

CRS Report for Congress

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Appropriations for FY2001: District of Columbia

Updated November 27, 2000

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Appropriations are one part of a complex federal budget process that includes budget resolutions, appropriations (regular, supplemental, and continuing) bills, rescissions, and budget reconciliation bills. The process begins with the President's budget request and is bounded by the rules of the House and Senate, the Congressional Budget and Impoundment Control Act of 1974 (as amended), the Budget Enforcement Act of 1990, and current program authorizations.

This report is a guide to one of the 13 regular appropriations bills that Congress considers each year. It is designed to supplement the information provided by the House and Senate Appropriations Subcommittees on the District of Columbia Appropriations. It summarizes the current legislative status of the bill, its scope, major issues, funding levels, and related legislative activity. The report lists the key CRS staff relevant to the issues covered and related CRS products.

This report is updated as soon as possible after major legislative developments, especially following legislative action in the committees and on the floor of the House and Senate.

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Appropriations for FY2001: District of Columbia

Summary

On February 7, 2000, President Clinton submitted his budget recommendations for FY2001. The Administration's proposed budget includes \$ 445 million in federal payments and assistance to the District of Columbia. On March 13, 2000, D.C. Mayor Anthony Williams submitted his proposed budget for FY2001. The proposed budget included \$4.7 billion in general fund expenditures and \$695 million in enterprise funds. The District of Columbia Financial Responsibility and Management Assistance Authority (Authority), on June 7, 2000, approved a budget compromise reached by the city council and the mayor, which includes \$137 million more in funding for public education than appropriated for FY2000, and \$47 million more than requested by the mayor. In addition, the city's budget appropriates \$214.6 million for economic development, which is \$24 million more than appropriated in FY2000, and \$197.8 million for governmental support activities, which is \$62.0 million more than appropriated in FY2000.

The District budget, which must be approved by Congress, requests \$445 million in special federal payments. On September 27, 2000, the Senate completed action on its version of the District's Appropriations Act for FY2001, **H.R. 4942 (previously S. 3041)**, which includes \$445 million in special federal payments. On September 14, 2000, the House passed its version of the District's appropriation bill, H.R. 4942, which includes \$414 million in special federal payments to the District. On October 26, 2000, the House approved a conference version of H.R. 4942, which included appropriations for the Departments of Commerce, Justice, and State. The conference bill includes \$448 million in special payments to the District.

Earlier this year District residents approved by referendum an amendment to the District's home rule charter that restructures the city's Board of Education. The charter amendment reconfigures the school board from an 11 member panel with eight members elected by ward and 3 at-large to a board comprising five elected members and four members appointed by the mayor. The referendum, which was approved by voters on June 27, 2000, will give the mayor greater influence over education policy, funding, and resource allocation through his appointed members on the Board of Education. It also means the mayor assumes greater accountability for the state of the city's public schools.

In addition, the council must complete its work on revising sentencing guidelines governing convicted felons as mandated by the National Capital Revitalization Act of 1997, P.L. 105-33. The 1997 Act transferred to the federal government funding responsibility for criminal justice activities. These activities account for \$244.9 million (55%) of the total \$445 million in requested special federal payments. This report will be updated to reflect the latest action affecting the District's FY2001 appropriations.

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Appropriations for FY2001: District of Columbia

Most Recent Developments

On November 22, 2000, President Clinton signed P.L. 106-522 (formerly H.R. 5633), an act appropriating funds for the District of Columbia for FY2001. In one of the actions it took between election day on November 7, 2000, and the Thanksgiving holiday, the House and the Senate approved H.R. 5633 by unanimous consent. An earlier version of the act, H.R. 4942, was approved by the Senate on October 27, 2000, and by the House on October 26, 2000. However, the conference version of H.R. 4942 included funding for Departments of Commerce, Justice, and State. The President in a letter dated October 26, 2000, indicated that he would veto an otherwise acceptable District of Columbia Appropriations Act because of objections surrounding the inclusion of Commerce, Justice, and State appropriations to the act. These include issues relating to immigration, tobacco litigation, hate crimes, the sale and display of social security numbers, Violent Crime Reduction Trust Fund, and number of riders characterized by the Administration as anti-environmental and anti-competitive. On September 27, 2000, the Senate passed its version of H.R. 4942, the District of Columbia Appropriations Act for FY2001, two-weeks after the House approved its version of the bill on September 14, 2000. The House bill includes \$414 million in special federal payments to the District of Columbia. The Senate bill includes \$448 million in special federal payments to the District. A significant percentage of these payments is for court operations and criminal justice activities. The city's general fund budget, as passed by the council and approved by the control board, includes increased funding for public education and economic development. On June 7, 2000, the District of Columbia Financial Responsibility and Management Assistance Authority approved a city council-passed budget for the 2001 fiscal year. The \$5.5 billion operating budget, which must be approved by Congress, includes \$445.4 million in special federal payments to the District of Columbia.

Table 1. Status of District of Columbia Appropriations: FY2001

Committee Markup		House Report	House Passage	Senate Report	Senate Passage	Conf.. Report	Confer. Report Approved		Pres. Action
House	Senate						House	Senate	
7/20/00	9/13/00	H.Rept. 106-786	9/14/00	S.Rept. 106-409	9/27/00	H.Rept. 106-1005	10/26/00	10/27/00	vetoed
			11/14/00		11/14/00				P.L. 106-522

Background

On November 29, 1999, the President signed the Consolidated Appropriations Act for FY2000, P.L. 106-113. Division A of this act appropriated funds for the District of Columbia for FY2000. Since the passage of the Act, District of Columbia voters, their elected leadership, the District of Columbia Financial Responsibility and Management Assistance Authority (the Authority), and Congress have taken actions that will affect the structure and efficacy of the District government. These changes include:

- ! improvements in the city's financial condition, including the city's third consecutive year with a budget surplus; and
- ! proposed amendments in the city's home rule charter that would change the size and composition of the Board of Education (Board).

These changes have been accompanied by: a controversial 13-week delay in completion of the city's annual financial report; debate concerning structure, composition, and effectiveness of elected versus appointed school boards; and the resignations of the city's Chief Financial Officer (CFO) and the superintendent of public schools. In addition, the District government has had to address problems related to special education, foster care, Medicare fraud, and court operations.

During the last year, the Authority's role has evolved from that of direct management of the daily operations of the city's nine largest agencies to one of exercising oversight of the District government. This transition has been aided by congressional support for Mayor Williams' government reform efforts, as evidenced by congressional passage of the District of Columbia Management Reform Act of 1999, P.L. 106-1. The Act, which was signed March 5, 1999, transferred direct administrative authority for the District's nine largest agencies from the Authority to the mayor.

District of Columbia Financial Condition

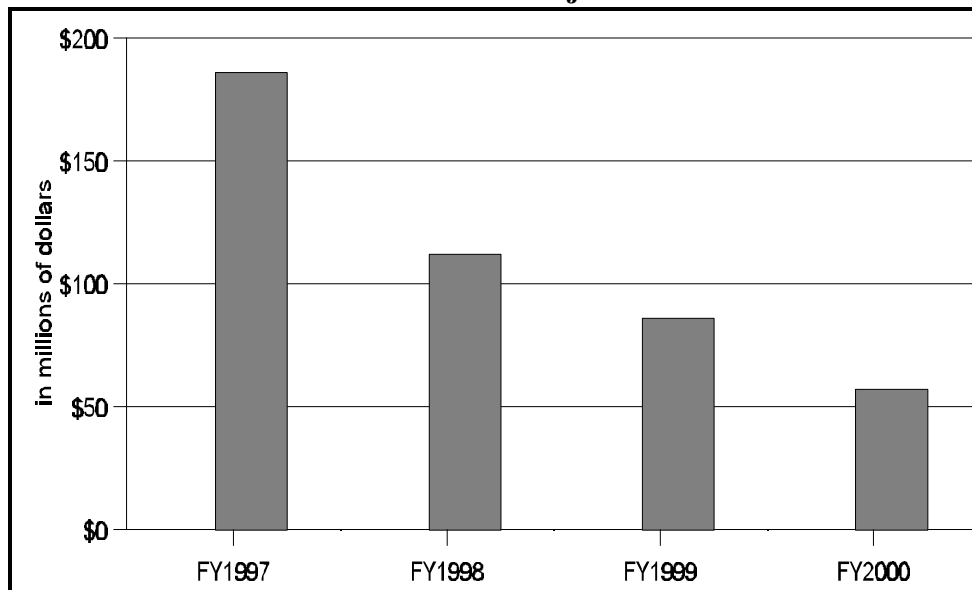
The District of Columbia Financial Responsibility and Management Assistance Act of 1995 (P.L. 104-8) created the Authority and the Office of Chief Financial Officer (CFO). The Authority and CFO are charged with improving the delivery of city services, and returning the District of Columbia to a position of financial solvency. Working in concert with the District's elected political leadership, the Authority and the CFO have implemented a series of financial and management reforms and have improved tax collection. These reforms, federal assistance, and an improved economy have resulted in three consecutive years of budget surpluses. P.L. 104-8 requires the District to produce four consecutive years of balanced budgets as a prerequisite for the abolition of the Authority and the return of home rule.

The District ended FY1997 with a surplus of \$185,900,000. For FY1998, the city's budget surplus was \$112,492,000.¹ After a 13-week delay, the city's CFO reported a FY1999 surplus of a \$86.4 million after subtracting a \$35 million payment to the retirement of the city's long-term debt. The CFO's delay in releasing the Comprehensive Annual Financial Report (CAFR) strained the CFO's relationship with the mayor, the city council, the control board, and the private firm charged with conducting the annual audit. The 13-week delay in the CFO's release of the report—due February 1, 2000, but not released until April 29, 2000—triggered criticism of the CFO's leadership, and eventually contributed to her resignation. In a February 28, 2000, letter to the Authority, eight members of the council requested her dismissal. Council members cited the CFO's failure to:

- ! meet the statutory deadline for the CAFR;
- ! produce trial balances during FY1999;
- ! adequately ensure that District of Columbia staff participated in training on the new financial management system; and notify elected official of the CAFR delay.

On June 13, 2000, during testimony before the Senate Appropriations Subcommittee on the District of Columbia, Alice Rivlin, the chair of the Authority, noted that the District is anticipating a budget surplus of \$57 million for FY2000, and a projected accumulated general fund balance for FY2001 of \$260 to \$270 million.

Figure 1. Year-end General Fund Balance: FY1997-FY1999 Actual; and FY2000 Projected



¹ The District's FY1998 surplus was, in part, the result of the National Capital Revitalization Act of 1997 (P.L. 105-33). The Revitalization Act, which improved the city's fiscal prospects through the infusion of over \$5 billion in federal funds, transferred financial responsibility for a number of functions to the federal government, including accumulated pension liability for police, firefighters, teachers, and judges. The Act also increased the federal share for Medicaid from 50% to 70%, and transferred responsibility for housing District felons to the federal government.

Public Education

Like so many District government institutions, the city's public education system has experienced changes during the past year, and will face challenges in the coming months. Reforming the city's Board of Education, improving the performance of public school students, continuing support of charter schools as an alternative, hiring a new superintendent, and addressing the problems of special education students are but a few of the challenges that must be addressed.

School Board Reform. In 1999, members of the Board of Education clashed over allegations that Board of Education Chair Wilma Harvey improperly used school board personnel for personal projects. Eventually, the Board replaced Harvey as chair and installed Robert Childs, an at-large member, as chair. The chairmanship controversy jeopardized the scheduled June 30, 2000, transfer of administrative authority to the existing school board, and refocused city and congressional attention on the need to reform what many perceive as a flawed and ineffective institution.

The direction of school board reform in the District of Columbia, including the size of the school board, and whether to elect or to appoint school board members, has been a hotly debated topic that was decided by the voters (51% for the hybrid Board of Education and 49% against) in a referendum vote on June 27, 2000. Much of the debate on elected-versus-appointed boards involves matters of accountability, democracy, efficacy, and expertise.² Supporters of an elected board believe that such boards are directly accountable and sensitive to the concerns of residents because they are democratically elected. Detractors argue that elected boards, particularly those elected by ward or district, are too parochial in their focus, and too partisan in their politics. School boards, they offer, often serve as a political training ground for persons with higher political aspirations who are more interested in building a political base than in improving the schools.

Supporters of appointed boards contend that appointed board members are more likely to bring education or other expertise to the board's deliberations, and are less likely to be subjected to, or swayed by, partisan or parochial pressures to protect the interest of a particular group in order to win political advantage. Detractors argue that appointed boards are subject to patronage and are selected in an undemocratic fashion.

The mayor and the city council settled on a hybrid board comprising both elected and appointed members after considering and rejecting proposals that would have:

- ! allowed the mayor to appoint the superintendent and a five-member Board of Education; transferred control of the schools, including the hiring and firing of the superintendent, to the mayor for a specific

² Many of the issues surrounding elected versus appointed school boards were outlined in a September 9, 1999, report by the Appleseed Center entitled *Reforming the D.C. Board of Education: A Building Block for Better Public Schools*. The Appleseed Center is nonprofit, nonpartisan, public interest organization dedicated to addressing systemic management and financial problems of the District of Columbia.

period after declaring a state of emergency, and then returning power to a restructured and smaller seven member elected board;

- ! reduced the Board of Education from 11 to seven elected members; and allowed District residents to choose between a nine-member elected school board and a five-member board appointed by the mayor.

The latter proposal, which was initially approved by the city council on February 1, 2000, was criticized by Alice Rivlin, the chair of the Authority, who argued that a referendum fight over an elected versus appointed board would be divisive. She urged the council and the mayor to support a single plan or face the possibility of Authority or congressional action.

On February 17, 2000, after weeks of debate, the city council, with the mayor's support, approved a bill (PR13-295) that would restructure the District of Columbia Board of Education pending approval of a referendum by District voters and a 35-day congressional review period, during which a resolution of disapproval could be offered to repeal the Act.³ The Act, which would amend the District's Home Rule Act, would:

- ! reduce the school board from 11 to nine members;
- ! allow voters to elect four members of the board from four new school election districts (currently eight members of the board are elected by ward); allow voters to elect one at-large member to serve as President of the Board of Education; and
- ! allow the mayor to appoint four members to the board with the advice and consent of the city council.

The Board of Elections and Ethics (BEE) held a public meeting on May 2, 2000, to formulate the final short title and summary statement for the Proposed Charter Amendment III, "The School Governance Charter Amendment Act of 2000." Upon completion of this exercise, the BEE certified the referendum question, which will ask D.C. voters for a yes-or-no vote in support of a hybrid school board. The BEE has estimated the costs of conducting the special election at approximately \$371,000. Because the voters approved the ballot question on June 27, 2000, the names of candidates for the five elected seats on the new school board will appear on the November 7, 2000, general election ballot.

During the campaign to win support for the charter amendment questions were raised about the appropriateness of the mayor's use of city employees, resources, facilities, and funds. Critics charged that the mayor's use of taxpayer funds and government employees was a violation of the city's campaign, election, and personnel laws. On June 16, 2000 the Office of Campaign Financed ruled in favor of the complaint against the mayor and directed the mayor to immediately stop using District

³ On June 12, 2000, the House passed H.R. 4387, a bill that allows the School Governance Charter Amendment to take effect immediately upon ratification by the voters of the District of Columbia. On June 14, 2000, the Senate also approved H.R. 4387. The act, which was signed by the President, effectively waives the 35-day congressional review period.

employees and resources in support of the charter amendment. On September 6, 2000, the Board of Elections and Ethics upheld the Office of Campaign Finance's order to stop using government employees, resources, and funds in the campaign. The Mayor has announced he will appeal further, to the Court of Appeals.

Support for Charter Schools. The charter school movement in the District of Columbia has been gaining support, despite some setbacks and controversy. Nearly one in every 11 school children attending public schools in the District is enrolled in one of 31 public charter schools. For its part, Congress provided additional support for the charter school movement last year. Last year Congress amended the District of Columbia School Reform Act of 1995, extending the legislative authority for charter schools indefinitely and including charter schools as eligible entities for school construction and repair funds.⁴ The act provides \$5 million in funds for public charter schools. These funds are administered by a 5-member board appointed by the mayor and the Public Charter School Board. This provision is intended to help charter schools meet one of their most pressing needs—adequate physical facilities.

In March of this year, four members of the Emergency Transitional Education Board of Trustees, the school advisory panel created by the authority, resigned in protest of the authority's support for the conversion of the Paul Junior High School building to a charter school. The scheduled conversion was also opposed by the superintendent of public schools who had sought to create a math and technology program to be housed in the same building. The conversion of Paul to a charter school was supported by two-thirds of the parents with children in attendance at Paul, granted by the Public Charter School Board, which is one of two charter granting authorities in the District,⁵ and subsequently endorsed by the authority.

The Paul Junior High School debate served as a lightning rod for issues surrounding the conversion and transfer of public school buildings to charter schools. On March 7, 2000, in the midst of the Paul Junior High School controversy, the city council passed emergency legislation that places a seven-and-one-half month moratorium on public school building conversions and transfers to public charter schools. Though the bill does not affect the conversion of Paul, according to charter school supporters, it would have a chilling effect on future conversions. In addition, the authority has transferred the power to dispose of surplus schools to the office of the mayor.

Special Education. Addressing the needs of special education students has been a focus of House and Senate appropriators, and is one of several education-related issues that District officials have promised to address. The District's FY1999 Appropriations Act, P.L. 105-277, included \$30 million in special federal payments to address the backlog in evaluating the special education needs of students. The FY2000 appropriations act for the District included a provision that would allow District officials to increase the amount of compensation awarded to attorneys

⁴ Sections 153 and 155 of Title I of the Consolidated Appropriations Act for FY2000, P.L. 106-113, amended the District of Columbia School Reform Act of 1995, P.L. 104-134 (D.C. Code, §31-2851)

⁵ The elected school board is the other public charter school granting entity.

representing students seeking special education services. The problems of the District's special education program have been well documented. They include issues related to the timely evaluation of students and transportation issues. Despite congressional scrutiny, the appointment by the courts of a special master for special education, and promises from school officials to address these concerns, the school system has shown little progress in addressing the educational needs of special education students, who represent about 15% of total public school enrollment, according to advocates representing special education students. Bus services for students with special needs are routinely late or nonexistent. According to a report by the special master appointed by a federal judge to help resolve transportation and other special education issues, at least one in every 10 special education students missed a significant part of morning classes during the first two months of the year because of transportation problems.

In August 2000, the school system announced its latest efforts to address problems surrounding the transportation of special education children. School administrators plan to offer parents of special education students stipends ranging from \$3,000 to \$7,500 to cover the cost of transporting kids to and from schools. In exchange for the stipends parents would forfeit their child's right for school bus service.

On April 13, 1999, the city council passed PR 13-113, a resolution that established, on an emergency basis, a special committee to investigate the delivery of special education services. All members of the city council serve on the Special Education Program Investigation Special Committee. The resolution gave the committee one year to investigate the delivery of services and recommend improvements. Earlier this year the council passed a resolution extending the deadline for submission of the report by the special committee until September 2000. In April 1999, the superintendent of public schools placed three of the agency's top special education administrators on administrative leave. The superintendent also announced administrative and programmatic changes as part of a 90-day action plan intended to address some of the agency's longstanding problems, including transferring the responsibility for special education assessments to school principals.

Voting Rights Challenge

On April 19, 1999, a three-judge panel heard arguments for and against providing voting representation in the House of Representatives and the Senate for citizens of the District of Columbia. Two cases (*Adams et al. v. Clinton et al.*, and *Alexander et al. v. Daley et al.*) were consolidated and argued before a special panel comprising Judges Louis F. Oberdorfer and Colleen Kollar-Kotelly of the United States District Court, and Judge Merrick B. Garland of the United States Court of Appeals for the District of Columbia. Plaintiffs in the case were represented by attorneys from the firm of Covington & Burling, and George S. LaRoche, Esq. Provisions of the District of Columbia Appropriations Act of 1999, prohibited the District government from using city funds and resources in filing the court challenge.

Presently, the District of Columbia elects a non-voting delegate to Congress, who has been granted the right to cast committee votes, but cannot vote in either the Committee of the Whole or the House. The plaintiffs' arguments for granting full-

congressional voting representation—a single House vote and two Senate votes—rest on the equal protection clause of the 14th Amendment. Lawyers for the plaintiffs contend because the apportionment process deprives District residents of a republican form of government because it leaves them unrepresented in the national legislative body. This, the plaintiffs have argued, denies them equal protection under the law, because although they are subject to laws passed by Congress, they lack voting representation therein.

The Justice Department argued that the 14th Amendment provision governing equal protection does not apply and that the Constitution grants voting representation in the House and the Senate only to states. Specifically, Article I, Section 2, paragraph 1 states that “The House of Representatives shall be composed of Members chosen every second Year by the People of the several States....” Article I, Section 3, paragraph 1 states that “The Senate of the United States shall be composed of two Senators from each State” In addition, Article I, Section 8 of the Constitution grants to Congress the power “To exercise exclusive Legislation in all Cases whatsoever, over such District (not exceeding ten Miles square) as may, by cession of particular States, and the acceptance of Congress, become the Seat of the Government of the United States” Further, Article IV, Section 3 grants only to Congress the power to admit new states into the union.

The three judge panel, whose ruling was later appealed directly to the Supreme Court, handed down their decision on March 20, 2000. By a decision of two to one, the panel found that District residents did not have a legal right to voting representation in Congress. The panel acknowledged the apparent inequity and paradox that residents of the nation’s capital do not possess the right to voting representation in the House and Senate as do residents of the 50 states, but the majority opinion stated that the Constitution clearly states that voting representation in the House and Senate is reserved for “the People of the several States.” The majority opinion suggested that residents seek redress through the political process and not the courts. Political remedies could include a statehood constitutional amendment, creation of a federal enclave and return of the remaining portion of the District to Maryland, or allowing District residents to vote with Marylanders in Senate and House elections. On October 16, 2000, the Supreme Court affirmed the March 20, 2000, ruling of the three judge panel.

Receiverships

The courts continue to play a significant role in the daily operations of the District government. According to the District’s proposed budget for FY2001, 7% of proposed total general fund expenditures (\$4.8 billion) will be controlled by court-appointed receivers. Three agencies (the Child and Family Services, Mental Health Services, and District Columbia Jail Medical Services) account for at least \$394.6 million in proposed spending controlled by court order. The budget did not include cost estimates for one other agency controlled by a court-appointed receiver: the District of Columbia Public Housing Authority.

In December 1999, Mayor Williams appointed Grace M. Lopes as his administration’s liaison with the four agencies under receivership. Her primary mission is to help fashion solutions that will lead to the return of these agencies to

District administrative control. However, the effectiveness of the agencies under receivership and their progress toward return of the four agencies to District government control has been uneven, at best. City officials are hopeful that the agencies will be returned to District control within a year. The Housing Authority was returned to District control by September 2000. There is little to indicate that two other agencies—Child and Family Services and Mental Health Services—have made substantial progress in addressing the problems and issues that forced the agencies into receivership. The agencies' problems were highlighted by news reports of the deaths of children and retarded adults in their care. On October 23, 2000, a United States District Judge Thomas Hogan approved a plan that would return control of the Child and Family Services agency to the District government by the summer of 2001, and elevate the agency to a cabinet level agency. Mental Health Services is set to return to District control by April 2001. The fourth agency, Jail Medical Services, will be returned by the end of the year through the efforts of the mayor.

During the interim, city officials are seeking greater budget coordination with court-appointed receivers. Presently, city officials, including the authority, lack the power to review, revise, or alter the budget request of an agency under receivership. The agency's budget request for each fiscal year is simply included in the District's proposed budget, and is subject only to court review.

As part of the mayor's strategy to hasten the return of agencies under receivership, and to enhance financial accountability and management of District funds, the congressional delegate for the District of Columbia introduced the District of Columbia Receivership Accountability Act of 2000, H.R. 3995, on March 5, 2000.

The act would require each court-appointed receiver to:

- ! consult with the mayor and CFO when preparing the agency's annual budget;
- ! prepare and submit to the Mayor, for inclusion in the District's annual budget, the agency's proposed or estimated budget;
- ! follow the applicable procurement policies and practices of the Chief Procurement Officer of the District;
- ! submit to annual financial and management audits conducted by the Inspector General of the District; and
- ! ensure that the costs incurred in the administration of each agency are consistent with applicable regional and national standards (unless waived by the court during an interim period of up to two years).

Housing Authority. The Housing Authority, which has been in receivership since 1995, could be returned to city control sometime this year. Earlier this year District public housing residents elected three tenants to a nine-member board of commissioners charged with setting policy and approving major contracts for the

agency after the court-appointed receiver, David Gilmore, completed his assignment as receiver during September 2000.

Child and Family Services. In the case of Child and Family Services, the city agency charged with protecting abused and neglected children, critics of the receiver point to the case of Brianna Blackmon, a 23-month old child who died in January after being returned to her mother. The mother had been charged and found guilty of child neglect a year earlier. The child's death prompted a congressional hearing and recommendations that included additional training for social workers and requiring social workers to provide field reports to judges 10 days before hearings on a child's status. In the wake of the Brianna Blackmon case, the court-appointed receiver asked the city for \$60 million in additional funds. This would increase the agency's budget to \$184 million, and would be used to provide higher payments to foster parents, hire additional social workers, and implement other initiatives necessary to fully comply with the court order to improve the agency's services.

On October 23, 2000, the District Court Judge Thomas Hogan approved a plan that would return the agency to District control by the summer of 2001. The agreement returning control of the agency to the District requires the District to elevate the agency to a cabinet level agency with the administrator reporting directly to the mayor, develop licensing standards for foster and group homes, and enact legislation that gives the agency responsibility for investigating abuse and neglect cases. Currently, neglect allegations are investigated by the agency while abuse cases are investigated by the police.

Mental Health Services. On March 6, 2000, U.S. District Judge Thomas F. Hogan approved a plan to return the agency to District control. The judge found that since being placed in receivership in 1997, the system had deteriorated. The plan agreed to by District officials and a coalition representing mental health groups, removed the court-appointed receiver at the end of March 2000, placed the agency under control of an interim receiver, and will transfer control to the District by April 2001. The court will appoint a monitor to review the District's administration of mental health services during the first six-month period following the District takeover.

The state of mental health services in the District was illustrated on February 29, 2000, when police and firefighters were called to a Northwest Washington mental health group home and found the doors chained shut. The home is part of an unofficial network of unregulated group homes for the mentally ill. Advocates for the mentally ill assert that many of them are firetraps. Mental health officials noted that once patients are considered eligible for independent living mental health case workers are no longer responsible for their housing. Although, no formal lists of the unregulated homes exist, it is estimated that there are approximately 200 such homes in the District. During an October 28, 1999 hearing before Judge Aubrey Robinson, mental health advocates noted cases of fraud, neglect, and abuse by mental health residential facilities operators.

More recently, during late May and early June 2000, the mayor and his staff testified before a council committee investigating the city's troubled history in the administration of services for the mentally retarded. The Deputy Mayor for Children

Youth, and Families acknowledged in press reports that there had been 24 deaths of group home residents with mental retardation and developmental disabilities in 1999, and a total of 159 such deaths since 1993.

During his June 1, 2000, testimony before the city council committee, the mayor pledged to make improvements in the city's health services for mentally retarded adults. Some of the steps the city will take include reporting all deaths in group homes for the mentally retarded to the medical examiner for autopsy, the formation of a committee to review all deaths in group homes, and hiring of an outside contractor to determine the medical status of retarded group home residents. In addition, the mayor plans to develop legislation that would create a commission charged with reviewing and restructuring the system of services for mentally retarded group home residents.

In March 2000, the head of Psychological Development Associates, Inc. a private firm providing therapeutic services to the mentally retarded, was convicted in United States District Court of defrauding the city of \$1.6 million in Medicaid funds for services that were never rendered. In May 2000, a former head of the day program branch of the District's Mental Retardation and Development Disabilities Administration, was convicted of federal conspiracy and conflict-of-interest charges linked to Psychological Development Associates, Inc.

District Columbia Jail Medical Services. The cost of health services is one of the issues prompting city officials to seek removal of the receiver for medical services at the District of Columbia jail. The jail's medical services, which have been under receivership since 1995, carry an excessively high price tag, according to the city's congressional delegate. The delegate, on March 7, 2000, cited statistics from the National Institute of Corrections, and noted that the District per-inmate per-day medical cost of \$19 is far higher than the city of Baltimore's \$5.18 per-inmate per-day medical cost. She also noted that the cost of medical services for District inmates is almost three times the national average.

Criminal Justice

The Balanced Budget Act of 1997 (P.L. 105-33),⁶ initiated several changes in the operation of the District's corrections and criminal justice system, including the closing of the Lorton Correctional Facility by the end of 2001. The most recent activity involves the transfer of D.C. felons into the federal prison system and privately-run prisons, and public review of the recommendations of the D.C. Sentencing Commission. In addition, the role of the U.S. Parole Commission and its responsibility for parole decisions affecting D.C. offenders is also an issue of current concern.

Lorton Inmate Transfers. As of April 6, 2000, approximately 2,300 District of Columbia felons have been transferred into the custody of the Federal Bureau of Prisons (FBOP). At a House Appropriations subcommittee hearing on March 2, 2000, and a Senate Subcommittee on Criminal Justice Oversight hearing on April 6, 2000,

⁶ P.L. 105-33, Title XI, Subtitle C, Corrections.

the Director of FBOP testified that overcrowded conditions in the federal prison system, and the change in closure date for Lorton from the year 2003 to 2001, complicates the FBOP's ability to transfer D.C. felons into the federal prison system. She added that every effort will be made to meet Lorton facility closure deadline of December 31, 2001. In addition, the transfer of D.C. felons to privately operated facilities has been delayed due to environmental and legal challenges. In an effort to ensure the scheduled closure of Lorton, the FBOP negotiated a contract with the state of Virginia to house 900 D.C. felons.

Advisory Commission on Sentencing. The National Capital Revitalization and Self Government Improvement Act of 1997, Title XI of the Balanced Budget Act of 1997 (P.L. 105-33), mandated the restructuring of the city's sentencing system to comply with federal truth-in-sentencing guidelines. The 1997 act eliminated parole and indeterminate sentencing of convicted felons. The act required the District to develop a set of determinate sentences, and requires felons convicted of such crimes to serve 85% of the term for such convictions behind bars. Felons convicted of subsection (h) felonies such as murder and rape are also required to serve "an adequate period" of supervised release. In 1998, the city council created the Advisory Commission on Sentencing and directed the 13-member commission to make recommendations regarding criminal sentencing reform mandated by the 1997 Revitalization Act. The commission submitted its latest recommendations to the city council on April 5, 2000. The new rules took effect August 5, 2000. The commission's eight page report recommends:

- ! establishing a unitary sentencing system by abolishing parole for all offenders (the Revitalization Act of 1997 abolished parole for subsection (h) offenders who commit serious crimes such as murder and rape);
- ! training for judges and other parties regarding the switch from indeterminate sentences, where felons are sentenced to serve time within a range of years—for example, 10 to 15 years for rape—to determinate sentencing, where convicted felons serve a set term of years—for example, seven years for rape—thus, making sentencing and time served more predictable;
- ! allowing the courts to impose a five-year supervised release period for offenses that carry a statutory maximum sentence of 25 years or more, a three year supervised release period for offenses that carry a statutory maximum sentence of less than 25 years;
- ! allowing the courts to impose a supervised release period greater than five years for certain sex offenses; and
- ! establishing a maximum sentence of 60 years for first degree murder, 40 years for second-degree murder, and 30 years for all other offenses that previously carried a maximum penalty of life imprisonment.

Several public hearings have been conducted to increase public awareness of the new sentencing provisions and recommendations of the Commission. The council has set June 26, 2000 as the target date for voting on the sentencing guidelines included in council bill PR13-696, the District of Columbia Sentencing Reform Act of 2000.

Parole. The transfer of D.C. offenders to the federal system also includes changes in parole authority. The U.S. Parole Commission has assumed responsibility for making parole release decisions for D.C. felons since August 5, 1998. The D.C. Board of Parole, however has the authority to supervise and revoke parole of D.C. parolees until August 5, 2000. Subsequent to this date, the D.C. Board of Parole has been abolished and the U.S. Parole Commission has jurisdiction over all D.C. offenders. The Advisory Commission on Sentencing (ACS) included several recommendations intended to address issues surrounding the revocation of supervised release and parole. The Commission recommended that the city council enact legislation setting the maximum terms of imprisonment for revocation of supervised release consistent with federal standards under 18 U.S.C. 3583(e)(3) and 18 U.S.C. 3559.

Budget Request

No Supplemental Appropriations for FY2000

No additional funding for the District of Columbia was requested by the Clinton Administration or the authority, and none was included in the House version of H.R. 3908, Emergency Supplemental Appropriations Act for FY2000.

FY2001: The President's Budget Request

On February 7, 2000, the Clinton Administration released its FY2000 budget recommendations. The Administration's proposed budget includes \$445.5 million in federal payments to the District of Columbia. An overwhelming percentage of the President's proposed federal payments and assistance to the District involve the courts and criminal justice system. This includes \$103.5 million for the Court Services and Offender Supervision Agency for the District of Columbia, an independent federal agency which has assumed management responsibility for the District's pretrial services, adult probation, and parole supervision functions. In addition, the Administration is requesting \$103 million in support of court operations, and \$134 million for the trustee appointed to oversee the District corrections systems, including the closing of the Lorton correctional facility and the transfer of its inmates into the federal prison system. These four functions (prison administration, court operations, defender services, and offender supervision) represent 84% of \$445.4 million of the President's proposed federal payments to the District of Columbia (See Table 2).

FY2001: District's Budget Request

On June 7, 2000, the Authority approved a \$5.5 billion budget for FY2001. The budget proposal includes a \$150 million reserve fund mandated by the District of

Columbia Appropriations Act of 1999, P.L. 105-277. In addition, the budget would increase funding for public education by \$131 million, for economic development by \$24 million, and for general government support by \$135 million. The budget must be approved by Congress (See Table 2).

Table 2. District of Columbia General and Special Federal Payment Funds: Proposed and Final FY2001 Appropriations
(in millions of dollars)

Programs	Enacted FY2000	FY2001				
		Admin.	City's budget	House	Senate	Final
Federal Payments: General and Special Fund						
Resident Tuition Program	17.0	17.0	17.0	14.0	17.0	17.0
CFO	—	—	—	1.5	0.0	1.25
mentoring program	—	—	—	[0.25]	—	[0.25]
Youth development	—	—	—	[0.5]	—	[0.25]
Hickey Run stormwater	—	—	—	[0.5]	—	[0.5]
basic values training	—	—	—	—	—	[0.25]
Homeless assistance	—	—	—	[0.25]	—	0.0
Commercial Revitalization Program	0.0	0.0	0.0	0.0	1.5	1.5
Public School anti- violence programs	0.0	0.0	0.0	0.0	0.5	0.5
anti-violence	—	—	—	—	[0.25]	[0.25]
reading programs	—	—	—	—	[0.25]	[0.25]
Metro. Police mentoring of high risk youth	—	—	—	—	—	0.1
Covenant House	—	—	—	—	0.5	0.5
Corrections Trustee for Operations	176.0	134.3	134.3	134.3	134.2	134.2
case processing	—	—	—	[1.0]	[1.0]	[1.0]
District of Columbia Courts Operation	99.7	103.0	103.0	99.5	109.1	105.0
Court operations	99.7	103.0	103.0	99.5	109.1	105.0
Court of Appeals	[7.2]	[7.7]	[7.7]	[7.7]	[7.7]	[7.4]

Programs	Enacted FY2000	FY2001				
		Admin.	City's budget	House	Senate	Final
Superior Court	[68.3]	[72.4]	[72.4]	[72.4]	[72.4]	[71.1]
Court system	[16.1]	[17.9]	[17.9]	[16.9]	[17.9]	[17.9]
Child Abuse and Neglect ^a	0.0	0.0	0.0	0.0	0.0	0.0
Indigent representation ^b	0.0	0.0	0.0	0.0	0.0	0.0
Capital Improvements	[8.0]	[5.0]	[5.0]	[2.5]	[5.8]	[3.3]
Pay raise (8.48%)	0.0	0.0	0.0	0.0	[5.3]	[5.3]
Defender Services in D.C. Courts ^c	33.3	38.4	38.4	34.4	38.4	34.4
Court Services and Offender Supervision Agency for the District of Columbia	93.8	103.5	103.5	115.8	112.5	112.5
Community Supervision and Sex Offender Registration	—	—	—	[69.9]	[67.5]	[67.5]
Parole Revocation, Adult Probation and Offender Supervision	[58.6]	[61.5]	[61.5]	—	—	—
Drug testing and screening	[20.5]	—	—	[22.2]	—	—
Public Defender Service	[17.4]	[18.5]	[18.5]	[18.8]	[18.5]	[18.8]
Pretrial Service Agency	[17.8]	[23.5]	[23.5]	[27.1]	[26.2]	[26.2]
Incentives for the Adoption of Foster Children	5.0	5.0	5.0	0.0	{5.0} ^e	—
Metro. Police Open-Air drug market elimination initiative	1.0	0.0	0.0	0.0	0.0	0.0
Washington Interfaith Network	—	—	—	1.0	0.0	1.0

Programs	Enacted FY2000	FY2001				
		Admin.	City's budget	House	Senate	Final
Tax Reform study	—	—	—	0.1	0.0	
Simplified Personnel System	—	—	—	0.25	0.0	0.25
Management Reform	—	—	—	0.0	0.0	—
Metro improvements	—	25.0	25.0	7.0 ^d	25.0	25.0
Boys Town operations	—	0.0	0.0	0.0	0.0	—
Infrastructure Fund	—	0.0	0.0	0.0	0.0	—
Poplar Point Brownfield Remediation	—	—	10.0	0.0	3.4	3.45
environ. assessment	—	—	—	—	[2.15]	[2.15]
Anacostia Park entrance	—	—	—	—	[1.30]	[1.30]
Lorton study	—	—	—	0.0	0.0	—
Presidential inauguration	—	6.2	6.2	5.96	6.21	5.96
Citizen compliant review office	0.5	0.0	0.0	0.0	0.0	—
Firefighters pay raise	—	0.0	0.0	0.0	0.0	—
Waterfront park improvements	—	0.0	0.0	0.0	0.0	—
City and national museums	—	3.0	3.0	0.25	0.0	0.0
Southwest waterfront improvements study	—	—	—	0.0	0.0	—
Public charter schools	—	0.0	0.0	0.0	0.0	—
St. Coletta expansion	—	—	—	—	—	1.0
Child Advocacy Center	—	—	—	—	—	0.5
Children's National Medical Center	2.5	0.0	0.0	0.0	0.0	0.5
Special Olympics	—	—	—	—	—	0.25

Programs	Enacted FY2000	FY2001				
		Admin.	City's budget	House	Senate	Final
Enforcement of law banning tobacco possession by minors	—	—	—	—	—	0.1
U.S. Park police helicopter operations	—	—	—	0.0	0.0	—
Mentor services	0.25	0.0	0.0	0.0	0.0	—
Medicare coordinated care demonstration	—	0.0	0.0	0.0	0.0	—
Mental Health	—	—	0.0	0.0	0.0	—
School Construction	—	—	0.0	0.0	0.0	—
Special Education	—	0.0	0.0	0.0	0.0	—
Revitalization Corp.	—	0.0	0.0	0.0	0.0	—
Y2K Information technology	—	0.0	0.0	0.0	0.0	—
Infrastructure & economic development projects	—	[38.0]	0.0	0.0	0.0	—
Lorton Environmental Cleanup	6.7	0.0	0.0	0.0	0.0	—
Total federal payments	\$435.8	\$445.4	\$445.4	\$414.0	\$448.35	\$444.975

^a Funds would be provided under a separate heading—Defender Services for the District of Columbia Courts. The Committee's recommendation is based on the Court's misuse of funds appropriated for such activities in previous years.

^b Funds would be provided under a separate heading—Defender Services for the District of Columbia Courts. The Committee's recommendation is based on the Court's misuse of funds appropriated for such activities in previous years.

^c In previous years funds would be provided as part of District of Columbia Court operations. The Committee recommends creation of a separate appropriations to ensure payment of attorneys representing indigent persons, guardianship, and abused and neglected children in court proceedings.

^d An additional \$18 million would be transferred from interest bearing accounts held by the Authority on behalf of the District government.

Note: Brackets indicate amount subsumed under line immediately above. Total may be off due to rounding.

^e The \$5 million made available for FY2001 is a carryover of unobligated funds appropriated in FY2000. This amount is not included in total special federal payments for FY2001.

Note: Total may not add due to rounding.

General Provisions for FY2001. Unlike previous years, the Administration's budget for FY2001 does not include general provisions. The Administration and city

leaders had hoped to eliminate a number of provisions included in last year's appropriations act that they consider arcane, irrelevant, or inappropriate.

Congressional Action on the Budget

Congress not only appropriates federal payments to the district to fund certain activities, but also reviews the District's entire budget including the expenditure of local funds. The District subcommittees of both the House and Senate Appropriations Committees must approve—and may modify—the District's budget. House and Senate versions of the District budget are reconciled in a joint conference committee and must be passed by the House and the Senate. After this final action by the House and the Senate, the District's budget is forwarded to the President who can sign it into law or veto it.

FY2001 302(b) Suballocation

Section 302(b) of the Congressional Budget Act requires that the House and Senate pass a concurrent budget resolution establishing aggregate spending ceiling (budget authority and outlays) for each fiscal year. These ceilings are used by House and Senate appropriators as a blueprint for allocating funds. Section 302(b) of the Congressional Budget Act of 1974 requires Appropriations Committees in the House and Senate to subdivide their 302(b) allocation of budget authority and outlays among the 13 appropriation subcommittees.

On May 4, 2000, the Senate Appropriations Committee approved a 302(b) suballocation for the District of \$441 million. This is \$4 million less than the \$445 million requested by the Administration for FY2001. The House Appropriations Committee approved 302(b) suballocation of \$414 million in budget authority for FY2001 for the District of Columbia.

FY2001: House Bill, H.R. 4942

House Appropriations Committee. On July 25, 2000, the House Appropriations Committee reported an original measure, H.R. 4942, appropriating funds for the District of Columbia for FY2001 (H.Rept. 106-786).

Federal Funds. The Appropriations Committee bill includes \$414 million in special federal assistance. The majority of these funds (\$384 million) would be allocated to courts, prisons, and criminal justice activities including offender services. In addition, the bill appropriates \$14 million for college scholarship program, and \$7 million for construction of a New York Avenue Metro station. The bill directs an additional \$18 million in funds held by the Authority to complete the \$25 million federal contribution for construction of the New York Avenue station.

Local Funds. The District's budget as approved by the House Appropriations Committee includes \$4.842 billion in general fund operating expenses and \$654 million in enterprise funding for a total of \$5.496 billion in total operating expenses for FY2001. The budget eliminates a proposed \$3.360 million increase in funding for the Authority for FY2001. The increase was proposed to cover the cost of severance

pay for the agency's staff. The proposed severance packages were criticized as excessive by the House Appropriation's Committee in its report (H.Rept. 106-786) accompanying H.R. 4942. The report notes that the Authority proposed budget of \$6.5 million was more than double that of its FY2000 appropriation of \$3.140 million, at a time when the Authority is preparing to be phased out of existence in anticipation of the District meeting the congressionally mandated requirement of four consecutive years of balanced budgets before the restoration of home rule.

General Provisions. The bill includes several social rider provisions that are viewed as controversial or intrusive by some District officials and residents. The House bill includes a provision barring the federal funding of needle exchange programs aimed at reducing the spread of AIDS and HIV among drug users. The Committee approved by voice vote an amendment that would allow city and private funds to be used to finance a needle exchange program. The amendment would prohibit the use of federal funds for a needle exchange program. The Committee rejected an amendment that would have restricted the distribution of hypodermic needles. The provision would have prohibited the distribution needles within 1,000 feet of a public or private day care center, school or university, public swimming pool, park, playground, video arcade, youth center, or near any event sponsored by these facilities.

The Committee also included a provision in the appropriations bill that would allow the District to implement a provision in a proposed Health Insurance Coverage for Contraceptive Act of 2000. The proposed legislation would require employers with employee health plans to pay for contraceptive services if they have a prescription drug plan, even if the employers may object to the use of contraceptives on religious or moral grounds. The chairman of the House District of Columbia Appropriations Subcommittee included a provision in the subcommittee draft of the District of Columbia Appropriations Act for FY2001 that would have prohibited the contraceptive provision from taking effect. During the Appropriations Committee markup on July 20, 2000, the committee approved, by voice vote, an amendment that would allow the contraceptive parity provision to stand conditioned on the city council drafting a "conscience clause" that would allow employers to opt out of the requirement based on religious or moral objections.

House Floor Action. On September 14, 2000, the House passed H.R. 4942, the District of Columbia Appropriations Act for FY2001 by a vote of 217 (yeas) to 207 (nays). On July 26, 2000, the House considered H.R. 4942, the District of Columbia Appropriations Act for FY2001. The House, by voice vote, approved an amendment introduced by Representative Istook, that would transfer \$100,000 for a study of the District's tax structure to help finance construction of a New York Avenue Metrorail station. The total federal contribution for construction of a New York Avenue Metrorail station would be \$25 million including \$7.1 million in direct federal contribution and \$17.9 million in transferred funds from interest bearing accounts control by the Authority. In addition, several other amendments were offered during House consideration of H.R. 4942, including amendments that would:

- ! prohibit the public funding of needle exchange programs;

- ! prevent the exchange of needles within 1000 feet of certain public places that serve as gathering places for children such as schools, playgrounds, and day care centers; and
- ! provide for penalties for persons under the age of 18 years who are found in possession of tobacco products.

During the July 26, 2000 floor debate on H.R. 4942, an amendment was introduced by Delegate Norton (D-D.C.) that would have eliminated a provision (Section 168(a)) of the bill that would prohibit the District from implementing the Health Insurance Coverage for Contraceptive Act of 2000. The amendment was rendered moot after Mayor Williams vetoed the legislation.

Senate Bill S. 3041/H.R. 4942

Senate Appropriations Committee. On September 13, 2000, the Senate Appropriations Committee reported S. 3041, a bill appropriating funds for the District of Columbia for FY2001 (S.Rept. 106-409).

Federal Funds. The Senate Appropriations Committee bill includes \$445 million in special federal assistance. The majority of these funds (\$390.2 million) would be allocated to courts, prisons, and criminal justice activities including offender services. In addition, the bill appropriates \$17 million for college scholarship program, and \$25 million for construction of a New York Avenue Metro station. This is the full federal commitment to the project, which is expected to receive an additional \$50 million from the city and the private sector.

Local Funds. The District's budget as approved by the Senate Appropriations Committee includes \$4.680 billion in general fund operating expenses and \$654 million in enterprise funding for a total of \$5.334 billion in total operating expenses for FY2001. The budget supports a proposed \$3.360 million increase in funding for the Authority for FY2001. The increase was proposed to cover the cost of severance pay for the agency's staff. The Authority is preparing to be phased out of existence in anticipation of the District meeting the congressionally mandated requirement of four consecutive years of balanced budgets before the restoration of home rule.

General Provisions. The bill includes several social rider provisions that are viewed as controversial or intrusive by some District officials and residents including a provision barring the federal and city funding of needle exchange programs aimed at reducing the spread of AIDS and HIV among drug users. The Committee bill would allow private funds to be used to finance a needle exchange program. The Senate Appropriations Committee also includes a provision that would prohibit legalizing the medical use of marijuana and restricting the use of federal and city funds for abortions to cases where the pregnancy was the result of rape or incest, or threatens the health of the would-be mother.

The bill requires the Chief Financial Officer to submit a comprehensive financial management policy comprising cash, debt, financial asset, emergency and contingency reserve management, and real property tax exemption policies. In addition, it identifies the process for review and approval of these policies. The bill would also amend the Financial Responsibility and Management Assistance Act relating to the

hiring and dismissal of the CFO. The Senate bill proposes a 30-day congressional review period following the mayor, city council's, and Authority's approval of the appointment or dismissal of the CFO. In addition, the bill identifies 24 specific duties and responsibilities of the CFO. Earlier this year CFO Valarie Holt was dismissed, in part, because of criticism of the office's tardiness in delivering financial reports critical to the development of this year's budget plan.

The Senate bill would eliminate or slowly phase out over several years the requirement that the city maintain a \$150 million reserve fund. Instead, the Senate bill would require that the city create two reserve funds: a contingency reserve fund; and an emergency reserve fund. The contingency cash reserve fund would set aside up to 3% of each year's operating budget for unforeseen or nonrecurring needs such as natural disasters, federal mandates, and revenue shortfalls. The second reserve fund, the emergency cash reserve fund, would require the city to maintain a 4% reserve of each year's operating budget for unanticipated and nonrecurring needs such as a natural disaster or calamity. In order to reach the 4% set-aside requirement for the emergency cash reserve, the District would be required to deposit at least 0.5% of each fiscal year's operating budget ending in FY2008. The District also would be required to deposit at least 0.5% of each year's operating budget in order to meet the 3% contingency fund requirement by FY2006.

Senate Floor Action. On September 27, 2000, the Senate passed its version of H.R. 4942, substituting the language of S. 3041, a bill appropriating funds for the District of Columbia for FY2001 (S.Rept. 106-409). The bill was approved by the full Senate by unanimous consent.

Conference and Final Action: H.R. 4942 and H.R. 5633

On October 11, 2000 House and Senate conferees reached agreement on a conference version of H.R. 4942. On October 26, 2000, the conference committee on H.R. 4942, release the conference report (H.Rept. 106-1005) accompanying the bill. The conference version of H.R. 4942 included appropriations for the Departments of Commerce, Justice, and State. The move was intended to expedite the consideration of appropriations for these departments. On October 26, 2000, the House approved H.R. 4942 despite the threat of a veto. On October 27, 2000, the Senate approved the conference bill by a vote of 48 to 43. In a October 26, 2000, letter to the House Speaker and Majority Leader of the Senate, the President indicated that he would veto an otherwise acceptable District Appropriations Act because of the inclusion of objectionable provisions in the Commerce, Justice, and State portion of the bill.

Upon returning from an election recess, Congress considered and passed H.R. 5633, an act appropriating funds for the District of Columbia for FY2001. The bill did not include provisions appropriating funds for the Departments of Commerce, Justice, and State that resulted in the threatened veto by President Clinton. The House and the Senate quickly passed H.R. 5633 by unanimous consent on November 14, 2000, leaving unchanged the District of Columbia appropriations provisions first approved in the conference report accompanying H.R. 4942. President Clinton signed H.R. 5633 into law on November 22, 2000, as P.L. 106-522.

Federal Funds. P.L. 106-522 includes \$444.975 billion in special federal payments to the District of Columbia. The majority of these funds (\$386 million) would be allocated to corrections and criminal justice activities. The bill also includes \$17 million for a college tuition assistance program, \$25 million for New York Avenue Metro station. The act also includes \$100,000 for enforcement of law banning possession of tobacco products by minors.

Local Funds. P.L. 105-522 includes \$5.5 billion in general and enterprise fund expenditures for FY2001. This is \$142 million more than the District budgeted in FY2000. The conference bill, which was vetoed, included \$998.9 million budget for public education including charter schools. This is a \$132 million increase in funding for public education, the largest increase in the District's budget. Other increases include \$15 million for economic development and regulatory activities, and \$8 million for public works. These and other increases were balanced against cuts in other government activities including \$14 million less for public safety activities and \$85 million less in repayment of loans and interest, and \$7.9 million reduction in the payment of interest on short term borrowing.

General Provisions. P.L. 106-522, the District of Columbia Appropriations Act for FY2001, also includes several social rider provisions that are viewed as controversial or intrusive by some District officials and residents. Many of these provisions were included in previous District of Columbia appropriation acts. P.L. 106-522 bars the use of District and federal funds for needle exchange programs aimed at reducing the spread of AIDS and HIV among drug users, a provision that was included in the FY2000 appropriations for the city. The new public law, consistent with FY2000 appropriations language would allow private funds to be used to finance a needle exchange program. The act includes a provision that restricts the distribution of hypodermic needles. This new provision prohibits the distribution of needles within 1,000 feet of a public or private day care center, school or university, public swimming pool, park, playground, video arcade, youth center, or near any event sponsored by these facilities.

P.L. 106-522, also includes a provision that allows the District to pass and implement laws requiring the inclusion of health insurance coverage for contraceptive prescriptions. The legislation also includes a provision that would allow the contraceptive parity provision to stand so long such legislation included a "conscience clause" that would allow employers to opt out of the requirement based on religious or moral objections. The act also include provisions prohibiting the decriminalization of marijuana for medical purposes, the use of funds for lobbying for statehood or voting representation in Congress, and the use of District and federal funds for abortion services except when the life of the mother is in danger or the pregnancy is the result of rape or incest. These provisions were included in previous acts appropriating funds for the District of Columbia. The act also includes a new provision that would phase out over several years the requirement that the city maintain a \$150 million reserve fund. Instead, the act includes a provision contained in the Senate version of H.R. 4942 requiring the city to establish two reserve funds: a contingency reserve fund; and an emergency reserve fund. The contingency cash reserve fund would set aside up to 3% of each year's operating budget for unforeseen or nonrecurring needs such as natural disasters, federal mandates, and revenue shortfalls. The second reserve fund, the emergency cash reserve fund, requires the city

to maintain a 4% reserve of each year's operating budget for unanticipated and nonrecurring needs. In order to reach the 4% set-aside requirement for the emergency cash reserve, the District would be required to deposit at least 0.5% of each fiscal year's operating budget ending in FY2008. The District also would be required to deposit at least 0.5% of each year's operating budget in order to meet the 3% contingency fund requirement by FY2006.

Table 3. District of Columbia General Funds: Proposed and Final Appropriations for FY2001
(in millions of dollars)

Programs	Enacted FY2000	FY2001			
		District	House	Sen.	P.L. 106-522
Division of Expenses: District of Columbia Funds					
GENERAL FUND					
Governmental direction and support	167.356	197.771	194.521	194.271	195.771
Economic development and regulation	190.335	205.638	205.638	205.638	205.638
Public safety and justice	778.770	762.346	762.346	762.346	762.546
Public education system	867.411	998.418	995.418	998.918	998.918
Human support services	1,536.361	1,542.204	1,532.204	1,532.704	1,535.654
Public works	271.395	278.242	278.242	278.242	278.242
Receivership programs	342.077	394.528	389.528	389.528	389.528
Workforce investments	8.500	0.000	0.000	0.000	
Reserve Fund	150.000	150.000	150.000	\$150.000 ^b	\$150.000 ^b
DC Financial Responsibility and Management Assistance Authority	3.140	6.500	3.140	6.500	3.140
Repayment of Loans and Interest	328.417	246.089	243.238	243.238	243.238
Repayment Gen. Fund Recovery Debt	38.286	39.300	39.300	39.300	39.300
Pay interest on short term borrowing	9.000	4.500	1.140	1.140	1.140
Presidential Inauguration	—	—	5.961	6.211	5.961
One Judiciary Square Certificate of Participation	7.950	7.950	7.950	7.950	7.950
Tobacco Settlement Trust Fund Transfer	—	61.406	61.406	61.406	61.406
Optical and dental insurance payments	1.295	2.675	2.675	2.675	2.675
Productivity Savings	{20.000} ^a	0.000	0.000	0.000	0.000
Wilson Building	—	8.409	8.409	8.409	8.409
Procurement and management savings	{21.457} ^a	{37.000} ^a	{37.000}	{37.000}	{37.000}
Human Resource Development	0.000	0.000	0.000	0.000	0.000

Programs	Enacted FY2000	FY2001			
		District	House	Sen.	P.L. 106-522
Operational Improvement savings	0.000	{ 10.000 } ^a	{ 10.000 }	{ 10.000 }	{ 10.000 }
Management supervisory services	0.000	13.200	13.200	13.200	13.200
Cafeteria Plan	—	{ 5.000 }	{ 5.000 }	{ 5.000 }	{ 5.000 }
Productivity bank	20.000	0.000	0.000	0.000	0.000
Risk management	0.000	0.000	0.000	0.000	0.000
General fund total operating expenses	\$4,686.836	\$4,867.176	\$4,842.416	\$4,680.265	\$4,684.915
ENTERPRISE FUNDS					
Water and Sewer Authority	279.608	275.705	275.705	275.705	275.705
Lottery and charitable Games	234.400	223.200	223.200	223.200	223.200
DC Sports Commission	10.846	10.968	10.968	10.968	10.968
DC Public Benefit Corp.	89.008	78.235	78.235	78.235	78.235
DC Retirement Board	9.892	11.414	11.414	11.414	11.414
Correctional Industries Fund	1.810	1.808	1.808	1.808	1.808
Convention Center Enterprise Fund	50.226	52.726	52.726	52.726	52.726
Cable Television	0.000	0.000	0.000	0.000	0.000
Public Service Commission	0.000	0.000	0.000	0.000	0.000
Office of the People's Counsel	0.000	0.000	0.000	0.000	0.000
Dept. of Insurance and Security Regulation	0.000	0.000	0.000	0.000	0.000
Office of Banking and Fin. Regulation	0.000	0.000	0.000	0.000	0.000
Total enterprise funds	675.790	654.056	654.056	654.056	654.056
Total operating expenses	\$5, 362.626	\$5,521.232	\$5,496.372	\$5,503.732	\$5,504.772
CAPITAL OUTLAY					
General Fund	1,218.637	1,029.975	1,022.074	1,022.074	1,022.074
Water and sewer fund	197.169	140.725	140.725	140.725	140.725
Total District of Columbia Funds	\$6,778.416	\$6,691.932	\$6,659.171	\$6,666.531	6,667.571

^a Brackets indicate projected saving to be achieved and not actual expenditure.

^b Conference and Senate versions of the bill would establish two reserve funds: a “contingency reserve fund” into which the Mayor may deposit at least 3% of the total fiscal year operating budget; and a “emergency cash reserve fund” into which the Mayor may deposit at least 4% of the total fiscal year operating budget. These reserve funds would be established over a multi-year period and would replace the present reserve fund of \$150 million.