 for any capital improvements to the District's courthouse facilities. The report shall: (1) identify the facility undergoing improvement; (2) include a complete description of the project to be undertaken; (3) itemize each improvement, renovation, or service and its cost; (4) include the contracting date, contracting party, and a timeline for the completion of each contracted improvement, renovation, or service; and (5) identify any design studies for which funding is sought.

#### FEDERAL PAYMENT TO THE GEORGETOWN WATERFRONT PARK FUND

The Committee directs the payment of \$1,000,000 to the Georgetown Waterfront Park fund, a 501(c)(3) nonprofit organized for the purpose of restoring to park land an area on the Potomac River side of K Street, NW., between a point west of the Francis Scott Key Bridge and 31st Street, NW., described on the District of Columbia surveyor's plat No. S.O. 84-230.

The Committee notes that the Georgetown Waterfront Park boundary was formally established on August 2, 1984, by the National Capital Planning Commission [NCPC]. On September 10, 1985, the District of Columbia Council approved the transfer of jurisdiction over the Georgetown Waterfront Park to the National Park Service for public park and recreational purposes. The National Park Service, in cooperation with the District of Columbia, entered into a public planning process which resulted in a master plan for the park. The Committee also notes that the NCPC's 1996 report, "Extending the Legacy," as well as the NCPC's comprehensive plan for the National Capital both contemplate the establishment of such a park along the Potomac River as would be created by the Georgetown Waterfront Park.

The Committee directs that \$1,000,000 shall be matched by an equal amount from private contributions. The Committee directs that an annual audit of the funds made available by this appropriation be provided by the Georgetown Waterfront Park fund to the House and Senate Committees on Appropriations, the Senate Committee on Governmental Affairs, and the House Committee on Government Reform and Oversight.

#### FEDERAL PAYMENT FOR A NATIONAL MUSEUM OF AMERICAN MUSIC AND CITY MUSEUM

##### *National Museum of American Music*

The Committee notes with approval that the Federal City Council, a 501(c)(3) nonprofit whose president is former Senator Robert Dole, has undertaken the role of coordinating with the Smithsonian Institution, the Library of Congress, the Office of the First Lady, as well as the estate of Frank Sinatra and others in the private sector, to develop a National Museum of American Music. The Committee further notes that part of the long-term plan for the development of downtown Washington, DC, as determined by the National Capital Planning Commission in the 1996 report "Extending the Legacy" contemplates a growing downtown arts and entertain-

ment district with new museums complementing the National Portrait Gallery, the National Museum of American Art, and the new MCI Arena, among other projects.

The Committee directs that \$500,000 be placed in escrow with the Authority to be available for the design of a National Museum of American Music. The Committee directs that such work be conducted in consultation with the Washington Center Alliance, a non-profit organization formed to promote downtown development.

The Committee expects that an annual financial audit be submitted to the Congress by the Federal City Council detailing the use of these funds.

*City museum and visitors center*

The Committee directs that \$500,000 be placed in escrow with the Authority to be available for the purpose of establishing a city museum for the Nation's Capital, to be made available by the Authority to the Historical Society of Washington, DC, a nonprofit organization which has been responsible since 1993 for maintaining the collection of the former Museum of the City of Washington chartered by the District Council in 1980. At present, this collection is in storage. It is the expectation of the Committee that the Authority will, on behalf of the Historical Society of Washington, DC, consult with the Smithsonian Institution, the General Services Administration, and other appropriate local and Federal agencies for assistance in finding a suitable location for the city museum. The Committee expects that an annual financial audit be submitted to the Congress by the Historical Society detailing the use of these funds.

## 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 1999 budget was submitted, the District estimated that it would receive a total of \$2,300,199,780 in Federal grants during the coming fiscal year.

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

*Summary of Federal grants assistance to the District of Columbia*

<i>Agency</i>	<i>1999 estimate</i>
Governmental direction and support:	
Office of Contracts and Procurement .....	\$2,285,000
Office of the Chief Financial Officer .....	11,670,000
Total, Governmental direction and support .....	13,955,000
Economic development and regulation:	
Department of Housing and Community Development .....	44,424,000
Department of Employment Services .....	35,571,000
Department of Consumer and Regulatory Affairs .....	370,000
Total, economic development and regulation .....	80,365,000
Public safety and justice:	
Metropolitan Police Department .....	11,060,000
Office of the Corporation Counsel .....	12,319,000

*Summary of Federal grants assistance to the District of Columbia—Continued*

<i>Agency</i>	<i>1999 estimate</i>
Department of Corrections .....	1,500,000
Office of Emergency Preparedness .....	1,008,000
Total, public safety and justice .....	25,887,000
Public education system:	
Public schools .....	95,121,000
University of the District of Columbia .....	14,079,000
Public library .....	686,000
Commission on the Arts and Humanities .....	361,000
Total, public education system .....	110,247,000
Human support services:	
Department of Human Development .....	197,705,000
Department of Health .....	678,850,000
Department of Recreation and Parks .....	34,000
Office on Aging .....	5,300,000
Office of Human rights .....	106,000
Energy Office .....	4,687,000
Total, human support services .....	886,682,000
Public works:	
Department of Public Works .....	3,124,000
Department of Motor Vehicles .....	92,000
Total, public works .....	3,216,000
Receivership programs:	
Child and Family Services Receiver .....	31,582,000
Commission on Mental Health Services Receiver .....	65,109,000
Total, receivership programs .....	96,691,000
Enterprise funds: Public Service Commission	252,000
Total, Federal grants—operating expenses .....	1,217,295,000
Capital outlay—grants .....	1,082,904,780
Grand total, Federal grants .....	2,300,199,780

## DISTRICT OF COLUMBIA FUNDS

## OPERATING EXPENSES

## GOVERNMENT DIRECTION AND SUPPORT

The Committee recommends a total of \$164,717,000 for fiscal year 1999.

A comparative summary by agency follows:

GOVERNMENTAL DIRECTION AND SUPPORT

Agency/activity	Fiscal year 1998 approved	Fiscal year 1999 request	Intra-District	Fiscal year 1999 request less intra-District	Committee recommendation	Intra-District	Committee recommendation less intra-District	Fiscal year 1998 approved	Bill compared with— Fiscal year 1998 approved	Fiscal year 1999 request
Council of the District of Columbia	\$8,575,000	\$9,388,000		\$9,388,000	\$9,388,000		\$9,388,000	\$813,000		
Office of the District of Columbia Auditor	919,000	1,048,000		1,048,000	1,048,000		1,048,000	129,000		
Advisory Neighborhood Commissions	562,000	573,000		573,000	573,000		573,000	11,000		
Office of the Mayor	2,024,000	2,256,000		2,256,000	2,256,000		2,256,000	232,000		
Office of the Secretary	2,069,000	2,146,000		2,146,000	2,146,000		2,146,000	77,000		
Office of Communications	328,000	350,000		350,000	350,000		350,000	22,000		
Office of Intergovernmental Relations	1,225,000	1,271,000		1,271,000	1,271,000		1,271,000	46,000		
Office of the City Administrator	4,417,000	1,166,000	-\$240,000	926,000	1,166,000	-\$240,000	926,000	-3,251,000		
Office of Personnel	10,120,000	9,879,000	-916,000	8,963,000	9,879,000	-916,000	8,963,000	-241,000		
Department of Administrative Services	22,020,000							-22,020,000		
Office of Contracts and Procurement		18,804,000	-1,724,000	17,080,000	18,804,000	-1,724,000	17,080,000	18,804,000		
Office of the Chief Technology Officer		17,898,000	-2,974,000	14,924,000	17,898,000	-2,974,000	14,924,000	17,898,000		
Office of Property Management		36,270,000	-26,825,000	9,445,000	36,270,000	-26,825,000	9,445,000	36,270,000		
Contract Appeals Board	634,000	603,000		603,000	603,000		603,000	-31,000		
Tax Revision Commission	500,000						-500,000			
Board of Elections and Ethics	2,947,000	2,954,000		2,954,000	2,954,000		2,954,000	7,000		
Office of Campaign Finance	808,000	920,000		920,000	920,000		920,000	112,000		
Public Employee Relations Board	413,000	559,000		559,000	559,000		559,000	146,000		
Office of Employee Appeals	1,139,000	1,213,000		1,213,000	1,213,000		1,213,000	74,000		
Metropolitan Washington Council of Governments	374,000	374,000		374,000	374,000		374,000			
Independent agencies:										
Office of Inspector General	5,731,000	7,430,000		7,430,000	7,430,000		7,430,000	1,699,000		
Office of the Chief Financial Officer	4,948,000	89,411,000	-7,117,000	82,294,000	89,411,000	-7,117,000	82,294,000	84,463,000		
Office of Budget and Planning	3,661,000							-3,661,000		
Office of Grants Management and Development	16,013,000							-16,013,000		
Office of Finance and Treasury	6,522,000							-6,522,000		
Office of Financial Operations and Systems	13,451,000							-13,451,000		
Office of Tax and Revenue	18,532,000							-18,532,000		
Total, governmental direction and support	127,932,000	204,513,000	-39,796,000	164,717,000	204,513,000	-39,796,000	164,717,000	76,581,000		

## COUNCIL OF THE DISTRICT OF COLUMBIA

The Committee recommends \$9,388,000 to be derived from general revenues for fiscal year 1999 and 150 full-time equivalent [FTE] positions. This is an increase of \$813,000 and seven FTE positions over fiscal year 1998. The Council of the District of Columbia (Council) is the legislative branch of the local government responsible for enacting laws, approving the annual operating budget, and establishing and overseeing the programs and operations of government agencies. The Council, composed of 13 members, exercises its legislative responsibilities through 13 standing committees. Proposed legislation is referred to an appropriate committee where all data collection, hearings, analysis, and other related activities are conducted.

## D.C. AUDITOR

The Committee recommends the requested appropriation for fiscal year 1999 of \$1,048,000 and 12 FTE positions. This is an increase of \$129,000 and one FTE position over fiscal year 1998. The D.C. Auditor is required to audit annually the accounts and operations of the District government and certify revenue assumptions underlying budgetary and financial actions.

## ADVISORY NEIGHBORHOOD COMMISSIONS [ANC]

The Committee recommends the requested appropriation for fiscal year 1999 of \$573,000. This is an increase of \$11,000 above the fiscal year 1998 level. The ANC's have the responsibility for advising the District government on matters of public policy and issues such as planning, transportation, social services, health, safety, and sanitation, especially as they relate to their respective neighborhood commission areas. The 37 chartered ANC's, which are made up of 299 single-member districts, serve as a liaison between the District government and the community.

## OFFICE OF THE MAYOR

The amount recommended for the Office of the Mayor is \$2,256,000 and 39 FTE positions for fiscal year 1999. This represents an increase of \$232,000 and no new FTE positions. The Mayor provides leadership in advocating the priorities and needs of the District's constituents through the development of policies formulated by input from the citizens, and ensuring that the independent nonelected entities that operate the District government reflect these policies.

## OFFICE OF THE SECRETARY

The Committee recommends \$2,146,000 and 33 FTE positions for fiscal year 1999. This represents an increase of \$77,000 and a decrease of one FTE position from fiscal year 1998. The Office of the Secretary serves as the administrative and logistical staff support to the Mayor and the immediate executive offices of the Mayor. The Office of the Secretary is the sole custodian of the seal of the District of Columbia and authenticates its proper use. The secretary attests to the authenticity of executive branch official records.

## OFFICE OF COMMUNICATIONS

The Committee recommends the sum of \$350,000 and six FTE positions for the fiscal year 1999 budget. This represents an increase of \$22,000 and no new FTE positions from fiscal year 1998. The Office of Communications is responsible for coordinating and disseminating official information regarding the policies, programs, and activities of the District government to the news media and the public.

## OFFICE OF INTERGOVERNMENTAL RELATIONS

The Committee recommends \$1,271,000 and 16 FTE positions for the Office of Intergovernmental Relations for fiscal year 1999. This represents an increase of \$46,000 and a decrease of one FTE position from fiscal year 1998. This office is responsible for assisting agencies to communicate and work with other branches of the local government on legislative issues, operations, and the delivery of services. The office also acts as a liaison between the District government and the Congress, the White House, Federal agencies, and regional governments and entities.

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

The Committee recommends \$926,000 and 13 FTE positions for fiscal year 1999 for the city Administrator/Deputy Mayor for Operations. This level represents a reduction of \$2,796,000 and three FTE positions from fiscal year 1998. The City Administrator/Deputy Mayor for Operations is the primary official designated to exercise the powers and duties of the Mayor during the Mayor's absence.

The Committee is concerned that the funding and staffing levels for the Office of City Administrator remain excessive given the management reforms implemented since August 1997. With the establishment of the Office of Chief Management Officer [OCMO] and the assumption by the OCMO of the majority of responsibilities previously under the Office of the City Administrator, the Office of the City Administrator has a reduced function in the District government. The Committee directs the Authority to review the budget, staffing, and function of the OCMO and report its findings to the Committee by April 1, 1999. The Committee expects the Authority's report to include recommendations on reducing, eliminating or consolidating with another office the budget and staffing of the Office of City Administrator for fiscal year 2000.

## D.C. OFFICE OF PERSONNEL

The Committee recommends the requested budget of \$8,963,000 and 165 FTE positions for fiscal year 1999. This represents a decrease of \$155,000 and 16 FTE positions below fiscal year 1998 levels. The Office of Personnel is responsible for providing an effective human resource management program for the D.C. government. Responsibility for performance management initiatives and 16 FTE positions are being transferred to the Human Resource Development Agency.

## DEPARTMENT OF ADMINISTRATIVE SERVICES

The Committee recommends no new funding for fiscal year 1999. The Department of Administrative Services [DAS] will be abolished at the end of fiscal year 1998. The functions performed by DAS will be assumed by the following new organizations: Office of the Chief Procurement Officer, Office of the Chief Technology Officer, and the Office of Real Property Management.

## OFFICE OF CONTRACTS AND PROCUREMENT

The Office of Contracts and Procurement is responsible for improving the cost, quality, and timeliness of delivery of goods and services by the District's supplier base and is headed by the Chief Procurement Officer. The Committee recommends \$17,080,000 and 234 FTE positions for fiscal year 1999.

## OFFICE OF THE CHIEF TECHNOLOGY OFFICER

The Office of the Chief Technology Officer is responsible for providing and enforcing direction, policy, and standards to the various government agencies regarding the procurement and implementation of technology-based solutions. The Committee recommends \$14,924,000 and 52 FTE positions for fiscal year 1999.

## DEPARTMENT OF PROPERTY MANAGEMENT

The Department of Property Management is responsible for the acquisition, disposition, management, and maintenance of all District owned and leased property. The office replaces the former DAS Buildings Management Administration and Real Property Administration. The Committee recommends \$9,445,000 and 78 FTE positions for fiscal year 1999.

## CONTRACT APPEALS BOARD

The Committee recommends the requested budget of \$603,000 and six FTE positions for fiscal year 1999. This represents a decrease of \$31,000 and the no new FTE positions. The Contract Appeals Board hears, reviews, and decides contracting disputes between the District government and the contracting community.

## BOARD OF ELECTIONS AND ETHICS

The Committee recommends for fiscal year 1999 the requested budget of \$2,954,000 and 50 FTE positions. This represents an increase of \$7,000 and no new FTE positions. The Board of Elections and Ethics is charged with administering and enforcing the election laws of the District of Columbia.

## OFFICE OF CAMPAIGN FINANCE

The Committee recommends \$920,000 and 15 FTE positions for fiscal year 1999. This represents an increase of \$112,000 and no new FTE positions. The Office of Campaign Finance is responsible for independently administering and enforcing District laws pertaining to the financial disclosure process and the conduct of political campaigns and candidates, lobbyists, public officials, and political committees.

## PUBLIC EMPLOYEES RELATIONS BOARD

The Committee recommends \$559,000 and four FTE positions in fiscal year 1999. This represents an increase of \$146,000 and no new FTE positions. The Public Employees Relations Board is responsible for the impartial resolution of labor-management disputes in the District government.

## OFFICE OF EMPLOYEE APPEALS

The Committee recommends \$1,213,000 and 15 FTE positions for fiscal year 1999, to be derived from general revenues. This reflects an increase of \$74,000 and no new FTE positions. This office is responsible for adjudicating appeals in which District employees have challenged decisions regarding adverse actions, reductions in force, grievances, performance evaluations, classification of positions, erroneous employee overpayments, and issues of privacy and records management.

## METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS

The Committee recommends \$374,000 for fiscal year 1999, the same level as fiscal year 1998. The Metropolitan Washington Council of Governments provides a forum for the cooperative resolution of regional issues such as substance abuse, traffic congestion, public safety, inadequate housing, and air and water pollution.

## INDEPENDENT AGENCIES

## OFFICE OF THE INSPECTOR GENERAL

The Committee recommends \$7,430,000 and 60 FTE positions in fiscal year 1999. These levels reflect an increase of \$1,699,000 and 16 FTE positions. The Office of the Inspector General is responsible for the prevention and detection of fraud, abuse, waste, and mismanagement in the programs and operations of the District government.

## OFFICE OF THE CHIEF FINANCIAL OFFICER

The Committee recommends \$82,294,000 and 954 FTE positions for fiscal year 1999. This reflects an increase of \$77,342,000 and 897 FTE positions over the fiscal year 1998 levels. Through comprehensive financial management, the Office of the Chief Financial Officer [OCFO] is responsible for bringing fiscal stability, accountability, and integrity to the District government to support public services and restore stakeholder confidence in the government of the District of Columbia. The increased funding will be used in part to support revenue generating activities in accordance with Public Law 105-100, section 138(a)(1)(B)(ii).

The Committee recommendation represents the consolidated budget for all divisions in the OCFO: (1) Policy and Operating Support Office; (2) Office of Budget and Planning; (3) Office of Grants Management and Development; (4) Office of the Chief Information Officer; (5) Office of Financial Operations and Systems; (6) Office of Finance and Treasury; and (7) Office of Tax and Revenue.

The Policy and Operating Support Office provides policy and operational support to the District's core financial operation and to the financial operations of the District's program agencies.

The Office of Budget and Planning serves as executive advisor on the budget for the District of Columbia. It prepares, monitors, analyzes, and executes the District's budget and financial plan, including operating funds, capital funds, and enterprise funds.

The Office of Grants Management and Development is the certified State agency for receiving Federal grants. It is responsible for obtaining and administering the maximum amount of Federal, foundation, and corporate resources to support the policies and programs of the District government.

The Office of the Chief Information Officer is responsible for the development and maintenance of Districtwide financial systems. The office is the implementing agency for the new financial management system and is responsible for the integration and planning of financial management operations and systems.

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

The Office of Finance and Treasury is responsible for the management of the District's assets and liabilities.

The Office of Tax and Revenue is responsible for ensuring the effective administration and enforcement of the District's business, income, excise, and real property tax laws. The office initiates tax compliance and collections efforts, processes taxpayers' returns and refunds, and provides tax-related assistance and information for District residents.

#### *Financial Management System*

The Committee has reviewed the July 8, 1998, GAO report on the status of the District government's acquisition of a new financial management system [FMS]. The Committee commends the CFO's Office of the Chief Information Officer [OCIO] for the effective management of the acquisition and implementation of the District government's new FMS. The Committee supports the training plan developed by the OCIO and notes with approval the various training courses offered District employees and the availability of a help desk to assist employees as they learn to operate the system. The Committee looks forward to regular briefings on the status of the FMS and directs the OCIO to report to the Committee on whether the District government meets the anticipated conversions date of October 1, 1998. Should this deadline not be met, the Committee directs the OCIO to include in its report the reasons for the delay and the revised conversion schedule.

#### ECONOMIC DEVELOPMENT AND REGULATION

The Committee recommends a total of \$156,039,000 for fiscal year 1999, of which \$12,000,000 will be collected from business improvement district tax revenue.

Following is a tabulation of the allocated funds by agency or department:

ECONOMIC DEVELOPMENT AND REGULATION

Agency/activity	Fiscal year 1998 approved	Fiscal year 1999 request	Intra-District	Fiscal year 1999 request less intra-District	Committee recommendation	Intra-District	Committee recommendation less intra-District	Bill compared with—	
								Fiscal year 1998 approved	Fiscal year 1999 request
Business services and economic development .....	\$58,479,000	\$20,746,000	-\$2,106,000	\$18,640,000	\$20,746,000	-\$2,106,000	\$18,640,000	-\$37,733,000	.....
Office of Zoning .....	927,000	956,000	.....	956,000	956,000	.....	956,000	29,000	.....
Department of Housing and Community Development .....	.....	53,709,000	-1,200,000	52,509,000	53,709,000	-1,200,000	52,509,000	53,709,000	.....
Department of Public and Assisted Housing .....	2,080,000	2,080,000	.....	2,080,000	2,080,000	.....	2,080,000	.....	.....
Department of Employment Services .....	57,319,000	57,132,000	-328,000	56,804,000	57,132,000	-328,000	56,804,000	-187,000	.....
Board of Appeals and Review .....	153,000	203,000	.....	203,000	203,000	.....	203,000	50,000	.....
Board of Real Property Assessments and Appeals .....	286,000	293,000	.....	293,000	293,000	.....	293,000	7,000	.....
Department of Consumer and Regulatory Affairs .....	14,527,000	24,554,000	.....	24,554,000	24,554,000	.....	24,554,000	10,027,000	.....
Total, Economic Development and Regulation .....	133,771,000	159,673,000	-3,634,000	156,039,000	159,673,000	-3,634,000	156,039,000	25,902,000	.....

## BUSINESS SERVICES AND ECONOMIC DEVELOPMENT

The Committee recommends \$18,640,000 and 46 FTE positions for fiscal year 1999 for the Department of Business Services and Economic Development. These levels represent a decrease of \$37,733,000 and 391 FTE positions from fiscal year 1998. The department is responsible for facilitating the creation and growth of wealth in the District of Columbia and the expansion of its revenue base by developing and implementing programs and policies for the retention, expansion, and attraction of commerce and trade; and developing and maintaining stable, diverse and attractive neighborhoods throughout the District. This department is comprised of four major programs: Office of Economic Development, Office of Motion Picture and Television Development, Office of Planning, and Office of Local Business Development.

## OFFICE OF ZONING

The Committee recommends \$956,000 and 13 FTE positions in fiscal year 1999. This represents an increase of \$29,000 and no new FTE positions compared to fiscal year 1998. The Office of Zoning provides professional, technical, and administrative staff support to the Zoning Commission and the Board of Zoning Adjustment in the maintenance and regulation of the zoning process in the District of Columbia.

## DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

The Committee recommends \$52,509,000 and 164 FTE positions for the Department of Housing and Community Development [DHCD]. These levels represent an increase of \$52,509,000 and 164 FTE positions over fiscal year 1998. The proposed fiscal year 1999 funding allocation is a significant change from fiscal year 1998 because Federal funds, which comprise 83 percent of DHCD's proposed budget, were previously reported in the capital budget. The DHCD is responsible for administering housing, community and economic development programs.

## DEPARTMENT OF PUBLIC AND ASSISTED HOUSING

The Committee recommends \$2,080,000 for fiscal year 1999, the same funding level as fiscal year 1998. The Department of Public and Assisted Housing [DPAH] is responsible for ensuring the provision of safe, decent, and sanitary public and subsidized housing to eligible District residents based upon eligibility criteria or guidelines established under applicable Federal and local regulations. DPAH operates primarily with Federal grants, which are used to manage and maintain the public housing operations, and to acquire and construct public and subsidized housing. Since DPAH is under receivership, the Federal grants are not included in the baseline budget. The District only funds the Tenant Assistance Program [TAP], which is administered by DPAH.

## DEPARTMENT OF EMPLOYMENT SERVICES

The Committee recommends \$56,804,000 and 655 FTE positions for fiscal year 1999. This represents a decrease of \$187,000 and four FTE positions below fiscal year 1998 levels. The Department

of Employment Services provides opportunities for citizens to prepare for, find, and maintain gainful employment; provides income maintenance to mitigate the effects of unemployment; and ensures the quality of working conditions for wage earners by protecting their health, safety, rights, and benefits.

#### BOARD OF APPEALS AND REVIEW

The Committee recommends \$203,000, to be derived from general revenues, and two FTE positions for fiscal year 1999. This level represents an increase of \$50,000 over fiscal year 1998. The Board of Appeals and Review adjudicates appeals by citizens and medical facilities against decisions rendered by District agencies.

#### BOARD OF REAL PROPERTY ASSESSMENTS AND APPEALS

The Committee recommends \$293,000, to be derived from general revenues, and three FTE positions for fiscal year 1999. This level represents an increase of \$7,000, with no new FTE positions, over fiscal year 1998. The Board is responsible for ensuring that real property in the District is assessed at 100 percent of its estimated market value and at rates equal to similar properties.

#### DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS

The Committee recommends \$24,554,000, and 346 FTE positions, for fiscal year 1999. These levels reflect an increase of \$10,027,000 and 159 FTE positions over fiscal year 1998. The Department of Consumer and Regulatory Affairs is charged with protecting the health, safety, and welfare of District residents by regulating business activities, land and building use, occupational and professional conduct and standards, rental housing and condominiums, and the physical environment of the District.

#### *Alcoholic Beverage Commission inspectors*

Section 144 of District of Columbia appropriations, fiscal year 1998, Public Law 105-100, appropriated such sums as may be necessary to hire 12 additional inspectors for the Alcoholic Beverage Commission. Of the additional inspectors, it was the expressed intent that six shall focus their responsibilities on the enforcement of laws relating to the sale of alcohol to minors. So far, the District government has been slow to execute the clear intent of the Congress, despite follow-up correspondence with the officials of the District government and hearing questions for the record. Consequently, the Committee directs the District government to submit a report within 30 days of enactment of the Fiscal Year 1999 District of Columbia Appropriations Act to the Committees on Appropriations of the Senate and House of Representatives on plans to implement the clear intent of the Congress with regard to the hiring of the 12 alcohol inspectors, including plans to continue funding through fiscal year 1999.

#### *Day care inspectors*

Section 146 of the Fiscal Year 1998 District of Columbia Appropriations Act included a provision relating to the need for additional day care inspectors for the Department of Consumer and

Regulatory Affairs and the Department of Human Services in order to focus on the monitoring of day care centers and home day care operations, with emphasis on safety standards. The Committee directs the District government to submit a report within 30 days of enactment of this bill to the Committees on Appropriations of the Senate and House of Representatives on plans to implement this provision in fiscal year 1998 through fiscal year 1999.

PUBLIC SAFETY AND JUSTICE

The Committee recommends a total of \$751,346,000 in fiscal year 1999 for the public safety and justice activities funded in this appropriation.

A comparative summary by agency follows:

PUBLIC SAFETY AND JUSTICE

Agency/activity	Fiscal year 1998 approved	Fiscal year 1999 request	Intra-District	Fiscal year 1999 request less intra-District	Committee recommendation	Intra-District	Committee recommendation less intra-District	Bill compared with—	
								Fiscal year 1998 approved	Fiscal year 1999 request
Metropolitan Police Department	\$272,383,000	\$300,370,000	-\$4,716,000	\$295,654,000	\$300,370,000	-\$4,716,000	\$295,654,000	\$27,987,000	
Fire and Emergency Medical Services Department	98,851,000	101,638,000	-72,000	101,566,000	101,638,000	-72,000	101,566,000	2,787,000	
Police and fire retirement system	47,700,000	35,100,000		35,100,000	35,100,000		35,100,000	-12,600,000	
Office of the Corporation Counsel	17,418,000	43,389,000	-3,554,000	39,835,000	43,389,000	-3,554,000	39,835,000	25,971,000	
Settlements and judgments	14,800,000	19,700,000		19,700,000	19,700,000		19,700,000	4,900,000	
Department of Corrections	85,167,000	257,015,000	-2,158,000	254,857,000	257,015,000	-2,158,000	254,857,000	171,848,000	
National Guard	858,000	1,783,000		1,783,000	1,783,000		1,783,000	925,000	
Office of Emergency Preparedness	2,837,000	2,627,000		2,627,000	2,627,000		2,627,000	-210,000	
Commission on Judicial Disabilities and Tenure	125,000	138,000		138,000	138,000		138,000	13,000	
Judicial Nomination Commission	78,000	86,000		86,000	86,000		86,000	8,000	
<b>Total, Public Safety and Justice</b>	<b>540,217,000</b>	<b>761,846,000</b>	<b>-10,500,000</b>	<b>751,346,000</b>	<b>761,846,000</b>	<b>-10,500,000</b>	<b>751,346,000</b>	<b>221,629,000</b>	

## METROPOLITAN POLICE DEPARTMENT

The Committee recommends \$295,654,000 and 4,681 FTE positions for the Metropolitan Police Department [MPD] for fiscal year 1999. This represents an increase of \$28,875,000 and 83 FTE positions over fiscal year 1998 levels. The MPD is the primary law enforcement agency of the District of Columbia. The department's overall mission is to ensure public safety through the protection of life and property.

*Police service areas*

The Fiscal Year 1998 Appropriations Act for the District of Columbia required the MPD to report quarterly to the Committee on the 83 police service areas [PSA] activities and accomplishments in reducing crime in the District's neighborhoods. To date, the Committee has received two of the PSA quarterly reports. The Committee directs the MPD to provide semiannual reports on PSA activities to the Committee for fiscal year 1999. The reports should include for each PSA: (1) details on steps taken to reduce criminal activity; (2) monthly statistics on criminal activity, classified by crime type; and (3) the number of officers assigned to each PSA and responsibilities of each.

*MCI Center security*

The Committee notes that in March 1995, D.C. Arena LP, the parent company responsible for the construction and opening of the MCI Center, entered into an agreement with the District of Columbia under which the District government would be responsible for exterior security, crowd, and traffic control surrounding the MCI Center. In December 1995, the D.C. Redevelopment Land Agency, the District of Columbia, and the D.C. Arena LP entered into a more specific contract, which provided that the District of Columbia shall provide for all MCI Center events, at its sole cost and expense, highly visible protection directly outside the arena and in the surrounding area at a level sufficient to provide the highest practical level (as determined by the District in its reasonable judgment) of safety and security of the patrons of the MCI Center, traffic control personnel and other public safety personnel measures.

The Committee directs the MPD, from existing funds provided in this act, to honor the terms of all agreements entered into between the District of Columbia and D.C. Arena LP concerning the security in the area surrounding the MCI Center, and to report to the House and Senate Appropriations Committees, the Committee on Government Reform and Oversight of the House of Representatives and the Senate Committee on Governmental Affairs not later than December 1, 1998, on the status of MPD compliance with this directive.

## FIRE AND EMERGENCY MEDICAL SERVICES DEPARTMENT

The Committee recommends \$101,566,000 and 1,764 FTE positions for fiscal year 1999. This represents an increase of \$2,787,000 and one FTE position over the fiscal year 1998 levels. The department is responsible for providing fire prevention, firefighting, and

emergency medical and ambulance services throughout the District of Columbia.

#### POLICE AND FIREFIGHTERS' RETIREMENT SYSTEM

The Committee recommends \$35,100,000 for the police and fire retirement system for fiscal year 1999. This represents a decrease of \$12,600,000 below the fiscal year 1998 level. The police and firefighters' retirement system provides annuity payments and other retirement and disability benefits for the District Metropolitan Police and Fire Department retirees and survivors. The reduced funding level is the result of the August 5, 1997, enactment of the National Capital Revitalization and Self-Government Improvement Act, Public Law 105-33. Under the terms of the act, the Federal Government assumed the District's unfunded pension liability for the retirement plans of the teachers, police officers, firefighters, and judges. The Federal Government pays the future retirement, death, and a share of the disability benefits earned by those beneficiaries vested prior to June 30, 1997; benefits earned after the freeze date by teachers, police officers, and firefighters remain the responsibility of the District government.

#### OFFICE OF CORPORATION COUNSEL

For the Office of the Corporation Counsel [OCC], the Committee recommends \$39,835,000 and 482 FTE positions for fiscal year 1999. This represents an increase of \$27,219,000 and 296 FTE positions over fiscal year 1998 levels. The OCC is the legal office of the District government. It conducts all legal business for the District of Columbia, including all suits instituted by and against the government. During fiscal year 1999, the functions of the Office of Paternity and Child Support Enforcement in the Department of Human Services will transfer to the OCC.

#### SETTLEMENTS AND JUDGMENTS

The Committee recommends \$19,700,000 from general revenues for fiscal year 1999 for the payment of settlements and judgments, which represents an increase of \$4,900,000 over fiscal year 1998. This special account was established for the settlement of claims and suits and the payment of judgments in all types of tax cases entered against the District government.

#### DEPARTMENT OF CORRECTIONS

The Committee recommends \$254,857,000 and 2,996 FTE positions for the Department of Corrections [DOC] for fiscal year 1999. These levels represent an increase of \$690,000 and a reduction of 109 FTE positions compared to fiscal year 1998. The DOC protects the public by holding pretrial detainees and sentenced inmates in a secure setting and by increasing the probability that those placed in its care will live law-abiding lives after their release. Toward this objective, the department provides educational training and counseling opportunities to inmates during incarceration.

The National Capital Revitalization and Self-Government Improvement Act of 1997 (the act) transferred responsibility for sentenced adult felons to the Federal Government and provided for the

closure of the Lorton facilities by December 31, 2001. The DOC is currently addressing organizational and management issues necessary for the efficient and effective transition outlined in the act and is developing a comprehensive strategic plan for the operation of the new local jail system after the transfer of all sentenced felons.

#### D.C. NATIONAL GUARD

The Committee recommends \$1,783,000 and 30 FTE positions for the D.C. National Guard for fiscal year 1999. This represents an increase of \$925,000 and five FTE positions over fiscal year 1998. The National Guard is responsible for protecting life, property, and the interests of the District during civil emergencies. In addition to its more traditional public safety and military activities, the Guard actively supports various youth programs, economic development, and a drug-free community. It supplements the activities of the D.C. police and other law enforcement agencies on a daily basis.

#### OFFICE OF EMERGENCY PREPAREDNESS

The Committee recommends \$2,627,000 and 38 FTE positions for fiscal year 1999. This represents a decrease of \$210,000 and an increase of three FTE positions compared to fiscal year 1998 levels. The Office of Emergency Preparedness has the primary responsibility for directing, administering, and coordinating 24-hour emergency assistance to the District of Columbia.

#### COMMISSION ON JUDICIAL DISABILITIES AND TENURE

The Committee recommends \$138,000 and two FTE positions for the Commission on Judicial Disabilities and Tenure for fiscal year 1999. This is an increase of \$13,000 and no new FTE positions. The Commission on Judicial Disabilities and Tenure makes determinations concerning the discipline, involuntary retirement, and re-appointment of judges of the D.C. courts.

#### JUDICIAL NOMINATION COMMISSION

The Committee recommends the full budget request of \$86,000 and one FTE position, to be derived from general revenues, for the Judicial Nomination Commission in fiscal year 1999. This represents an increase of \$8,000 and no new FTE positions compared to fiscal year 1998 levels. The Commission is responsible for selecting and recommending nominees to the President to fill judicial vacancies in the D.C. Court of Appeals and the superior court.

#### PUBLIC EDUCATION SYSTEM

A total of \$773,334,000 is recommended for fiscal year 1999 for the operation of the public education system of the District of Columbia.

A comparative summary by agency follows:

PUBLIC EDUCATION SYSTEM

Agency/activity	Fiscal year 1998 approved	Fiscal year 1999 request	Fiscal year 1999 request less intra-District		Committee recommendation	Intra-District	Committee recommendation less intra-District	Bill compared with—	
			Intra-District	District				Fiscal year 1998 approved	Fiscal year 1999 request
Board of Education (public schools) .....	\$567,099,000	\$648,159,000	— \$3,354,000	\$644,805,000	\$648,159,000	— \$3,354,000	\$644,805,000	\$81,060,000	.....
Public charter schools .....	1,235,000	12,235,000	.....	12,235,000	12,235,000	.....	12,235,000	11,000,000	.....
Teachers' retirement system .....	9,700,000	18,600,000	.....	18,600,000	18,600,000	.....	18,600,000	8,900,000	.....
University of the District of Columbia .....	81,287,000	81,525,000	— 9,437,000	72,088,000	81,525,000	— 9,437,000	72,088,000	238,000	.....
Public library .....	22,036,000	23,419,000	.....	23,419,000	23,419,000	.....	23,419,000	1,383,000	.....
Commission on the Arts and Humanities .....	2,057,000	2,187,000	.....	2,187,000	2,187,000	.....	2,187,000	130,000	.....
Total, public education system .....	683,414,000	786,125,000	— 12,791,000	773,334,000	786,125,000	— 12,791,000	773,334,000	102,711,000	.....

## DISTRICT OF COLUMBIA PUBLIC SCHOOLS

The Committee recommends \$644,805,000 and 10,223 FTE positions for the D.C. public schools. These levels represent an increase of \$80,676,000 and 244 FTE positions over fiscal year 1998 levels. The D.C. public schools provide preschool, kindergarten, elementary, secondary, and continuing education programs for approximately 80,000 District students.

## PUBLIC CHARTER SCHOOLS

The Committee recommends \$12,235,000 for D.C. public charter schools for fiscal year 1999. This amount represents an \$8,859,000 increase over the fiscal year 1998 level. The fiscal year 1999 budget provides funds for the 21 public charter schools currently in operation.

A public charter school is a publicly funded school that is separate from the D.C. public schools [DCPS]. Public charter schools are exempt from D.C. statutes, policies, rules, and regulations established for DCPS and are organized in accordance with the D.C. Nonprofit Corporation Act. A public charter school exercises exclusive control over its educational program, expenditures, administration, personnel, and instructional methods within authorized limitations. The Public Charter Board, composed of seven members, works in conjunction with the D.C. School Board as the eligible chartering authority for public charter schools.

## TEACHERS' RETIREMENT SYSTEM

The Committee recommends \$18,600,000 for payment to the teachers' retirement system. This amount reflects an increase of \$8,900,00 over the fiscal year 1998 level. This fund provides payments to teachers retired under the Disability and Service Retirement Program and for survivor benefits and refund payments of retirement contributions made by teachers leaving the retirement program before attaining retirement eligibility. Under the National Capital Revitalization and Self-Government Improvement Act of 1997 (the act), the Federal Government assumed the District's pension liability for the retirement plans of the teachers, police officers, firefighters, and judges. Pursuant to the act, the Federal Government pays the future retirement, death, and a share of the disability benefits earned by those beneficiaries vested prior to June 30, 1997 (the freeze date). Benefits earned after the freeze date by teachers, police officers, and firefighters remain the responsibility of the District.

## UNIVERSITY OF THE DISTRICT OF COLUMBIA

The Committee recommends \$72,088,000 and 928 FTE positions for the University of the District of Columbia [UDC] for fiscal year 1999. These levels reflect a decrease of \$1,999,000 and an increase of 11 FTE positions compared to fiscal year 1998 levels. UDC is a public comprehensive university, federally chartered as a land-grant institution.

*University of the District of Columbia School of Law*

In a November 13, 1997, statement of the Senate Committee on Appropriations to accompany Public Law 105–100, District of Columbia Appropriations Fiscal Year 1998, the Authority was required to report to Congress on the University of the District of Columbia's School of Law (herein in this section referred to as "the law school"). The Authority was directed to report to Congress by March 1, 1998, on the accreditation status of the law school and make recommendations on whether or not the law school should continue to operate and receive funds from the D.C. government.

The Authority was further required to identify improvements required for the law school to receive full accreditation; and to determine the feasibility of funding both the undergraduate program and the law school to the degree required to give students a quality education.

In preparing the report, the Authority reviewed documentation submitted by the American Bar Association, collected information from UDC and law school officials, and discussed the issues with the UDC board of trustees.

The Authority's report concluded that, at present, the status of accreditation of the law school is provisional because: (1) Its financial resources are inadequate to sustain a sound program; (2) its education program fails to qualify its graduates for admission to the bar; (3) it is admitting applicants who do not appear capable of satisfactorily completing the program and being admitted to the bar; (4) its facilities and technological capacities are inadequate for the current program and future growth; (5) its facilities for the law library are insufficient; and (6) suitable group study rooms are not provided in the law library.

The Authority concluded that the question of whether the law school should continue to operate was not appropriate for Authority comment. However, the Authority concluded that the law school should not continue to receive funds indefinitely from the D.C. government. The Authority recommended that funding for the law school be phased out over a 3-year period, giving the law school an opportunity to achieve financial independence.

The Authority determined that UDC's financial resources cannot sustain the needs of both its undergraduate programs and the law school. The Authority concluded that the unmet fiscal needs of the undergraduate programs are so extensive, and the financial resources of the District are so limited, that UDC cannot continue to subsidize the law school without jeopardizing its ability to provide quality undergraduate programs.

Based on the Authority's extensive investigation and analysis of the status of the law school and the impact of continued funding on the UDC undergraduate program, the Committee supports the Authority's recommendation that, following a 3-year funding phase-out by the District government commencing in fiscal year 2000, the law school should not receive funding from the D.C. government. The Committee directs the UDC board of trustees to develop a financial plan for financial independence beginning October 1, 2003. The Committee further directs the board of trustees to report to the Authority, the Mayor, the Council of the District of Columbia, the Committees on Appropriations of the Senate and House of Rep-

representatives, the Senate Committee on Governmental Affairs, and the House Committee on Government Reform and Oversight by March 1, 1999, on the board's proposed financial plan for UDC.

#### D.C. PUBLIC LIBRARY

The Committee recommends \$23,419,000 and 434 FTE positions for the D.C. Public Library [DCPL] for fiscal year 1999. These levels reflect an increase of \$1,383,000 and 25 FTE positions over fiscal year 1998 levels. The DCPL was created to furnish books and other printed 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 all residents. The Public Library system comprises a main library (Martin Luther King Memorial Library), 26 neighborhood facilities and 2 specialized bookmobiles. Special services are provided for the deaf, the homebound, the blind, the physically handicapped, seniors, low-level adult readers, and adult basic education learners.

#### COMMISSION ON THE ARTS AND HUMANITIES

The Committee recommends a total of \$2,187,000 and nine FTE positions for fiscal year 1999. These levels reflect an increase of \$130,000 and no new FTE positions over fiscal year 1998. The Commission of the Arts and Humanities is responsible for acting on matters relating to the arts and by providing funds, services, and information to artists, art organizations, educational institutions, community organizations, government agencies, and the District community at large.

#### HUMAN SUPPORT SERVICES

The Committee recommends a total of \$1,514,751,000 for fiscal year 1999 for the operation of the human support services of the District of Columbia.

A comparative summary follows:

HUMAN SUPPORT SERVICES

Agency/activity	Fiscal year 1998 approved	Fiscal year 1999 request	Intra-District	Fiscal year 1999 request less intra-District	Committee recommendation	Intra-District	Committee recommendation less intra-District	Bill compared with—	
								Fiscal year 1998 approved	Fiscal year 1999 request
Department of Human Development	\$635,360,000	\$393,069,000	-\$1,653,000	\$391,416,000	\$393,069,000	-\$1,653,000	\$391,416,000	-\$242,291,000	
Department of Health	961,389,000	997,782,000	-1,702,000	996,080,000	997,782,000	-1,702,000	996,080,000	36,393,000	
Department of Recreation and Parks	26,088,000	27,318,000	-3,199,000	24,119,000	27,318,000	-3,199,000	24,119,000	1,230,000	
Office on Aging	18,392,000	18,264,000	-648,000	17,616,000	18,264,000	-648,000	17,616,000	-128,000	
Public Benefit Corporation subsidy	44,335,000	46,835,000		46,835,000	46,835,000		46,835,000	2,500,000	
Unemployment compensation fund	10,678,000	10,678,000		10,678,000	10,678,000		10,678,000		
Disability compensation fund	21,089,000	21,089,000		21,089,000	21,089,000		21,089,000		
Department of Human Rights	927,000	1,044,000		1,044,000	1,044,000		1,044,000	117,000	
Office on Latino Affairs	666,000	685,000	-30,000	655,000	685,000	-30,000	655,000	19,000	
Commission for Women	20,000								
D.C. Energy Office	5,219,000	5,219,000		5,219,000	5,219,000		5,219,000	-20,000	
Total, human support services	1,724,163,000	1,521,983,000	-7,232,000	1,514,751,000	1,521,983,000	-7,232,000	1,514,751,000	-202,180,000	

## DEPARTMENT OF HUMAN DEVELOPMENT

The Committee recommends a total of \$391,416,000 and 1,932 FTE positions for the Department of Human Development for fiscal year 1999. These levels reflect an increase of \$15,599,000 and one FTE position over fiscal year 1998 levels. In 1997 the Department of Human Services was divided into two distinct departments, Department of Human Development [DHD] and the Department of Health [DOH].

The DHD is responsible for setting policy and administering delivery of social and mental health services; implementation and administration of the District's program under the Personal Responsibility and Work Opportunity Reconciliation Act; and implementation of the Temporary Assistance for Needy Families Program.

## DEPARTMENT OF HEALTH

The Committee recommends a total of \$996,080,000 and 1,082 FTE positions for the Department of Health [DOH]. These levels represent an increase of \$34,952,000 and 265 FTE positions over fiscal year 1998 levels. The DOH is responsible for delivering health care services, implementing and administering the District's health insurance programs, and safeguarding public health within the District.

## DEPARTMENT OF RECREATION AND PARKS

The Committee recommends the sum of \$24,119,000 and 385 FTE positions for fiscal year 1999. These levels represent an increase of \$1,230,000 and a decrease of five FTE positions compared to fiscal year 1998 levels. The department develops and provides leisure services to residents of and visitors to the District of Columbia by maintaining the District's parks and recreation facilities.

## D.C. OFFICE ON AGING

The fiscal year 1999 recommendation for the D.C. Office on Aging is \$17,616,000 and 23 FTE positions. This level reflects an increase of \$267,000 and no new FTE positions compared to fiscal year 1998 levels. The Office on Aging is responsible for developing and implementing a comprehensive and coordinated system of health, education, employment, and social services for the District's citizens who are 60 years of age and older.

## PUBLIC BENEFIT CORPORATION SUBSIDY

The Committee recommends \$46,835,000 as a subsidy to the Public Benefit Corporation for fiscal year 1999 to provide financing support for the Public Benefit Corporation's uncompensated health care and service delivery to the District. This level is the same as the funding level for fiscal year 1998.

## UNEMPLOYMENT COMPENSATION FUND

The Committee recommends \$10,678,000 for fiscal year 1999. This level represents no change from the fiscal year 1998 budget. The unemployment compensation fund is a statutory program established to provide unemployment compensation to former District

government employees during periods of unemployment that are a result of separation through no fault of their own.

#### DISABILITY COMPENSATION FUND

The Committee recommends \$21,089,000 for the disability compensation fund for fiscal year 1999. This level represents no change from the fiscal year 1998 budget. The disability compensation fund provides District government employees injured on the job with workers' compensation, including medical care, vocational rehabilitation, compensation for lost wages, and survivor benefits.

#### OFFICE OF HUMAN RIGHTS

The Committee recommends \$1,044,000 and 16 FTE positions for fiscal year 1999. This level represents an increase of \$117,000 and no new FTE positions compared to fiscal year 1998 levels. The office is charged with the elimination of discriminatory practices in employment, housing and commercial space, places of public accommodation, and educational institutions for the private sector as well as in employment for all District government employees.

#### OFFICE OF LATINO AFFAIRS

The Committee recommends \$655,000 and three FTE positions for fiscal year 1999. This level represents an increase of \$19,000 and no new FTE positions compared to fiscal year 1998 levels. The agency is responsible for ensuring that a full range of education, employment, health, and social services are available to the Latino community in the District of Columbia.

#### D.C. ENERGY OFFICE

The Committee recommends an appropriation of \$5,219,000 and 13 FTE positions for the Energy Office in fiscal year 1999. These levels are identical to fiscal year 1998 levels. The office prepares energy plans, identifies energy issues, prepares energy supply and demand forecasts, develops energy emergency contingency plans, provides financial assistance to low-income customers, and participates in various proceedings before the District's Public Service Commission and the Council of the District of Columbia.

#### PUBLIC WORKS

The Committee recommends a total of \$266,912,000 for the activities to be funded under this account during fiscal year 1999.

A comparative summary by agency follows:

PUBLIC WORKS

Agency/activity	Fiscal year 1998 approved	Fiscal year 1999 request	Intra-District	Fiscal year 1999 request less intra-District	Committee recommendation	Intra-District	Committee recommendation less intra-District	Bill compared with—	
								Fiscal year 1998 approved	Fiscal year 1999 request
Department of Public Works	\$149,458,000	\$139,697,000	-\$21,416,000	\$118,281,000	\$139,697,000	-\$21,416,000	\$118,281,000	-\$9,761,000	
Department of Motor Vehicles		12,923,000	- 858,000	12,065,000	12,923,000	- 858,000	12,065,000	12,923,000	
Taxicab Commission	848,000	716,000		716,000	716,000		716,000	- 132,000	
Washington Metropolitan Area Transit Commission	91,000	81,000		81,000	81,000		81,000	- 10,000	
Washington Metropolitan Area Transit Authority (Metro)	127,230,000	132,319,000		132,319,000	132,319,000		132,319,000	5,089,000	
School transit subsidy	3,450,000	3,450,000		3,450,000	3,450,000		3,450,000		
<b>Total, public works</b>	<b>281,077,000</b>	<b>289,186,000</b>	<b>- 22,274,000</b>	<b>266,912,000</b>	<b>289,186,000</b>	<b>- 22,274,000</b>	<b>266,912,000</b>	<b>8,109,000</b>	

## DEPARTMENT OF PUBLIC WORKS

The Committee recommends \$118,281,000 and 1,191 FTE positions for fiscal year 1999. These levels reflect an increase of \$7,966,000 and a decrease 92 FTE positions from fiscal year 1998 levels. The Department of Public Works is responsible for maintaining the District's physical infrastructure, collecting and disposing of solid waste, administering motor vehicle regulations, and maintaining all of the District's vehicles and equipment except those of the departments of police, fire, public schools, and corrections.

## DEPARTMENT OF MOTOR VEHICLES

The Committee recommends \$12,065,000 and 208 FTE positions for the Department of Motor Vehicles [DMV]. The DMV is a new agency for fiscal year 1999 that is responsible for all traffic adjudication hearings, traffic adjudication processing, vehicle inspection, and vehicle registration and driver testing. The mission of the DMV is to improve the District's economic competitiveness and quality of life by fostering the safe operation of motor vehicles on the District's streets in accordance with applicable laws and regulations.

## D.C. TAXICAB COMMISSION

The Committee recommends \$716,000 and nine FTE positions for fiscal year 1999. This represents a decrease of \$132,000 and no new FTE positions compared to fiscal year 1998 levels. The D.C. Taxicab Commission is responsible for the regulation of the public vehicle-for-hire industry in the District of Columbia.

## WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

The Committee recommends \$81,000, to be derived from general revenues, for fiscal year 1999. This level reflects a decrease of \$10,000 from fiscal year 1998. The commission administers and carries out the delegated powers of the Washington metropolitan area regulation compact. The compact confers upon the commission jurisdiction over the regulation of privately owned for-hire passenger carriers serving the region.

## WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY SUBSIDY

The Committee recommends \$132,319,000 for fiscal year 1999, reflecting a \$5,089,000 increase over the fiscal year 1998 level. The transit authority is responsible for the construction and maintenance of the Metrorail system, the establishment of recommended fares, and the determination of funding sources for the various programs.

## SCHOOL TRANSIT SUBSIDY

The Committee recommends \$3,450,000 for fiscal year 1999, which is identical to the fiscal year 1998 level. This program provides a subsidy for reduced-fare transportation of District students who use Metrobus or Metrorail for educationally related transportation.

## FINANCING AND OTHER USES

The Committee recommends a total of \$451,623,000 for the activities to be funded under this account during fiscal year 1999. A comparative summary by agency follows:

FINANCING AND OTHER USES

Agency/activity	Fiscal year 1998 approved	Fiscal year 1999 request	Intra-District	Fiscal year 1999 request less intra-District	Committee recommendation	Intra-District	Committee recommendation less intra-District	Bill compared with—	
								Fiscal year 1998 approved	Fiscal year 1999 request
Washington Convention Center transfer payment	\$5,400,000	\$5,400,000		\$5,400,000	\$5,400,000		\$5,400,000		
Repayment of loans and interest	384,430,000	382,170,000		382,170,000	382,170,000		382,170,000		—\$2,260,000
Repayment of general fund recovery debt	39,020,000	38,453,000		38,453,000	38,453,000		38,453,000		—567,000
Interest on short-term borrowing	12,000,000	11,000,000		11,000,000	11,000,000		11,000,000		—1,000,000
Certificate of participation	7,923,000	7,926,000		7,926,000	7,926,000		7,926,000		3,000
Inaugural expenses									
Human resources development	6,000,000	6,674,000		6,674,000	6,674,000		6,674,000		674,000
Deficit reduction and revitalization	201,090,000								—201,090,000
<b>Total, financing and other uses</b>	<b>655,863,000</b>	<b>451,623,000</b>		<b>451,623,000</b>	<b>451,623,000</b>		<b>451,623,000</b>		<b>—204,240,000</b>

## WASHINGTON CONVENTION CENTER TRANSFER PAYMENT

The Committee recommends \$5,400,000 for the Washington Convention Center for fiscal year 1999. This level is identical to the fiscal year 1998 level. The Washington Convention Center was constructed to foster the economic revitalization goals of the District of Columbia through convention and tourism promotion.

## REPAYMENT OF LOANS AND INTEREST

The Committee recommends \$382,170,000 for fiscal year 1999. This level represents a decrease of \$2,260,000. The repayment of loans and interest provides funds 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 certain private hospital construction.

## REPAYMENT OF GENERAL FUND RECOVERY DEBT

The Committee recommends the request of \$38,453,000 for fiscal year 1999. This level represents a decrease of \$567,000 from fiscal year 1998. The funds are appropriated for the debt service associated with the financing of the District's \$331,600,000 accumulated deficit at the end of fiscal year 1990.

## SHORT-TERM BORROWING

The Committee recommends \$11,000,000 in fiscal year 1999 for the payment of interest and other costs associated with District borrowings to meet short-term, seasonal cash needs. This level represents a \$1,000,000 decrease from fiscal year 1998.

## CERTIFICATE OF PARTICIPATION

The Committee recommends \$7,926,000 for the certificate of participation for fiscal year 1999. This level represents a \$3,000 increase over fiscal year 1998. This appropriation funds the semi-annual lease payments due on the One Judiciary Square Building.

## HUMAN RESOURCE DEVELOPMENT

The Committee recommends \$6,674,000 and 16 FTE positions for human resource development for fiscal year 1999. This represents an increase of \$674,000 and 16 FTE positions over fiscal year 1998 levels. This increase stems from a \$667,000 transfer of budget authority from the Office of Personnel for its performance management initiatives. The human resource development budget allocates funds to support training and other work force initiatives for the District government. The Director of personnel will retain oversight responsibility for the initiatives.

## PRODUCTIVITY SAVINGS

The Committee supports the allocation of a negative \$10,000,000 to productivity savings by the Mayor, District Council, and Authority as proposed in the District's consensus budget for fiscal year 1999. However, the Committee is concerned that the consensus budget provision does not identify the source of these savings. The

Committee directs the Authority, in consultation with the CMO, the CFO, the Mayor, and the District Council, to identify the specific departments or agencies in which these savings will be made, and to report the specific allocations to the Committee by September 1, 1998.

#### RECEIVERSHIP PROGRAMS

The Committee recommends \$318,979,000 for receivership programs for fiscal year 1999.

Following is a tabulation of the allocated funds by agency or department:

RECEIVERSHIP PROGRAMS

Agency/activity	Fiscal year 1998 approved	Fiscal year 1999 request	Intra-District	Fiscal year 1999 request less intra-District	Committee recommendation	Intra-District	Committee recommendation less intra-District	Bill compared with—	
								Fiscal year 1998 approved	Fiscal year 1999 request
Corrections medical receiver .....		\$13,300,000		\$13,300,000	\$13,300,000		\$13,300,000	\$13,300,000	
Child and family service receiver .....		107,131,000		107,131,000	107,131,000		107,131,000	107,131,000	
Commission on Mental Health Receiver .....		198,548,000		198,548,000	198,548,000		198,548,000	198,548,000	
Total, receivership programs .....		318,979,000		318,979,000	318,979,000		318,979,000	318,979,000	

## RECEIVERSHIPS

The proposed fiscal year 1999 budget includes a separate appropriation account for three of the receiverships that are operating D.C. government agencies. Returning those receiverships to District government control is of vital importance because of the loss of control over key governmental management and budget functions that they represent. The lack of budgetary independence is a liability for the District because the receivers have historically claimed that they are underfunded and demand additional resources as a requirement for improved service delivery.

To address this risk, the District government must develop a comprehensive strategy for ensuring the timely return of the receiverships back to District control. Court orders mandate minimum service levels or timely action to remedy inadequately managed programs. These orders contribute to the District's high fixed expenses and limit budgeting flexibility. Providing acceptable service levels and the resulting return of these receiverships to District government control is essential to the city's long-term structural fiscal recovery.

The fiscal year 1999 budget funds the receiverships at levels necessary to meet the requirements set by the courts. This requires larger increases in local funding for these agencies than other agencies within the government.

## CORRECTIONS MEDICAL RECEIVER

The Committee recommends \$13,300,000 and 10 FTE positions for the Corrections Medical Receiver [CMR] for fiscal year 1999. The receiver was appointed in August 1996, to monitor staffing, medical, mental health, and other services at the central detention facility (District jail). For fiscal year 1999, the CMR is shown as a separate budget item in an effort to determine the financial impact of the receivership on the District's budget.

## CHILD AND FAMILY SERVICES

The Committee recommends \$107,131,000 and 517 FTE positions for the Child and Family Services Agency [CFSA] receivership. This represents an increase of \$18,583,000 over the fiscal year 1998 level. The general receivership, known as the LaShawn Foster Care Receiver, was established in August 1995. The CFSA provides child welfare and child protection services pursuant to local and Federal law. In August 1995, a general receiver was appointed to develop an implementation plan for required actions.

Prior to fiscal year 1999, the CFSA budget was contained within the total budget of the Department of Human Services, although it is operated as an independent agency. For fiscal year 1999, CFSA is shown as a separate human services agency in an effort to determine the financial impact of the LaShawn Foster Care Receiver on the District's budget.

## COMMISSION ON MENTAL HEALTH SERVICES

The Committee recommends \$198,548,000 and 2,432 FTE positions for fiscal year 1999 for the Commission on Mental Health Services [CMHS]. This represents an increase of \$17,840,000 over

the fiscal year 1998 level. CMHS provides comprehensive mental health services to adults, ensures the availability of mental health services to children and youth, and provides mental health evaluation and treatment of persons referred through the criminal justice system.

On July 13, 1997, CMHS was placed into receivership because of the District's failure to adequately comply with the Dixon court decree, which guarantees patients the right to treatment in the least restrictive setting and requires development of suitable treatment alternatives to inpatient hospitalization. For fiscal year 1999, CMHS is shown as a separate entity in an effort to determine the financial impact of the receivership on the District's budget.

*Housing for mentally ill*

The Committee recommends that, of the sums made available to the Commission on Mental Health Services, \$5,000,000 shall be made available to a nonprofit organization formed in 1991 and located in the District of Columbia to address a chronic need for additional community-based housing facilities dedicated for use by seriously and chronically mentally ill individuals in the District. At its inception, this organization received funding from a \$5,000,000 congressional grant to the District targeted for transitioning eligible patients out of St. Elizabeth's Hospital into permanent, supportive housing. In leveraging this and other funding, the organization has thus far obtained \$12,000,000 in private sector funds, demonstrating its ability to maximize limited resources through public/private partnerships at a significant cost savings to taxpayers. The organization has already overseen the establishment of more than 300 units of permanent, supportive housing in the District. The Committee is supportive of this organization's efforts to assist chronically mentally ill residents in the most cost-effective manner.

DISTRICT OF COLUMBIA FINANCIAL RESPONSIBILITY AND  
MANAGEMENT ASSISTANCE AUTHORITY

The Committee recommends \$7,840,000 for fiscal year 1999 for the District of Columbia Financial Responsibility and Management Assistance Authority (Authority). The Authority has the responsibility to eliminate budget deficits and management inefficiencies in the District government. Following the enactment of the Revitalization Act, the Authority has been given expanded authority to implement extensive management reforms in the District.

For fiscal year 1998, the Authority was appropriated \$3,220,000 to support its operations. This funding level was consistent with prior year appropriations after a voluntary reduction in the amount of \$180,000 to help address the projected budget deficit reported by the Chief Financial Officer. When developed and submitted to the Congress, the Authority's fiscal year 1998 budget assumed no major new planned activities or initiatives. During the passage of the District of Columbia Appropriations Act for 1998, and as part of the Revitalization Act, the Authority was required to engage consultants to develop and implement management reform plans to improve public services for nine District departments and four governmentwide functions.

To carry out the directive of the Congress, the Authority established the Office of the Chief Management Officer [CMO] and established a division within the Authority to carry out and implement management reform. The Authority anticipated that interest earnings from funds it held for the benefit of the District would be used, along with the Authority's appropriated budget, to cover the additional personnel costs and expenses associated with the Office of the CMO; other contracting expenditures related to Districtwide initiatives; further implementation of the Authority's strategic objectives; occupancy costs and other administrative expenses to support the Office of the CMO; and other management reform efforts.

The Authority's fiscal year 1998 budget projections are as follows:

Expenditures	Main division	OCMO division	Total operations
Personnel cost .....	\$2,564,465	\$1,125,000	\$3,689,465
Management reform contracts .....		4,957,979	4,957,979
Other contracts .....	300,000	1,875,000	2,175,000
Occupancy .....	320,000	30,000	350,000
General capital expenditures .....	150,000	60,000	210,000
Other administrative expenses .....	300,000	200,000	500,000
<b>Total projected expenditures .....</b>	<b>3,634,465</b>	<b>8,247,979</b>	<b>11,882,444</b>

The adjusted total expenditures, net of the \$4,975,979 cost of the initial management reform contracts which were funded by the District, result in projected expenditures totaling \$6,924,465 against budgeted revenues equal to \$3,220,000, a difference of \$3,704,465.

Given the ongoing management reform efforts across the District government and the need for increased personnel and other related costs to carry out the additional responsibilities of the Authority, the fiscal year 1999 budget request for total Authority operations was originally estimated at \$8,340,000. During the preparation of the District's consensus budget, the Authority agreed to a reduction of \$500,000 to help achieve a balanced budget, resulting in the current fiscal year 1999 budget request of \$7,840,000.

The estimated breakdown of the Authority's proposed fiscal year 1999 budget request is as follows:

Expenditures	Main division	OCMO division	Total operations
Personnel cost .....	\$2,050,000	\$1,890,000	\$3,940,000
Management reform contracts .....			
Other contracts .....		2,580,000	2,580,000
Occupancy .....	320,000		320,000
General capital expenditures .....	50,000	150,000	200,000
Other administrative expenses .....	300,000	500,000	800,000
<b>Total projected expenditures .....</b>	<b>2,720,000</b>	<b>5,120,000</b>	<b>7,840,000</b>

It is important to note that the new members of the Authority may decide to reallocate funds across categories and divisions within the Authority, depending on their focus at the beginning of fiscal year 1999.

*Performance accountability plan*

Public Law 105-100, District of Columbia appropriations, fiscal year 1998, amended the Federal Payment Reauthorization Act to require the Authority to develop a performance accountability plan for all District departments, agencies, and programs. The plans were to be submitted to Congress by March 1, 1998. The Committee received a March 2, 1998, report on performance accountability, but it did not include the detailed plans required by law.

In May 1998, Committee staff met with representatives of the Office of the Chief Management Officer [OCMO] to discuss the status of the performance accountability plan. Pursuant to the meeting, the CMO provided the Committee with a schedule for the development by the OCMO, under the direction of the Authority, of a comprehensive performance management system. The performance accountability plan, which will be a major component of this system, will integrate departmental annual work plans, and contain specific outcome, customer satisfaction, and performance measures. The plan will also include measures of the improvements in service delivery to District residents.

The OCMO expects to complete the draft plan by July 31, 1998, and the final plan by September 30, 1998. The performance accountability plan will serve as the strategic direction for the District government for the fiscal year beginning October 1, 1998.

The Committee commends the OCMO for integrating the performance accountability plan with the management reform initiatives undertaken pursuant to the directives of the Management Reform Act of 1997. The Committee expects the OCMO and the Authority to adhere to the schedule outlined to the Committee for the completion of the performance accountability plan and will closely monitor improvements in District government performance that are anticipated with the implementation of the plan.

**ENTERPRISE FUNDS**

The Committee recommends \$660,978,000 for enterprise funds for fiscal year 1999.

Following is a tabulation of the allocated funds by agency or department:

ENTERPRISE FUNDS

Agency/activity	Fiscal year 1998 approved	Fiscal year 1999 request	Intra-District	Fiscal year 1999 request less intra-District	Committee recommendation	Intra-District	Committee recommendation less intra-District	Bill compared with—	
								Fiscal year 1998 approved	Fiscal year 1999 request
Department of Public Works (utility administration)	\$263,425,000	\$239,493,000		\$239,493,000	\$239,493,000		\$239,493,000	—	\$23,932,000
Washington Aqueduct	33,885,000	33,821,000		33,821,000	33,821,000		33,821,000	—	64,000
Total, water and sewer enterprise fund	297,310,000	273,314,000		273,314,000	273,314,000		273,314,000	—	23,996,000
Lottery and charitable games	213,500,000	225,200,000		225,200,000	225,200,000		225,200,000	11,700,000	
Cable television	2,467,000	2,844,000	—\$736,000	2,108,000	2,844,000	—\$736,000	2,108,000	377,000	
Public Service Commission	4,547,000	5,026,000		5,026,000	5,026,000		5,026,000	479,000	
Office of People's Counsel	2,428,000	2,501,000		2,501,000	2,501,000		2,501,000	73,000	
Department of Insurance and Securities Regulations	5,683,000	7,001,000		7,001,000	7,001,000		7,001,000	1,318,000	
Office of Banking and Financial Institutions	600,000	640,000		640,000	640,000		640,000	40,000	
Sports Commission (Starplex)	5,936,000	8,751,000		8,751,000	8,751,000		8,751,000	2,815,000	
D.C. General Hospital	101,519,000	143,448,000	—76,684,000	66,764,000	143,448,000	—76,684,000	66,764,000	41,929,000	
Retirement Board	16,762,000	18,202,000		18,202,000	18,202,000		18,202,000	1,440,000	
Correctional Industries fund	9,432,000	9,432,000	—6,100,000	3,332,000	9,432,000	—6,100,000	3,332,000		
Washington Convention Center	46,400,000	53,539,000	—5,400,000	48,139,000	53,539,000	—5,400,000	48,139,000	7,139,000	
Total, enterprise funds	706,584,000	749,898,000	—88,920,000	660,978,000	749,898,000	—88,920,000	660,978,000	43,314,000	

#### WATER AND SEWER AUTHORITY AND THE WASHINGTON AQUEDUCT

The Committee recommends a total of \$273,314,000, of which \$239,493,000 is for the Water and Sewer Authority [WASA] and \$33,821,000 is for the Washington Aqueduct for fiscal year 1999. This represents a decrease of \$23,932,000 for WASA from fiscal year 1998 levels and a decrease of \$64,000 below the fiscal year 1998 level for the Washington Aqueduct.

The WASA 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 to portions of certain outlying areas.

The Washington Aqueduct collects, purifies, and pumps potable water for the District of Columbia, Arlington County, and the city of Falls Church, VA. Funding for the Washington Aqueduct comes from the Water and Sewer Authority.

#### LOTTERY AND CHARITABLE GAMES CONTROL BOARD

The Committee recommends \$225,200,000 and 100 FTE positions for fiscal year 1999. This represents an increase of \$11,700,000 and no new FTE positions compared to fiscal year 1998 levels. The Lottery and Charitable Games Control Board administers the legalized lotteries and online numbers games, and protects the public against fraud and deception through the regulation of lottery and charitable gaming activities in the District of Columbia.

#### OFFICE OF CABLE TELEVISION

The Committee recommends \$2,108,000 and eight FTE positions for fiscal year 1999 for the Office of Cable Television and Telecommunications [OCTT]. This represents a decrease of \$359,000 and no new FTE positions compared to fiscal year 1998 levels. The OCTT protects, promotes, and advocates the public interest in cable television and telecommunications within the District of Columbia; oversees and coordinates programming for the municipal channels; and coordinates the Office of Cable Television Advisory Committee and the interagency task force on telecommunications.

#### PUBLIC SERVICE COMMISSION

The Committee recommends \$5,026,000 and 58 FTE positions for fiscal year 1999. This represents an increase of \$479,000 and 58 FTE positions above fiscal year 1998 levels. The commission is responsible for serving the public interest by ensuring that utilities provide safe, reliable, and quality service at reasonable rates for District of Columbia residential, business, and government rate-payers.

#### OFFICE OF THE PEOPLE'S COUNSEL

The Committee recommends \$2,501,000 and 24 FTE positions for fiscal year 1999. This represents an increase of \$73,000 and 24 FTE positions above the fiscal year 1998 levels. The Office of the People's Counsel acts as an advocate on behalf of District of Columbia consumers of natural gas, electric, and telephone services in all

matters affecting rates or service. The office is authorized to represent no-fault automobile insurance consumers if the commissioner holds rate hearings.

#### DEPARTMENT OF INSURANCE AND SECURITIES REGULATION

The Committee recommends \$7,001,000 and 89 FTE positions for fiscal year 1999. These levels reflect an increase of \$1,318,000 and no new FTE positions over the fiscal year 1998 levels. 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.

#### OFFICE OF BANKING AND FINANCIAL INSTITUTIONS

The Committee recommends \$640,000 in funding for the Office of Banking and Financial Institutions [OBFI] for fiscal year 1999. This level represents an increase of \$40,000 over the fiscal year 1998 funding level. The OBFI is responsible for regulating and promoting a climate in which financial institutions will organize to do business in the District of Columbia, contribute to the economic development of the District through the increased availability of capital and credit, and expand advantageous financial services to the public in a nondiscriminatory manner.

#### SPORTS COMMISSION

The Committee recommends \$8,751,000 to be derived from the operations of the commission for fiscal year 1999. This represents an increase of \$2,815,000 above fiscal year 1998 levels. The commission manages the Robert F. Kennedy Memorial Stadium and the secondary use of the D.C. National Guard Armory to provide suitable facilities for athletic events, conventions, trade shows, and concerts.

#### D.C. GENERAL HOSPITAL PAYMENT

The Committee recommends \$66,764,000 for fiscal year 1998, an increase of \$9,580,000 over the fiscal year 1998 level. The D.C. General Hospital provides health care services to District residents and others who present themselves for emergency care.

#### D.C. RETIREMENT BOARD

The Committee recommends \$18,202,000 and 13 FTE positions for the operations of the D.C. Retirement Board (the Board) for fiscal year 1999. This represents an increase of \$1,440,000 and no new FTE positions compared to fiscal year 1998. The Board invests, controls, and manages the assets of the D.C. teachers' retirement fund, the D.C. police officers' and firefighters' retirement fund, and the D.C. judges' retirement fund.

#### CORRECTIONAL INDUSTRIES

The Committee recommends \$3,332,000 and 50 FTE positions for correctional industries in fiscal year 1999, the same levels as fiscal year 1998. Correctional industries is responsible for rehabilitating

inmates by equipping them with the skills to earn a livelihood after release from the institution.

#### WASHINGTON CONVENTION CENTER AUTHORITY

The Committee recommends \$48,139,000 for fiscal year 1999, an increase of \$7,139,000 above the fiscal year 1998 level. The Washington Convention Center Authority serves as a public enterprise fund to expand the District's tax base by promoting and hosting large national and international conventions and trade shows.

#### PERSONNEL

In its report to accompany Senate bill 1156, the fiscal year 1998 appropriations bill for the District of Columbia, the Committee noted with concern that the size of the District government's work force exceeded that of other cities of comparable size. In an effort to allow the implementation of management reforms to improve the structure and accountability of the District government's work force, the Committee did not specify FTE levels for individual District agencies, offices or departments. For fiscal year 1999, the Committee again elects not to mandate the staffing needs of each agency, office or department. The Committee intends that the Chief Management Officer, in consultation with department heads, will continue to make the necessary personnel changes to achieve efficient, effective government performance, and the enhanced delivery of services. However, to encourage a limit on the overall size of the District's work force, the Committee directs that the District government employ no more than 32,900 FTE positions during fiscal year 1999. This ceiling is consistent with the proposed FTE level contained in the District's consensus budget.

#### CAPITAL OUTLAY

The Committee recommends \$1,711,160,737 for capital projects in fiscal year 1999, including \$693,796,350 from local funds, \$1,082,904,780 in Federal grants, and a rescission of \$65,540,393 from the District's transportation highway trust fund.

Following is a tabulation of the allocated funds by agency or department:

	Fiscal year 1999 estimate	Committee rec- ommendation
Office of Contracts and Procurement: Material management system .....	\$1,300,000	\$1,300,000
Office of the Chief Technology Officer:		
District reporting system .....	29,761,496	29,761,496
Wireless data network .....	6,000,000	6,000,000
Year 2000 compliance .....	6,000,000	6,000,000
Total, Office of the Chief Technology Officer .....	41,761,496	41,761,496
Department of Property Management:		
Energy conservation .....	- 602,593	- 602,593
Public service workstations .....	4,500,000	4,500,000

	Fiscal year 1999 estimate	Committee rec- ommendation
Total, Department of Property Management .....	3,897,407	3,897,407
Office of Financial Management: Financial control systems improve- ments .....	9,178,846	9,178,846
Office of Tax and Revenue: Computer systems project (INT tax sys- tem) .....	115,504,562	115,504,562
Office of Business Services and Economic Development:		
One Stop Business Center .....	3,095,000	3,095,000
Economic development .....	7,432,786	7,432,786
Neighborhood revitalization .....	-2,251,514	-2,251,514
Neighborhood revitalization .....	700,833	700,833
Total, Office of Business Services and Economic Development ..	8,977,105	8,977,105
Department of Housing and Community Development:		
Fort Lincoln utility .....	-1,278,325	-1,278,325
Affordable housing .....	18,195,682	18,195,682
Total, Department of Housing and Community Development .....	16,917,357	16,917,357
Metropolitan Police Department:		
Information technology initiative .....	35,161,000	35,161,000
Government centers .....	6,791,000	6,791,000
Central cellblock expansion .....	289,000	289,000
Renovate outdoor range .....	2,721,792	2,721,792
General improvements and roof replacements .....	13,835,040	13,835,040
Equipment purchase .....	16,000,000	16,000,000
Holding cells .....	2,172,000	2,172,000
Total, Metropolitan Police Department .....	76,969,832	76,969,832
Fire and Emergency Medical Services Department:		
Fire apparatus replacements .....	29,817,000	29,817,000
Permanent improvements .....	5,817,300	5,817,300
Fire training simulator .....	3,189,000	3,189,000
Total, Fire and Emergency Medical Services Department .....	38,823,300	38,823,300
D.C. Courts:		
Courts .....	-11,318,551	-11,318,551
Central recording system .....	1,999,803	1,999,803
Total, D.C. Courts .....	-9,318,748	-9,318,748
Department of Corrections:		
General improvements .....	-608,271	-608,271
General improvements .....	2,640,000	2,640,000
Total, Department of Corrections .....	2,031,729	2,031,729
D.C. public schools:		
General improvements .....	78,269,131	78,269,131
Maintenance improvements .....	83,522,532	83,522,532

	Fiscal year 1999 estimate	Committee rec- ommendation
Total, D.C. public schools .....	161,791,663	161,791,663
University of the District of Columbia:		
Permanent improvements .....	5,640,460	5,640,460
Barrier removal and modernization .....	763,390	763,390
Roof repair and water damage repair .....	— 526,277	— 526,277
Total, University of the District of Columbia .....	5,877,573	5,877,573
Public library:		
Latent conditions .....	— 385,622	— 385,622
Asbestos abatement .....	2,598,508	2,598,508
Roof replacements .....	1,264,206	1,264,206
Permanent improvements .....	6,026,756	6,026,756
Total, public library .....	9,503,848	9,503,848
Commission on the Arts and Humanities: Public Arts Fund .....	4,924,433	4,924,433
Department of Human Development:		
Roof rehabilitation .....	— 2,805	— 2,805
Renovation of Oak Hill Youth Center .....	3,205,000	3,205,000
General improvements .....	47,098,000	47,098,000
D.C. General campus repairs .....	11,559,142	11,559,142
Total, Department of Human Development .....	61,859,337	61,859,337
Department of Recreation and Parks:		
Upshur swimming pool rehabilitation .....	— 364,976	— 364,976
Bald Eagle Recreation Center addition .....	— 606,034	— 606,034
Recreation center construction .....	1,950,000	1,950,000
Recreation center construction .....	2,280,000	2,280,000
General improvements .....	— 1,210,501	— 1,210,501
Kennedy playground renovation .....	1,767,320	1,767,320
Upgrade equipment .....	600,000	600,000
Total, Department of Recreation and Parks .....	4,415,809	4,415,809
Office on Aging:		
General improvements .....	42,255	42,255
Multipurpose senior center .....	2,999,973	2,999,973
Total, Office on Aging .....	3,042,228	3,042,228
Department of Public Works—Government facilities:		
Facility construction .....	4,300,000	4,300,000
Underground storage tanks .....	3,169,860	3,169,860
Materials testing laboratory .....	3,450,000	3,450,000
Electrical modifications .....	2,854,195	2,854,195
Major roof renovations .....	— 323,259	— 323,259
Support facilities .....	2,902,348	2,902,348
HVAC systems rehabilitation .....	— 665,812	— 665,812
Elevator rehabilitation .....	— 1,283,245	— 1,283,245
Barrier removal .....	— 10,026	— 10,026
Building renovations .....	1,000,000	1,000,000
General improvements .....	5,122,763	5,122,763
Building renovations .....	500,000	500,000

	Fiscal year 1999 estimate	Committee rec- ommendation
Roof repairs .....	500,000	500,000
Total, Department of Public Works—Government facilities .....	21,516,824	21,516,824
Department of Public Works—transportation facilities:		
Transportation electrical system .....	5,125,000	5,125,000
Transportation electrical system .....	13,741,518	13,741,518
Highway aid math fund .....	25,631,713	25,631,713
Whitehurst Freeway .....	9,727,032	9,727,032
Local streets improvements .....	8,220,000	8,220,000
Traffic safety improvements .....	54,700,903	54,700,903
Bridge rehabilitation and replacement .....	540,537,030	540,537,030
Roadway resurfacing .....	21,955,000	21,955,000
Roadway resurfacing .....	116,743,470	116,743,470
Roadside improvements .....	3,935,000	3,935,000
Roadside improvements .....	– 16,602,152	– 16,602,152
Roadway upgrades .....	10,965,000	10,965,000
Roadway upgrades .....	– 35,495,355	– 35,495,355
Traffic operations improvements .....	106,067,124	106,067,124
Roadway reconstruction .....	117,856,668	117,856,668
Roadway reconstruction .....	24,016,000	24,016,000
Congestion mitigation and air quality .....	16,949,114	16,949,114
Bicycle program .....	8,018,202	8,018,202
BESTEA/ISTEA reauthorization .....	44,121,250	44,121,250
Federal demonstration .....	– 2,259,870	– 2,259,870
Federal planning and management systems .....	17,627,740	17,627,740
Total, Department of Public Works—transportation facilities .....	1,091,580,387	1,091,580,387
Department of Public Works—environmental facilities:		
Motor vehicle information system .....	2,130,000	2,130,000
Parking meters .....	– 3,000,000	– 3,000,000
Major equipment acquisition .....	5,653,720	5,653,720
Total, Department of Public Works—environmental facilities .....	4,783,720	4,783,720
Total, Department of Public Works .....	1,117,880,931	1,117,880,931
Washington Metropolitan Area Transit Authority:		
Metrobus .....	4,624,496	4,624,496
Metrorail rehabilitation .....	4,651,200	4,651,200
Metrorail .....	26,546,333	26,546,333
Total, Washington Metropolitan Area Transit Authority .....	35,822,029	35,822,029
Grand total, capital outlay .....	1,711,160,737	1,711,160,737
Local funds .....	693,796,350	693,796,350
Highway trust fund .....	– 65,540,393	– 65,540,393
Federal grants .....	1,082,904,780	1,082,904,780

## GENERAL PROVISIONS

The bill contains various general provisions which are contained annually in appropriations bills. The following summarizes the Committee recommendations pertaining to these provisions:

The Committee recommends various changes throughout the general provisions for style and updating.

Section 130 is a new provision that grants the U.S. Army Corps of Engineers (hereinafter in this section referred to as “Corps”) limited contracting authority in connection with capital improvements to certain D.C. public schools [DCPS] facilities. In recognition of its limited capacity to oversee a major capital improvement program, DCPS entered into a memorandum of agreement with the Corps on April 17, 1998. The agreement granted the Corps authority to provide technical assistance to DCPS in connection with its capital improvement program. This new provision grants the Corps the additional authority, subject to the approval of the District of Columbia Financial Responsibility and Management Assistance Authority, to contract for engineering and construction services. The provision allows the Corps to provide the same services to DCPS that is currently provided to other Federal agencies.

Section 135 is a new section that would permit the University of the District of Columbia to invest its land grant endowment funds (hereinafter referred to in this section as “funds”) in securities other than government-backed bonds and other bonds in order to allow the fund to achieve a higher rate of return than that normally offered by investments in government-backed bonds and other bonds to which the fund is currently restricted. Specifically, this section would exempt the investment of the fund from the restrictions of the First Morrill Act, 7 U.S.C. 304, et. seq., and permit the investment of the fund in equity-based securities where the investment is approved by the chief financial officer of the District of Columbia.

Section 140 provides legislative language that extends the time line for assessment and placement of students in special education programs by the D.C. public schools [DCPS]. Since 1972, when the U.S. District Court for the District of Columbia issued a decree relating to the case of *Peter Mills, et al. v. Board of Education, et al.* (hereinafter in this section referred to as the “Mills Decree”), DCPS has been required to evaluate students for special education eligibility, assess their specific needs, develop an individualized educational program [IEP], and place them in appropriate special educational programs within 50 calendar days of their referral for services. (In cases involving students who are new to the system for whom no prereferral observation and assessment has occurred, a 60-day time line is applied.) This time line is substantially shorter than the time lines in force in the surrounding jurisdictions. In Virginia, 121 calendar days may elapse between the time a student

is referred for services and the completion of that student's IEP, with IEP implementation to occur as soon as possible thereafter. In addition, Virginia law allows for interim placements to be made if all services required under the IEP are not immediately available. In Maryland, school districts are allowed 105 calendar days between referral and placement, and an additional 30 days may elapse before the IEP must be fully implemented and all services are in place.

When DCPS is unable to meet the 50-day time line, parents and their attorneys frequently request relief via administrative hearings. In such hearings, they argue successfully that DCPS has violated the Mills Decree time line, and, as a result, their children should immediately be placed in private school programs at no cost to them. Parents always prevail in these hearings, and DCPS bears the financial liability for the private school placements arising from them. As a result, DCPS expects to spend over \$40,000,000 on private school tuition each year during fiscal years 1998 and 1999. Including transportation and legal costs (the school system is liable for attorney's fees in cases where parents prevail against the agency), DCPS estimates that private placements will cost the school system over \$48,000 per student in fiscal year 1999. The ever-increasing costs associated with the Mills Decree have left the agency with virtually no new funds to apply to general education reform efforts, which are badly needed in most of the system's 146 schools.

The Committee is aware that DCPS has taken a number of steps to improve services to students requiring special education and to reduce the backlog of students awaiting assessment. Specifically, DCPS has entered into a compliance agreement with the U.S. Department of Education's Office of Special Education Programs. This agreement includes strategies for improvements across the special education spectrum. DCPS has multidisciplinary teams of social workers, psychologists, and speech-language pathologists working overtime during the week and on weekends to assess students' needs and has hired outside contractors to further expand the system's assessment capabilities. As a result, DCPS has assessed between 300 and 400 students per month during the spring of 1998, compared to 50 students per month in September 1997.

Services to special education students also are being expanded. DCPS has hired over 60 new special education teachers and related-service providers to serve students who have recently been placed in special education programs. The school system's fiscal year 1999 budget includes funding for the hiring of a substantial number of additional special education teachers, aides, and new related-service providers for the 1998-99 school year. New programs have been and are currently being established to serve students with emotional disturbances, learning disabilities, mental retardation, and autism. Finally, diagnostic intervention services are being provided to students awaiting assessment in the afternoon after the regular school day has ended.

The Committee believes that DCPS has demonstrated a clear intention to improve services to special education students and that a good faith effort is being made to accomplish that goal. The Committee further believes that the Mills Decree time line is an unreasonably restrictive and costly standard and that it should be re-

laxed. The Committee has, therefore, included language extending the time line to allow DCPS 120 calendar days, from the date of referral, to assess and place students in special education programs. The Committee directs the DCPS Superintendent to report to Congress by May 1, 1999, on the impact of the modification of the Mills Decree time line on: (1) the DCPS budget for its special education program; (2) the number of legal cases against the DCPS that are based on the requirements of the Mills Decree; and (3) an evaluation of the special education program following the implementation of the DCPS program improvements described herein.

Section 144 is a new section that requires the Authority to report to Congress on the status of any agreements between the District and all nonprofit organizations, including those that provide medical and social services to District's residents needing medical treatment, substance abuse treatment, low-income housing, and food and temporary shelter. The Committee received communications from various nonprofit organizations with a proven track record for providing quality assistance to District residents who are disadvantaged either physically, mentally, or socially. The Committee notes with serious concern the inability of these organizations to deliver badly needed services because the District government has withdrawn its financial support. The Committee expects the Authority to review thoroughly all contractual relationships between the District and nonprofit organizations entered into since January 1, 1994, and report on the status of these relationships. If the District's partnership has been terminated, the Authority should report on the reasons for the termination and on the District government's intentions to renew the relationship. The Committee directs the Authority to include in the report its recommendations with respect to the District government's future relationship with each nonprofit organization cited. Specifically, the report shall include information on the status of the District government's relationship with Children's National Medical Center; Cornerstone, Inc.; The Salvation Army; Free Teens USA, Inc., and YMCA of Metropolitan Washington, including the YCARE 2000 Initiative.

Section 145 repeals the Residency Requirement Reinstatement Act passed by the District of Columbia Council on April 22, 1998. The act would require individuals hired by the District government following the effective date of the act to be residents of the District of Columbia.

Section 146 provides for the establishment of a reserve to be used only when both the Chief Financial Officer and the District of Columbia Financial Responsibility and Management Assistance Authority find it necessary to offset financial shortfalls within the District government. The purpose of this section is not intended to provide resources to agencies to allow them to overspend their budget. It is intended to provide flexibility to the District government when unforeseen circumstances arise during the course of the fiscal year, including, but not limited to, any changes in law that would mandate certain actions by the District government that were not previously contemplated; investments in technology that are a one-time expenditure; or other reasonable uses.

Section 147 establishes a process for using funds generated by the District government through fee charges for local government

services. Presently, those funds cannot be expended immediately unless specifically authorized in an appropriation or authorizing bill. The Committee is granting the Chief Financial Officer [CFO], subject to the written approval of the Financial Authority, the ability to expend funds collected during fiscal year 1999 through various District fees without congressional legislation. The Committee directs the CFO and the Financial Authority to provide the Committees on Appropriations in the Senate and House of Representatives with quarterly reports on the amounts of funds collected through District fees and an explanation of how the District government intends to spend the funds prior to any obligation of the funds. The Committee directs that none of these funds be used to initiate or supplement any program, project or activity for which the Committee has denied funds.

Section 148 amends the D.C. Code to permit the D.C. Public Library Board of Trustees to raise funds independently for the D.C. Public Library and, with the oversight and approval of the Chief Financial Officer and the District of Columbia Financial Responsibility and Management Assistance Authority, use said funds for the benefit of the library system.

Section 149 sets forth the District of Columbia Adoption Improvement Act of 1998. The Committee is concerned about the current conditions of the adoption and foster care system in the District of Columbia. Recent statistics indicate that approximately 67 percent of the children under the District's custody grow up and age out of the D.C. foster care system. As a result, these children are raised moving from one foster home to the next. The condition of the adoption and foster care system was so critical, that it was placed under a Federal court receivership in 1995. Since then, progress to improve the system, has been very slow.

Adoption is one of the most essential solutions to shortening a child's stay in the foster care system. The provisions of this act would ensure that adoption is a high priority by requiring the agency responsible for the adoption and foster care system in the District, the D.C. Child and Family Services [DCCFS], to identify the number of children in the District who are legally free for adoption and report this to Congress within 30 days of enactment. Additionally, DCCFS must develop a data base listing and tracking all District children who are legally free for adoption and those with the goal of adoption. To meet the immediate need to place these children in permanent homes, the bill requires DCCFS to competitively bid some of the adoption recruitment and placement functions. Custody of the children is retained by DCCFS.

The Committee is encouraged by some of the priorities of the new federally appointed receiver of DCCFS. Adoption, however, must play a central role in reforming the adoption and foster care system in the District.

Section 150 clarifies and completes the transfer of legal authority and responsibility for adult offender supervision from the Social Services Division of the D.C. Superior Court to the new Offender Supervision Agency established by section 11233 of the Revitalization Act.

Subsection (a) augments the list of functions of the Offender Supervision Agency in section 11233(b)(2) of the Revitalization Act.

The added responsibility includes all functions relating to supervision or provision of services for persons subject to protection orders which have previously been carried out by the Social Services Division of the Superior Court.

Currently, cases of domestic violence or other intra-family offenses which do not result in incarceration may involve criminal conviction and sentencing of the offender to probation, or the issuance of a civil protection order against the offender under D.C. Code section 16-1005(c). The Revitalization Act, in section 1233(c) (1) and (3), explicitly makes the Offender Supervision Agency responsible for supervision and services for persons on probation. However, it does not explicitly address the case of persons against whom civil protection orders have been issued. This omission could arbitrarily divide responsibility for supervision and services for adult offenders between two different agencies, depending on whether the case results in probation or a civil protection order. This would result in duplication of similar programs and functions and unnecessary coordination problems, and would defeat the general aim of the Revitalization Act to consolidate all adult offender supervision functions in the new Offender Supervision Agency.

The amendments in subsection (a) resolve these problems by explicitly vesting responsibility for supervision and services under protection orders in the Offender Supervision Agency. During the transition under the Revitalization Act, this function, like the other functions of the Offender Supervision Agency, could be carried out by the offender supervision trustee as provided in section 11232 (b)(1) of the Revitalization Act.

Subsection (b) makes conforming changes in D.C. Code, section 11-1722, which specifies the general functions of the Social Services Division of the Superior Court. The amendments delete references to responsibility for adult supervision and services; add language which specifies that the division is responsible for juvenile social services; and direct the division to coordinate with the Offender Supervision Agency in carrying out its functions.

Section 151 is a new section that establishes the Office of the Chief Management Officer [CMO]; grants the CMO the authority to appoint staff, subject to the approval of the District of Columbia Financial Responsibility and Management Assistance Authority; and confirms the validity of the January 15, 1998, employment contract between the CMO and the Authority. The CMO was hired by the Authority pursuant to the provisions of the Revitalization Act, which became law on August 5, 1997. Since the hiring of the CMO on January 15, 1998, staff has been hired to assist the CMO in performing the responsibilities of the employment contract. Legislative language is necessary to ratify the Authority's actions and the employment agreement and preserve the Office of the CMO and its staffing needs.

Sections 152, 153, and 157 are new sections which confirm the ability of the Authority to set an appropriate annual salary for the Chief Financial Officer, the Inspector General for the District of Columbia, and the Executive Director of the Financial Authority.

Section 154 is a new section that amends the D.C. Code to increase from 3 to 5 years the time limit on contracts between an independent auditor and the D.C. government for the District's an-

nual audit. Allowing auditing firms to conduct the annual audit for up to 5 years will provide firms with greater incentive to bid on the contract and will increase competition.

Section 155 is a new section that sets forth requirements for the reprogramming of funds appropriated under this act.

Section 156 is a new section that allows funds previously allocated by the District of Columbia Financial Responsibility and Management Assistance Authority for management reform initiatives in the District to remain available for such purposes through fiscal year 1999.

COMPLIANCE WITH PARAGRAPH 7, RULE XVI, OF THE  
STANDING RULES OF THE SENATE

Paragraph 7 of rule XVI requires that Committee reports on general appropriations bills identify each Committee amendment to the House bill “which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session.”

The bill includes \$75,000,000 to fund the Nation’s Capital infrastructure fund for repair to the District’s infrastructure, pursuant to the D.C. government budget request.

The bill appropriates \$9,100,000 for project development in the District of Columbia.

COMPLIANCE WITH PARAGRAPH 7(C), RULE XXVI, OF THE  
STANDING RULES OF THE SENATE

Pursuant to paragraph 7(c) of rule XXVI, the Committee ordered reported, S. 2333, an original District of Columbia appropriations bill, 1999, subject to amendment and subject to appropriate scorekeeping, by a recorded vote of 27–1, a quorum being present. The vote was as follows:

Yeas	Nays
Chairman Stevens	Mr. Leahy
Mr. Cochran	
Mr. Specter	
Mr. Domenici	
Mr. Bond	
Mr. Gorton	
Mr. McConnell	
Mr. Burns	
Mr. Shelby	
Mr. Gregg	
Mr. Bennett	
Mr. Campbell	
Mr. Craig	
Mr. Faircloth	
Mrs. Hutchison	
Mr. Byrd	
Mr. Inouye	
Mr. Hollings	
Mr. Bumpers	
Mr. Lautenberg	
Mr. Harkin	
Ms. Mikulski	
Mr. Reid	
Mr. Kohl	

Mrs. Murray  
Mr. Dorgan  
Mrs. Boxer

COMPLIANCE WITH PARAGRAPH 12, RULE XXVI OF THE  
STANDING RULES OF THE SENATE

Paragraph 12 of rule XXVI requires that Committee reports on a bill or joint resolution repealing or amending any statute or part of any statute include “(a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the committee.”

DISTRICT OF COLUMBIA FINANCIAL RESPONSIBILITY AND  
MANAGEMENT ASSISTANCE ACT OF 1995 (PUBLIC LAW 104–8)

**TITLE I—ESTABLISHMENT AND  
ORGANIZATION OF AUTHORITY**

\* \* \* \* \*

**SEC. 101.** \* \* \*

\* \* \* \* \*

**SEC. 108.** \* \* \*

\* \* \* \* \*

**SEC. 109. CHIEF MANAGEMENT OFFICER.**

*(a) The Authority may employ a Chief Management Officer of the District of Columbia, who shall be appointed by the Chair with the consent of the Authority. The Chief Management Officer shall assist the Authority in the fulfillment of its responsibilities under the District of Columbia Management Reform Act of 1997, Subtitle B of the National Capital Revitalization and Self-Government Improvement Act of 1997, Title XI of Public Law 105–33, to improve the effectiveness and efficiency of the District of Columbia Government. The Authority may delegate to the Chief Management Officer responsibility for oversight and supervision of the departments and functions of the District of Columbia Government as the Authority may determine. The Chief Management Officer shall report directly to the Authority, through the Chair of the Authority, and shall be directed in his or her performance by a majority of the Authority. The Chief Management Officer shall be paid at an annual rate determined by the Authority sufficient in the judgment of the Authority to obtain the services of an individual with the skills and experience required to discharge the duties of the office.*

*(b) STAFF.—With the approval of the Chair, the Chief Management Officer may appoint and fix the pay of additional personnel as the Chief Management Officer considers appropriate.*

(c) *EMPLOYMENT CONTRACT.*—Notwithstanding any other provision of law, the employment agreement entered into as of January 15, 1998, between the Chief Management Officer and the District of Columbia Financial Responsibility and Management Assistance Authority shall be valid in all respects.

\* \* \* \* \*

## **TITLE II—RESPONSIBILITIES OF AUTHORITY**

### **Subtitle A—Establishment and Enforcement of Financial Plan and Budget for District Government**

**SEC. 201.** \* \* \*

\* \* \* \* \*

**SEC. 202. PROCESS FOR SUBMISSION AND APPROVAL OF FINANCIAL PLAN AND ANNUAL DISTRICT BUDGET.**

(a) \* \* \*

\* \* \* \* \*

(h) **PERMITTING SEPARATION OF EMPLOYEES IN ACCORDANCE WITH FINANCIAL PLAN AND BUDGET.**—The fourth sentence of section 422(3) of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 1-242(3), D.C. Code) is amended by striking “pursuant to procedures” and all that follows through “Act of 1991” and inserting the following: “in the implementation of a financial plan and budget for the District government approved under subtitle A of title II of the District of Columbia Financial Responsibility and Management Assistance Act of 1995”.

(i) *RESERVE.*—Beginning with the Fiscal Year 2000 fiscal plan or budget submitted pursuant to this Act, said Act shall contain \$150,000,000 for a Reserve to be established by the Chief Financial Officer for the District of Columbia and the District of Columbia Financial Responsibility and Management Assistance Authority: Provided, That the reserve shall only be expended according to criteria established by the Chief Financial Officer and approved by the District of Columbia Financial Responsibility and Management Assistance Authority.

\* \* \* \* \*

BALANCED BUDGET ACT OF 1997 (PUBLIC LAW 105–33)

## **TITLE I—FOOD STAMP PROVISIONS**

\* \* \* \* \*

## **TITLE XI—DISTRICT OF COLUMBIA REVITALIZATION**

**SECTION 11000.** \* \* \*

\* \* \* \* \*

## Subtitle C—Criminal Justice

\* \* \* \* \*

### CHAPTER 3—OFFENDER SUPERVISION AND PAROLE

\* \* \* \* \*

#### SEC. 11233. OFFENDER SUPERVISION, DEFENDER AND COURTS SERVICES AGENCY.

(a) \* \* \*

(b) DIRECTOR.—

\* \* \* \* \*

(2) POWERS AND DUTIES OF DIRECTOR.—The Director shall—

(A) submit annual appropriation requests for the Agency to the Office of Management and Budget;

(B) determine, in consultation with the Chief Judge of the United States District Court for the District of Columbia, the Chief Judge of the Superior Court of the District of Columbia, and the Chairman of the United States Parole Commission, uniform supervision and reporting practices for the Agency;

(C) hire and supervise supervision officers and support staff for the Agency;

(D) direct the use of funds made available to the Agency;

(E) enter into such contracts, leases, and cooperative agreements as may be necessary for the performance of the Agency's functions, including contracts for substance abuse and other treatment and rehabilitative programs;

(F) develop and operate intermediate sanctions programs for sentenced offenders[; and] ;

(G) arrange for the supervision of District of Columbia paroled offenders in jurisdictions outside the District of [Columbia.] *Columbia; and*

(H) *carry out all functions which have heretofore been carried out by the Social Services Division of the Superior Court relating to supervision of adults subject to protection orders or provision of services for or related to such persons.*

## BUDGETARY IMPACT OF BILL

PREPARED IN CONSULTATION WITH THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC.  
308(a), PUBLIC LAW 93-344, AS AMENDED

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation	Amount of bill	Committee allocation	Amount of bill
Comparison of amounts in the bill with Committee allocations to its subcommittees of amounts for 1999: Subcommittee on the District of Columbia:				
Defense discretionary .....				
Nondefense discretionary .....	491	482	484	<sup>1</sup> 481
Violent crime reduction fund .....				
Mandatory .....				
Projections of outlays associated with the recommendation:				
1998 .....				<sup>2</sup> 479
1999 .....				3
2000 .....				
2001 .....				
2002 and future year .....				
Financial assistance to State and local governments for 1999 in bill .....	NA	482	NA	479

<sup>1</sup> Includes outlays from prior-year budget authority.

<sup>2</sup> Excludes outlays from prior-year budget authority.

NA: Not applicable.

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