

104TH CONGRESS  
1ST SESSION

# H. R. 1345

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## AN ACT

To eliminate budget deficits and management inefficiencies in the government of the District of Columbia through the establishment of the District of Columbia Financial Responsibility and Management Assistance Authority, and for other purposes.

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## AN ACT

To eliminate budget deficits and management inefficiencies in the government of the District of Columbia through the establishment of the District of Columbia Financial Responsibility and Management Assistance Authority, and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*

3        **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4        (a) SHORT TITLE.—This Act may be cited as the  
5        “District of Columbia Financial Responsibility and Man-  
6        agement Assistance Act of 1995”.

1 (b) TABLE OF CONTENTS.—The table of contents of  
 2 this Act is as follows:

- Sec. 1. Short title; table of contents.  
 Sec. 2. Findings; purpose.

TITLE I—ESTABLISHMENT AND ORGANIZATION OF AUTHORITY

- Sec. 101. District of Columbia Financial Responsibility and Management Assistance Authority.  
 Sec. 102. Executive director and staff of Authority.  
 Sec. 103. Powers of Authority.  
 Sec. 104. Exemption from liability for claims.  
 Sec. 105. Treatment of actions arising from act.  
 Sec. 106. Funding for operation of Authority.  
 Sec. 107. Suspension of activities.  
 Sec. 108. Application of laws of District of Columbia to Authority.

TITLE II—RESPONSIBILITIES OF AUTHORITY

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

- Sec. 201. Development of financial plan and budget for District of Columbia.  
 Sec. 202. Process for submission and approval of financial plan and annual District budget.  
 Sec. 203. Review of activities of District government to ensure compliance with approved financial plan and budget.  
 Sec. 204. Restrictions on borrowing by District during control year.  
     “Sec. 601. Transitional provision for short-term advances.  
     “Sec. 602. Short-term advances for seasonal cash-flow management.  
     “Sec. 603. Security for advances.  
     “Sec. 604. Reimbursement to the Treasury.  
     “Sec. 605. Definitions.  
 Sec. 205. Deposit of annual Federal payment with Authority.  
 Sec. 206. Effect of finding of non-compliance with financial plan and budget.  
 Sec. 207. Recommendations on financial stability and management responsibility.  
 Sec. 208. Special rules for fiscal year 1996.  
 Sec. 209. Control periods described.

**Subtitle B—Issuance of Bonds**

- Sec. 211. Authority to issue bonds.  
 Sec. 212. Pledge of security interest in revenues of district government.  
 Sec. 213. Establishment of debt service reserve fund.  
 Sec. 214. Other requirements for issuance of bonds.  
 Sec. 215. No full faith and credit of the United States.

**Subtitle C—Other Duties of Authority**

- Sec. 221. Duties of Authority during year other than control year.  
 Sec. 222. General assistance in achieving financial stability and management efficiency.  
 Sec. 223. Obtaining reports.  
 Sec. 224. Reports and comments.

## TITLE III—MISCELLANEOUS PROVISIONS

Sec. 301. Other District budget reforms.

Sec. 302. Establishment of Chief Financial Officer of District of Columbia.

Sec. 303. Revisions to powers and duties of Inspector General of District of Columbia.

Sec. 304. Council approval of certain contracts.

Sec. 305. Definitions.

1 **SEC. 2. FINDINGS; PURPOSE.**

2 (a) FINDINGS.—Congress finds the following:

3 (1) A combination of accumulated operating  
4 deficits, cash shortages, management inefficiencies,  
5 and deficit spending in the current fiscal year have  
6 created a fiscal emergency in the District of Colum-  
7 bia.

8 (2) As a result of its current financial problems  
9 and management inefficiencies, the District of Co-  
10 lumbia government fails to provide its citizens with  
11 effective and efficient services in areas such as edu-  
12 cation, health care, crime prevention, trash collec-  
13 tion, drug abuse treatment and prevention, human  
14 services delivery, and the supervision and training of  
15 government personnel.

16 (3) The current financial and management  
17 problems of the District government have already  
18 adversely affected the long-term economic health of  
19 the District of Columbia by causing the migration of  
20 residents and business out of the District of Colum-  
21 bia and the failure of new residents and businesses  
22 to move to the District of Columbia.

1           (4) The fiscal and management problems in the  
2 District of Columbia government are pervasive  
3 across all segments of the government.

4           (5) A comprehensive approach to fiscal, man-  
5 agement, and structural problems must be under-  
6 taken which exempts no part of the District govern-  
7 ment and which preserves home rule for the citizens  
8 of the District of Columbia.

9           (6) The current deficit of the District of Colum-  
10 bia must be resolved over a multi-year period, since  
11 it cannot be effectively addressed in a single year.

12           (7) The ability of the District government to  
13 obtain funds from capital markets in the future will  
14 be severely diminished without Congressional action  
15 to restore its financial stability.

16           (8) The failure to improve the financial situa-  
17 tion of the District government will adversely affect  
18 the long-term economic health of the entire National  
19 Capital region.

20           (9) The efficient operation of the Federal Gov-  
21 ernment may be adversely affected by the current  
22 problems of the District of Columbia not only  
23 through the services the District government pro-  
24 vides directly to the Federal Government but  
25 through services provided indirectly such as street

1 and traffic flow maintenance, public safety, and  
2 services affecting tourism.

3 (b) PURPOSE.—The purposes of this Act are as  
4 follows:

5 (1) To eliminate budget deficits and cash short-  
6 ages of the District of Columbia through visionary  
7 financial planning, sound budgeting, accurate reve-  
8 nue forecasts, and careful spending.

9 (2) To ensure the most efficient and effective  
10 delivery of services, including public safety services,  
11 by the District government during a period of fiscal  
12 emergency.

13 (3) To conduct necessary investigations and  
14 studies to determine the fiscal status and oper-  
15 ational efficiency of the District government.

16 (4) To assist the District government in—

17 (A) restructuring its organization and  
18 workforce to ensure that the residents of the  
19 District of Columbia are served by a local gov-  
20 ernment that is efficient and effective;

21 (B) achieving an appropriate relationship  
22 with the Federal Government;

23 (C) ensuring the appropriate and efficient  
24 delivery of services; and

1 (D) modernizing its budget, accounting,  
2 personnel, procurement, information technology,  
3 and management systems to ensure the maxi-  
4 mum financial and performance accountability  
5 of the District government and its officers and  
6 employees.

7 (5) To enhance the District government's ac-  
8 cess to the capital markets and to ensure the contin-  
9 ued orderly payment of its debt service obligations.

10 (6) To ensure the long-term financial, fiscal,  
11 and economic vitality and operational efficiency of  
12 the District of Columbia.

13 (7) To examine the programmatic and struc-  
14 tural relationship between the District government  
15 and the Federal Government.

16 (8) To provide for the review of the financial  
17 impact of activities of the District government before  
18 such activities are implemented or submitted for  
19 Congressional review.

20 (c) RULES OF CONSTRUCTION.—Nothing in this Act  
21 may be construed—

22 (1) to relieve any obligations existing as of the  
23 date of the enactment of this Act of the District gov-  
24 ernment to repay any individual or entity from

1 whom the District has borrowed funds, whether  
2 through the issuance of bonds or otherwise; or

3 (2) to limit the authority of Congress to exer-  
4 cise ultimate legislative authority over the District of  
5 Columbia pursuant to Article I, section 8, clause 17  
6 of the Constitution of the United States.

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

9 **SEC. 101. DISTRICT OF COLUMBIA FINANCIAL RESPON-**  
10 **SIBILITY AND MANAGEMENT ASSISTANCE AU-**  
11 **THORITY.**

12 (a) ESTABLISHMENT.—Pursuant to Article I, section  
13 8, clause 17 of the Constitution of the United States, there  
14 is hereby established the District of Columbia Financial  
15 Responsibility and Management Assistance Authority,  
16 consisting of members appointed by the President in ac-  
17 cordance with subsection (b). Subject to the conditions de-  
18 scribed in section 108 and except as otherwise provided  
19 in this Act, the Authority is established as an entity within  
20 the government of the District of Columbia, and is not  
21 established as a department, agency, establishment, or in-  
22 strumentality of the United States Government.

23 (b) MEMBERSHIP.—

24 (1) IN GENERAL.—The Authority shall consist  
25 of 5 members appointed by the President who meet

1 the qualifications described in subsection (c), except  
2 that the Authority may take any action under this  
3 Act (or any amendments made by this Act) at any  
4 time after the President has appointed 3 of its mem-  
5 bers.

6 (2) CONSULTATION WITH CONGRESS.—The  
7 President shall appoint the members of the Author-  
8 ity after consulting with the Chair of the Committee  
9 on Appropriations and the Chair of the Committee  
10 on Government Reform and Oversight of the House  
11 of Representatives, the Chair of the Committee on  
12 Appropriations and the Chair of the Committee on  
13 Governmental Affairs of the Senate, and the Dele-  
14 gate to the House of Representatives from the Dis-  
15 trict of Columbia.

16 (3) CHAIR.—The President shall designate one  
17 of the members of the Authority as the Chair of the  
18 Authority.

19 (4) SENSE OF CONGRESS REGARDING DEAD-  
20 LINE FOR APPOINTMENT.—It is the sense of Con-  
21 gress that the President should appoint the members  
22 of the Authority as soon as practicable after the  
23 date of the enactment of this Act, but in no event  
24 later than 25 days after the date of the enactment  
25 of this Act.

1 (5) TERM OF SERVICE.—

2 (A) IN GENERAL.—Except as provided in  
3 subparagraph (B), each member of the Author-  
4 ity shall be appointed for a term of 3 years.

5 (B) APPOINTMENT FOR TERM FOLLOWING  
6 INITIAL TERM.—As designated by the President  
7 at the time of appointment for the term imme-  
8 diately following the initial term, of the mem-  
9 bers appointed for the term immediately follow-  
10 ing the initial term—

11 (i) 1 member shall be appointed for a  
12 term of 1 year;

13 (ii) 2 members shall be appointed for  
14 a term of 2 years; and

15 (iii) 2 members shall be appointed for  
16 a term of 3 years.

17 (C) REMOVAL.—The President may re-  
18 move any member of the Authority only for  
19 cause.

20 (c) QUALIFICATIONS FOR MEMBERSHIP.—An indi-  
21 vidual meets the qualifications for membership on the Au-  
22 thority if the individual—

23 (1) has knowledge and expertise in finance,  
24 management, and the organization or operation of  
25 business or government;

1           (2) does not provide goods or services to the  
2 District government (and is not the spouse, parent,  
3 child, or sibling of an individual who provides goods  
4 and services to the District government);

5           (3) is not an officer or employee of the District  
6 government; and

7           (4) during the most recent taxable year prior to  
8 appointment, paid personal income or business taxes  
9 to the District government.

10       (d) NO COMPENSATION FOR SERVICE.—Members of  
11 the Authority shall serve without pay, but may receive re-  
12 imbursement for any reasonable and necessary expenses  
13 incurred by reason of service on the Authority.

14       (e) ADOPTION OF BY-LAWS FOR CONDUCTING BUSI-  
15 NESS OF AUTHORITY.—

16           (1) IN GENERAL.—As soon as practicable after  
17 the appointment of its members, the Authority shall  
18 adopt by-laws, rules, and procedures governing its  
19 activities under this Act, including procedures for  
20 hiring experts and consultants. Such by-laws, rules,  
21 and procedures shall be public documents, and shall  
22 be submitted by the Authority upon adoption to the  
23 Mayor, the Council, the President, and Congress.

24           (2) CERTAIN ACTIVITIES REQUIRING APPROVAL  
25 OF MAJORITY OF MEMBERS.—Under the by-laws

1       adopted pursuant to paragraph (1), the Authority  
2       may conduct its operations under such procedures as  
3       it considers appropriate, except that an affirmative  
4       vote of a majority of the members of the Authority  
5       shall be required in order for the Authority to—

6               (A) approve or disapprove a financial plan  
7               and budget under subtitle A of title II;

8               (B) implement recommendations on finan-  
9               cial stability and management responsibility  
10              under section 207;

11              (C) give consent to the appointment of the  
12              Chief Financial Officer of the District of Co-  
13              lumbia under section 424 of the District of Co-  
14              lumbia Self-Government and Governmental Re-  
15              organization Act (as added by section 302); and

16              (D) give consent to the appointment of the  
17              Inspector General of the District of Columbia  
18              under section 208(a) of the District of Colum-  
19              bia Procurement Practices Act of 1985 (as  
20              amended by section 303(a)).

21              (3) **ADOPTION OF RULES AND REGULATIONS OF**  
22              **DISTRICT OF COLUMBIA.**—The Authority may incor-  
23              porate in its by-laws, rules, and procedures under  
24              this subsection such rules and regulations of the  
25              District government as it considers appropriate to

1 enable it to carry out its activities under this Act  
2 with the greatest degree of independence practicable.

3 **SEC. 102. EXECUTIVE DIRECTOR AND STAFF OF AUTHOR-**  
4 **ITY.**

5 (a) EXECUTIVE DIRECTOR.—The Authority shall  
6 have an Executive Director who shall be appointed by the  
7 Chair with the consent of the Authority. The Executive  
8 Director shall be paid at a rate determined by the Author-  
9 ity, except that such rate may not exceed the rate of basic  
10 pay payable for level IV of the Executive Schedule.

11 (b) STAFF.—With the approval of the Chair, the Ex-  
12 ecutive Director may appoint and fix the pay of additional  
13 personnel as the Executive Director considers appropriate,  
14 except that no individual appointed by the Executive Di-  
15 rector may be paid at a rate greater than the rate of pay  
16 for the Executive Director.

17 (c) INAPPLICABILITY OF CERTAIN CIVIL SERVICE  
18 LAWS.—The Executive Director and staff of the Authority  
19 may be appointed without regard to the provisions of title  
20 5, United States Code, governing appointments in the  
21 competitive service, and may be paid without regard to  
22 the provisions of chapter 51 and subchapter III of chapter  
23 53 of that title relating to classification and General  
24 Schedule pay rates.

1       (d) STAFF OF FEDERAL AGENCIES.—Upon request  
2 of the Chair, the head of any Federal department or  
3 agency may detail, on a reimbursable or non-reimbursable  
4 basis, any of the personnel of that department or agency  
5 to the Authority to assist it in carrying out its duties  
6 under this Act.

7       (e) PRESERVATION OF RETIREMENT AND CERTAIN  
8 OTHER RIGHTS OF FEDERAL EMPLOYEES WHO BECOME  
9 EMPLOYED BY THE AUTHORITY.—

10           (1) IN GENERAL.—A Federal employee who,  
11 within 2 months after separating from the Federal  
12 Government, becomes employed by the Authority—

13                   (A) may elect, for purposes of the retire-  
14 ment system in which that individual last par-  
15 ticipated before so separating, to have such in-  
16 dividual's period of service with the Authority  
17 treated in the same way as if performed in the  
18 position within the Federal Government from  
19 which separated, subject to the requisite em-  
20 ployee deductions and agency contributions  
21 being currently deposited in the appropriate  
22 fund; and

23                   (B) if, after serving with the Authority,  
24 such employee becomes reemployed by the Fed-  
25 eral Government, shall be entitled to credit, for

1 the full period of such individual's service with  
2 the Authority, for purposes of determining the  
3 applicable leave accrual rate.

4 (2) RETIREMENT.—

5 (A) CONTRIBUTIONS.—For purposes of  
6 subparagraph (A) of paragraph (1)—

7 (i) the employee deductions referred  
8 to in such paragraph shall be made from  
9 basic pay for service with the Authority,  
10 and shall be computed using the same per-  
11 centage as would then apply if the individ-  
12 ual were instead serving in the position  
13 within the Federal Government from which  
14 separated; and

15 (ii) the agency contributions referred  
16 to in such paragraph shall be made by the  
17 Authority.

18 (B) DOUBLE COVERAGE NOT PER-  
19 MITTED.—An individual who makes an election  
20 under paragraph (1)(A) shall be ineligible, while  
21 such election remains in effect, to participate in  
22 any retirement system for employees of the gov-  
23 ernment of the District of Columbia.

24 (3) REGULATIONS.—The Office of Personnel  
25 Management shall prescribe such regulations as may

1 be necessary to carry out this subsection. Regula-  
2 tions to carry out paragraph (1)(A) shall be pre-  
3 scribed in consultation with the office or agency of  
4 the government of the District of Columbia having  
5 jurisdiction over any retirement system referred to  
6 in paragraph (2)(B).

7 **SEC. 103. POWERS OF AUTHORITY.**

8 (a) HEARINGS AND SESSIONS.—The Authority may,  
9 for the purpose of carrying out this Act, hold hearings,  
10 sit and act at times and places, take testimony, and re-  
11 ceive evidence as the Authority considers appropriate. The  
12 Authority may administer oaths or affirmations to wit-  
13 nesses appearing before it.

14 (b) POWERS OF MEMBERS AND AGENTS.—Any mem-  
15 ber or agent of the Authority may, if authorized by the  
16 Authority, take any action which the Authority is author-  
17 ized to take by this section.

18 (c) OBTAINING OFFICIAL DATA.—

19 (1) FROM FEDERAL GOVERNMENT.—Notwith-  
20 standing sections 552 (commonly known as the  
21 Freedom of Information Act) and 552b (the Govern-  
22 ment in the Sunshine Act) of title 5, United States  
23 Code, the Authority may secure directly from any  
24 department or agency of the United States informa-  
25 tion necessary to enable it to carry out this Act, with

1 the approval of the head of that department or  
2 agency.

3 (2) FROM DISTRICT GOVERNMENT.—Notwith-  
4 standing any other provision of law, the Authority  
5 shall have the right to secure copies of such records,  
6 documents, information, or data from any entity of  
7 the District government necessary to enable the Au-  
8 thority to carry out its responsibilities under this  
9 Act. At the request of the Authority, the Authority  
10 shall be granted direct access to such information  
11 systems, records, documents or information or data  
12 as will enable the Authority to carry out its respon-  
13 sibilities under this Act. The head of the entity of  
14 the District government responsible shall provide the  
15 Authority with such information and assistance (in-  
16 cluding granting the Authority direct access to auto-  
17 mated or other information systems) as the Author-  
18 ity requires under this paragraph.

19 (d) GIFTS, BEQUESTS, AND DEVISES.—The Author-  
20 ity may accept, use, and dispose of gifts, bequests, or de-  
21 vises of services or property, both real and personal, for  
22 the purpose of aiding or facilitating the work of the Au-  
23 thority. Gifts, bequests, or devises of money and proceeds  
24 from sales of other property received as gifts, bequests,  
25 or devises shall be deposited in such account as the Au-

1 thority may establish and shall be available for disburse-  
2 ment upon order of the Chair.

3 (e) SUBPOENA POWER.—

4 (1) IN GENERAL.—The Authority may issue  
5 subpoenas requiring the attendance and testimony of  
6 witnesses and the production of any evidence relat-  
7 ing to any matter under investigation by the Author-  
8 ity. The attendance of witnesses and the production  
9 of evidence may be required from any place within  
10 the United States at any designated place of hearing  
11 within the United States.

12 (2) FAILURE TO OBEY A SUBPOENA.—If a per-  
13 son refuses to obey a subpoena issued under para-  
14 graph (1), the Authority may apply to a United  
15 States district court for an order requiring that per-  
16 son to appear before the Authority to give testimony,  
17 produce evidence, or both, relating to the matter  
18 under investigation. The application may be made  
19 within the judicial district where the hearing is con-  
20 ducted or where that person is found, resides, or  
21 transacts business. Any failure to obey the order of  
22 the court may be punished by the court as civil  
23 contempt.

24 (3) SERVICE OF SUBPOENAS.—The subpoenas  
25 of the Authority shall be served in the manner pro-

1 vided for subpoenas issued by United States district  
2 court under the Federal Rules of Civil Procedure for  
3 the United States district courts.

4 (4) SERVICE OF PROCESS.—All process of any  
5 court to which application is be made under para-  
6 graph (2) may be served in the judicial district in  
7 which the person required to be served resides or  
8 may be found.

9 (f) ADMINISTRATIVE SUPPORT SERVICES.—Upon the  
10 request of the Authority, the Administrator of General  
11 Services may provide to the Authority, on a reimbursable  
12 basis, the administrative support services necessary for the  
13 Authority to carry out its responsibilities under this Act.

14 (g) AUTHORITY TO ENTER INTO CONTRACTS.—The  
15 Executive Director may enter into such contracts as the  
16 Executive Director considers appropriate (subject to the  
17 approval of the Chair) to carry out the Authority's respon-  
18 sibilities under this Act.

19 (h) CIVIL ACTIONS TO ENFORCE POWERS.—The Au-  
20 thority may seek judicial enforcement of its authority to  
21 carry out its responsibilities under this Act.

22 (i) PENALTIES.—

23 (1) ACTS PROHIBITED.—Any officer or em-  
24 ployee of the District government who—

1 (A) takes any action in violation of any  
2 valid order of the Authority or fails or refuses  
3 to take any action required by any such order;  
4 or

5 (B) prepares, presents, or certifies any in-  
6 formation (including any projections or esti-  
7 mates) or report for the Board or any of its  
8 agents that is false or misleading, or, upon  
9 learning that any such information is false or  
10 misleading, fails to immediately advise the  
11 Board or its agents thereof in writing,  
12 shall be guilty of a misdemeanor.

13 (2) ADMINISTRATIVE DISCIPLINE.—In addition  
14 to any other applicable penalty, any officer or em-  
15 ployee of the District government who knowingly  
16 and willfully violates paragraph (1) shall be subject  
17 to appropriate administrative discipline, including  
18 (when appropriate) suspension from duty without  
19 pay or removal from office by order of either the  
20 Mayor or Authority.

21 (3) REPORT BY MAYOR ON DISCIPLINARY AC-  
22 TIONS TAKEN.—In the case of a violation of para-  
23 graph (1) by an officer or employee of the District  
24 government, the Mayor shall immediately report to

1 the Board all pertinent facts together with a state-  
2 ment of the action taken thereon.

3 **SEC. 104. EXEMPTION FROM LIABILITY FOR CLAIMS.**

4 The Authority and its members may not be liable for  
5 any obligation of or claim against the District of Columbia  
6 resulting from actions taken to carry out this Act.

7 **SEC. 105. TREATMENT OF ACTIONS ARISING FROM ACT.**

8 (a) JURISDICTION ESTABLISHED IN DISTRICT  
9 COURT FOR DISTRICT OF COLUMBIA.—Except as pro-  
10 vided in section 103(e)(2) (relating to the issuance of an  
11 order enforcing a subpoena), any action against the Au-  
12 thority or any action otherwise arising out of this Act, in  
13 whole or in part, shall be brought in the United States  
14 District Court for the District of Columbia.

15 (b) PROMPT APPEAL.—

16 (1) COURT OF APPEALS.—Notwithstanding any  
17 other provision of law, any order of the United  
18 States District Court for the District of Columbia  
19 which is issued pursuant to an action brought under  
20 subsection (a) shall be reviewable only pursuant to  
21 a notice of appeal to the United States Court of Ap-  
22 peals for the District of Columbia Circuit.

23 (2) SUPREME COURT.—Notwithstanding any  
24 other provision of law, review by the Supreme Court  
25 of the United States of a decision of the Court of

1 Appeals which is issued pursuant to paragraph (1)  
2 may be had only if the petition for such review is  
3 filed within 10 days after the entry of such decision.

4 (c) TIMING OF RELIEF.—No order of any court  
5 granting declaratory or injunctive relief against the Au-  
6 thority, including relief permitting or requiring the obliga-  
7 tion, borrowing, or expenditure of funds, shall take effect  
8 during the pendency of the action before such court, dur-  
9 ing the time appeal may be taken, or (if appeal is taken)  
10 during the period before the court has entered its final  
11 order disposing of such action.

12 (d) EXPEDITED CONSIDERATION.—It shall be the  
13 duty of the United States District Court for the District  
14 of Columbia, the United States Court of Appeals for the  
15 District of Columbia Circuit, and the Supreme Court of  
16 the United States to advance on the docket and to expe-  
17 dite to the greatest possible extent the disposition of any  
18 matter brought under subsection (a).

19 **SEC. 106. FUNDING FOR OPERATION OF AUTHORITY.**

20 (a) ANNUAL BUDGETING PROCESS.—

21 (1) SUBMISSION OF BUDGET.—The Authority  
22 shall submit a proposed budget for each fiscal year  
23 to the President for inclusion in the annual budget  
24 for the District of Columbia under part D of title IV  
25 of the District of Columbia Self-Government and

1 Governmental Reorganization Act not later than the  
2 May 1 prior to the first day of the fiscal year. In  
3 the case of the budget for fiscal year 1996, the Au-  
4 thority shall submit its proposed budget not later  
5 than July 15, 1995.

6 (2) CONTENTS OF BUDGET.—The budget shall  
7 describe—

8 (A) expenditures of the Authority by each  
9 object class, including expenditures for staff of  
10 the Authority;

11 (B) services of personnel and other services  
12 provided by or on behalf of the Authority for  
13 which the Authority made no reimbursement;  
14 and

15 (C) any gifts or bequests made to the au-  
16 thority during the previous fiscal year.

17 (3) APPROPRIATIONS REQUIRED.—No amount  
18 may be obligated or expended by the Authority for  
19 a fiscal year (beginning with fiscal year 1996) unless  
20 such amount has been approved by Act of Congress,  
21 and then only according to such Act.

22 (4) CONFORMING AMENDMENT.—Section  
23 453(c) of the District of Columbia Self-Government  
24 and Governmental Reorganization Act (sec. 47-  
25 304.1(c), D.C. Code) is amended by striking the pe-

1 riod at the end and inserting the following: “, or to  
2 the District of Columbia Financial Responsibility  
3 and Management Assistance Authority established  
4 under section 101(a) of the District of Columbia Fi-  
5 nancial Responsibility and Management Assistance  
6 Act of 1995.”.

7 (b) SPECIAL RULE FOR FUNDING OF OPERATIONS  
8 DURING FISCAL YEAR 1995.—As soon as practicable  
9 after the appointment of its members, the Authority shall  
10 submit to the Mayor and the President—

11 (1) a request for reprogramming of funds under  
12 subsection (c)(1); and

13 (2) a description of anticipated expenditures of  
14 the Authority for fiscal year 1995 (which shall be  
15 transmitted to Congress).

16 (c) SOURCES OF FUNDS.—

17 (1) USE OF PREVIOUSLY APPROPRIATED FUNDS  
18 IN DISTRICT BUDGET.—The Mayor shall transfer  
19 funds previously appropriated to the District govern-  
20 ment for a fiscal year for auditing and consulting  
21 services to the Authority (in such amounts as are  
22 provided in the budget request of the Authority  
23 under subsection (a) or, with respect to fiscal year  
24 1995, the request submitted under subsection

1 (b)(1)) for the purpose of carrying out the  
2 Authority's activities during the fiscal year.

3 (2) OTHER SOURCES OF FUNDS.—For provi-  
4 sions describing the sources of funds available for  
5 the operations of the Authority during a fiscal year  
6 (in addition to any interest earned on accounts of  
7 the Authority during the year), see section  
8 204(b)(1)(A) (relating to the set-aside of amounts  
9 requisitioned from the Treasury by the Mayor) and  
10 section 213(b)(3) (relating to the use of interest ac-  
11 crued from amounts in a debt service reserve fund  
12 of the Authority).

13 **SEC. 107. SUSPENSION OF ACTIVITIES.**

14 (a) SUSPENSION UPON PAYMENT OF AUTHORITY  
15 OBLIGATIONS.—

16 (1) IN GENERAL.—Upon the expiration of the  
17 12-month period which begins on the date that the  
18 Authority certifies that all obligations arising from  
19 the issuance by the Authority of bonds, notes, or  
20 other obligations pursuant to subtitle B of title II  
21 have been discharged, and that all borrowings by or  
22 on behalf of the District of Columbia pursuant to  
23 title VI of the District of Columbia Revenue Act of  
24 1939 (sec. 47-3401, D.C. Code) have been repaid,  
25 the Authority shall suspend any activities carried out

1 under this Act and the terms of the members of the  
2 Authority shall expire.

3 (2) NO SUSPENSION DURING CONTROL YEAR.—  
4 The Authority may not suspend its activities pursu-  
5 ant to paragraph (1) at any time during a control  
6 year.

7 (b) REACTIVATION UPON INITIATION OF CONTROL  
8 PERIOD.—Upon receiving notice from the Chairs of the  
9 Appropriations Committees of the House of Representa-  
10 tives and the Senate that a control period has been initi-  
11 ated (as described in section 209) at any time after the  
12 Authority suspends its activities under subsection (a), the  
13 President shall appoint members of the Authority, and the  
14 Authority shall carry out activities under this Act, in the  
15 same manner as the President appointed members and the  
16 Authority carried out activities prior to such suspension.

17 **SEC. 108. APPLICATION OF LAWS OF DISTRICT OF COLUM-**  
18 **BIA TO AUTHORITY.**

19 (a) IN GENERAL.—The following laws of the District  
20 of Columbia (as in effect on the date of the enactment  
21 of this Act) shall apply to the members and activities of  
22 the Authority:

23 (1) Section 742 of the District of Columbia  
24 Self-Government and Governmental Reorganization  
25 Act (sec. 1–1504, D.C. Code).

1           (2) Sections 201 through 206 of the District of  
2 Columbia Freedom of Information Act (secs. 1–1521  
3 through 1–1526, D.C. Code).

4           (3) Section 601 of the District of Columbia  
5 Campaign Finance Reform and Conflict of Interest  
6 Act (sec. 1–1461, D.C. Code).

7           (b) NO CONTROL, SUPERVISION, OVERSIGHT, OR RE-  
8 VIEW BY MAYOR OR COUNCIL.—

9           (1) IN GENERAL.—Neither the Mayor nor the  
10 Council may exercise any control, supervision, over-  
11 sight, or review over the Authority or its activities.

12           (2) PROHIBITION AGAINST LEGISLATION AF-  
13 FECTING AUTHORITY.—Section 602(a) of the Dis-  
14 trict of Columbia Self-Government and Govern-  
15 mental Reorganization Act (sec. 1–233(a), D.C.  
16 Code) is amended—

17           (A) by striking “or” at the end of para-  
18 graph (8);

19           (B) by striking the period at the end of  
20 paragraph (9) and inserting “; or”; and

21           (C) by adding at the end the following new  
22 paragraph:

23           “(10) enact any act, resolution, or rule with re-  
24 spect to the District of Columbia Financial Respon-  
25 sibility and Management Assistance Authority estab-

1 lished under section 101(a) of the District of Colum-  
2 bia Financial Responsibility and Management As-  
3 sistance Act of 1995.’’.

4 (c) AUTHORITY NOT SUBJECT TO REPRESENTATION  
5 BY CORPORATION COUNSEL.—In any action brought by  
6 or on behalf of the Authority, and in any action brought  
7 against the Authority, the Authority shall be represented  
8 by such counsel as it may select, but in no instance may  
9 the Authority be represented by the Corporation Counsel  
10 of the District of Columbia.

11 **TITLE II—RESPONSIBILITIES OF**  
12 **AUTHORITY**

13 **Subtitle A—Establishment and En-**  
14 **forcement of Financial Plan and**  
15 **Budget for District Government**

16 **SEC. 201. DEVELOPMENT OF FINANCIAL PLAN AND BUDG-**  
17 **ET FOR DISTRICT OF COLUMBIA.**

18 (a) DEVELOPMENT OF FINANCIAL PLAN AND BUDG-  
19 ET.—For each fiscal year for which the District govern-  
20 ment is in a control period, the Mayor shall develop and  
21 submit to the Authority a financial plan and budget for  
22 the District of Columbia in accordance with this section.

23 (b) CONTENTS OF FINANCIAL PLAN AND BUDGET.—  
24 A financial plan and budget for the District of Columbia  
25 for a fiscal year shall specify the budgets for the District

1 government under part D of title IV of the District of Co-  
2 lumbia Self-Government and Governmental Reorganiza-  
3 tion Act for the applicable fiscal year and the next 3 fiscal  
4 years (including the projected revenues and expenditures  
5 of each fund of the District government for such years),  
6 in accordance with the following requirements:

7           (1) The financial plan and budget shall meet  
8           the standards described in subsection (c) to promote  
9           the financial stability of the District government.

10           (2) The financial plan and budget shall provide  
11           for estimates of revenues and expenditures on a  
12           modified accrual basis.

13           (3) The financial plan and budget shall—

14                   (A) describe lump sum expenditures by de-  
15                   partment by object class;

16                   (B) describe capital expenditures (together  
17                   with a schedule of projected capital commit-  
18                   ments of the District government and proposed  
19                   sources of funding);

20                   (C) contain estimates of short-term and  
21                   long-term debt (both outstanding and antici-  
22                   pated to be issued); and

23                   (D) contain cash flow forecasts for each  
24                   fund of the District government at such inter-  
25                   vals as the Authority may require.

1           (4) The financial plan and budget shall include  
2 a statement describing methods of estimations and  
3 significant assumptions.

4           (5) The financial plan and budget shall include  
5 any other provisions and shall meet such other cri-  
6 teria as the Authority considers appropriate to meet  
7 the purposes of this Act, including provisions for  
8 changes in personnel policies and levels for each de-  
9 partment or agency of the District government,  
10 changes in the structure and organization of the  
11 District government, and management initiatives to  
12 promote productivity, improvement in the delivery of  
13 services, or cost savings.

14           (c) STANDARDS TO PROMOTE FINANCIAL STABILITY  
15 DESCRIBED.—

16           (1) IN GENERAL.—The standards to promote  
17 the financial stability of the District government ap-  
18 plicable to the financial plan and budget for a fiscal  
19 year are as follows:

20           (A) In the case of the financial plan and  
21 budget for fiscal year 1996, the expenditures of  
22 the District government for each fiscal year (be-  
23 ginning with fiscal year 1999) may not exceed  
24 the revenues of the District government for  
25 each such fiscal year.

1           (B) During fiscal years 1996, 1997, and  
2           1998, the District government shall make con-  
3           tinuous, substantial progress towards equalizing  
4           the expenditures and revenues of the District  
5           government for such fiscal years (in equal an-  
6           nual installments to the greatest extent pos-  
7           sible).

8           (C) The District government shall provide  
9           for the orderly liquidation of the cumulative  
10          fund balance deficit of the District government,  
11          as evidenced by financial statements prepared  
12          in accordance with generally accepted account-  
13          ing principles.

14          (D) If funds in accounts of the District  
15          government which are dedicated for specific  
16          purposes have been withdrawn from such ac-  
17          counts for other purposes, the District govern-  
18          ment shall fully restore the funds to such ac-  
19          counts.

20          (E) The financial plan and budget shall as-  
21          sure the continuing long-term financial stability  
22          of the District government, as indicated by fac-  
23          tors including access to short-term and long-  
24          term capital markets, the efficient management  
25          of the District government's workforce, and the

1           effective provision of services by the District  
2           government.

3           (2) APPLICATION OF SOUND BUDGETARY PRAC-  
4           TICES.—In meeting the standards described in para-  
5           graph (1) with respect to a financial plan and budg-  
6           et for a fiscal year, the District government shall  
7           apply sound budgetary practices, including reducing  
8           costs and other expenditures, improving productivity,  
9           increasing revenues, or combinations of such prac-  
10          tices.

11          (3) ASSUMPTIONS BASED ON CURRENT LAW.—  
12          In meeting the standards described in paragraph (1)  
13          with respect to a financial plan and budget for a fis-  
14          cal year, the District government shall base esti-  
15          mates of revenues and expenditures on Federal law  
16          as in effect at the time of the preparation of the fi-  
17          nancial plan and budget.

18          (d) REPEAL OF OFFSETS AGAINST FEDERAL PAY-  
19          MENT AND OTHER DISTRICT REVENUES.—Section 138 of  
20          the District of Columbia Appropriations Act, 1995, is  
21          amended—

22                  (1) by striking subsection (c); and

23                  (2) by redesignating subsections (d) and (e) as  
24          subsections (c) and (d).

1 **SEC. 202. PROCESS FOR SUBMISSION AND APPROVAL OF FI-**  
2 **NANCIAL PLAN AND ANNUAL DISTRICT**  
3 **BUDGET.**

4 (a) SUBMISSION OF PRELIMINARY FINANCIAL PLAN  
5 AND BUDGET BY MAYOR.—Not later than the February  
6 1 preceding a fiscal year for which the District govern-  
7 ment is in a control period, the Mayor shall submit to the  
8 Authority and the Council a financial plan and budget for  
9 the fiscal year which meets the requirements of section  
10 201.

11 (b) REVIEW BY AUTHORITY.—Upon receipt of the fi-  
12 nancial plan and budget for a fiscal year from the Mayor  
13 under subsection (a), the Authority shall promptly review  
14 the financial plan and budget. In conducting the review,  
15 the Authority may request any additional information it  
16 considers necessary and appropriate to carry out its duties  
17 under this subtitle.

18 (c) ACTION UPON APPROVAL OF MAYOR'S PRELIMI-  
19 NARY FINANCIAL PLAN AND BUDGET.—

20 (1) CERTIFICATION TO MAYOR.—

21 (A) IN GENERAL.—If the Authority deter-  
22 mines that the financial plan and budget for the  
23 fiscal year submitted by the Mayor under sub-  
24 section (a) meets the requirements applicable  
25 under section 201—

1 (i) the Authority shall approve the fi-  
2 nancial plan and budget and shall provide  
3 the Mayor, the Council, the President, and  
4 Congress with a notice certifying its ap-  
5 proval; and

6 (ii) the Mayor shall promptly submit  
7 the financial plan and budget to the Coun-  
8 cil pursuant to section 442 of the District  
9 of Columbia Self-Government and Govern-  
10 mental Reorganization Act.

11 (B) DEEMED APPROVAL AFTER 30 DAYS.—

12 (i) IN GENERAL.—If the Authority  
13 has not provided the Mayor, the Council,  
14 and Congress with a notice certifying ap-  
15 proval under subparagraph (A)(i) or a  
16 statement of disapproval under subsection  
17 (d)(1) upon the expiration of the 30-day  
18 period which begins on the date the Au-  
19 thority receives the financial plan and  
20 budget from the Mayor under subsection  
21 (a), the Authority shall be deemed to have  
22 approved the financial plan and budget  
23 and to have provided the Mayor, the Coun-  
24 cil, the President, and Congress with the

1 notice certifying approval described in sub-  
2 paragraph (A)(i).

3 (ii) EXPLANATION OF FAILURE TO  
4 RESPOND.—If clause (i) applies with re-  
5 spect to a financial plan and budget, the  
6 Authority shall provide the Mayor, the  
7 Council, the President and Congress with  
8 an explanation for its failure to provide the  
9 notice certifying approval or the statement  
10 of disapproval during the 30-day period de-  
11 scribed in such clause.

12 (2) ADOPTION OF FINANCIAL PLAN AND BUDG-  
13 ET BY COUNCIL AFTER RECEIPT OF APPROVED FI-  
14 NANCIAL PLAN AND BUDGET.—Notwithstanding the  
15 first sentence of section 446 of the District of Co-  
16 lumbia Self-Government and Governmental Reorga-  
17 nization Act, not later than 30 days after receiving  
18 the financial plan and budget for the fiscal year  
19 from the Mayor under paragraph (1)(A)(ii), the  
20 Council shall by Act adopt a financial plan and  
21 budget for the fiscal year which shall serve as the  
22 adoption of the budgets of the District government  
23 for the fiscal year under such section, and shall sub-  
24 mit such financial plan and budget to the Mayor and  
25 the Authority.

1           (3) REVIEW OF COUNCIL FINANCIAL PLAN AND  
2 BUDGET BY AUTHORITY.—Upon receipt of the finan-  
3 cial plan and budget for a fiscal year from the Coun-  
4 cil under paragraph (2) (taking into account any  
5 items or provisions disapproved by the Mayor or dis-  
6 approved by the Mayor and reenacted by the Council  
7 under section 404(f) of the District of Columbia  
8 Self-Government and Governmental Reorganization  
9 Act, as amended by subsection (f)(2)), the Authority  
10 shall promptly review the financial plan and budget.  
11 In conducting the review, the Authority may request  
12 any additional information it considers necessary  
13 and appropriate to carry out its duties under this  
14 subtitle.

15           (4) RESULTS OF AUTHORITY REVIEW OF COUN-  
16 CIL'S INITIAL FINANCIAL PLAN AND BUDGET.—

17           (A) APPROVAL OF COUNCIL'S INITIAL FI-  
18 NANCIAL PLAN AND BUDGET.—If the Authority  
19 determines that the financial plan and budget  
20 for the fiscal year submitted by the Council  
21 under paragraph (2) meets the requirements  
22 applicable under section 201—

23           (i) the Authority shall approve the fi-  
24 nancial plan and budget and shall provide  
25 the Mayor, the Council, the President, and

1 Congress with a notice certifying its ap-  
2 proval; and

3 (ii) the Council shall promptly submit  
4 the financial plan and budget to the Mayor  
5 for transmission to the President and Con-  
6 gress under section 446 of the District of  
7 Columbia Self-Government and Govern-  
8 mental Reorganization Act.

9 (B) DISAPPROVAL OF COUNCIL'S INITIAL  
10 BUDGET.—If the Authority determines that the  
11 financial plan and budget for the fiscal year  
12 submitted by the Council under paragraph (2)  
13 does not meet the requirements applicable  
14 under section 201, the Authority shall dis-  
15 approve the financial plan and budget, and  
16 shall provide the Mayor, the Council, the Presi-  
17 dent, and Congress with a statement contain-  
18 ing—

19 (i) the reasons for such disapproval;

20 (ii) the amount of any shortfall in the  
21 budget or financial plan; and

22 (iii) any recommendations for revi-  
23 sions to the budget the Authority considers  
24 appropriate to ensure that the budget is

1 consistent with the financial plan and  
2 budget.

3 (C) DEEMED APPROVAL AFTER 15 DAYS.—

4 (i) IN GENERAL.—If the Authority  
5 has not provided the Mayor, the Council,  
6 the President, and Congress with a notice  
7 certifying approval under subparagraph  
8 (A)(i) or a statement of disapproval under  
9 subparagraph (B) upon the expiration of  
10 the 15-day period which begins on the date  
11 the Authority receives the financial plan  
12 and budget from the Council under para-  
13 graph (2), the Authority shall be deemed  
14 to have approved the financial plan and  
15 budget and to have provided the Mayor,  
16 the Council, the President, and Congress  
17 with the notice certifying approval de-  
18 scribed in subparagraph (A)(i).

19 (ii) EXPLANATION OF FAILURE TO  
20 RESPOND.—If clause (i) applies with re-  
21 spect to a financial plan and budget, the  
22 Authority shall provide the Mayor, the  
23 Council, the President and Congress with  
24 an explanation for its failure to provide the  
25 notice certifying approval or the statement

1 of disapproval during the 15-day period de-  
2 scribed in such clause.

3 (5) AUTHORITY REVIEW OF COUNCIL'S REVISED  
4 FINANCIAL PLAN AND BUDGET.—

5 (A) SUBMISSION OF COUNCIL'S REVISED  
6 FINANCIAL PLAN AND BUDGET.—Not later than  
7 15 days after receiving the statement from the  
8 Authority under paragraph (4)(B), the Council  
9 shall promptly by Act adopt a revised financial  
10 plan and budget for the fiscal year which ad-  
11 dresses the reasons for the Authority's dis-  
12 approval cited in the statement, and shall sub-  
13 mit such financial plan and budget to the  
14 Mayor and the Authority.

15 (B) APPROVAL OF COUNCIL'S REVISED FI-  
16 NANCIAL PLAN AND BUDGET.—If, after review-  
17 ing the revised financial plan and budget for a  
18 fiscal year submitted by the Council under sub-  
19 paragraph (A) in accordance with the proce-  
20 dures described in this subsection, the Author-  
21 ity determines that the revised financial plan  
22 and budget meets the requirements applicable  
23 under section 201—

24 (i) the Authority shall approve the fi-  
25 nancial plan and budget and shall provide

1 the Mayor, the Council, the President, and  
2 Congress with a notice certifying its ap-  
3 proval; and

4 (ii) the Council shall promptly submit  
5 the financial plan and budget to the Mayor  
6 for transmission to the President and Con-  
7 gress under section 446 of the District of  
8 Columbia Self-Government and Govern-  
9 mental Reorganization Act.

10 (C) DISAPPROVAL OF COUNCIL'S REVISED  
11 FINANCIAL PLAN AND BUDGET.—

12 (i) IN GENERAL.—If, after reviewing  
13 the revised financial plan and budget for a  
14 fiscal year submitted by the Council under  
15 subparagraph (A) in accordance with the  
16 procedures described in this subsection, the  
17 Authority determines that the revised fi-  
18 nancial plan and budget does not meet the  
19 applicable requirements under section 201,  
20 the Authority shall—

21 (I) disapprove the financial plan  
22 and budget;

23 (II) provide the Mayor, the  
24 Council, the President, and Congress  
25 with a statement containing the rea-

1           sons for such disapproval and describ-  
2           ing the amount of any shortfall in the  
3           financial plan and budget; and

4                   (III) approve and recommend a  
5           financial plan and budget for the Dis-  
6           trict government which meets the ap-  
7           plicable requirements under section  
8           201, and submit such financial plan  
9           and budget to the Mayor, the Council,  
10          the President, and Congress.

11           (ii) TRANSMISSION OF REJECTED FI-  
12          NANCIAL PLAN AND BUDGET.—The Coun-  
13          cil shall promptly submit the revised finan-  
14          cial plan and budget disapproved by the  
15          Authority under this subparagraph to the  
16          Mayor for transmission to the President  
17          and Congress under section 446 of the  
18          District of Columbia Self-Government and  
19          Governmental Reorganization Act.

20          (D) DEEMED APPROVAL AFTER 15 DAYS.—

21                   (i) IN GENERAL.—If the Authority  
22          has not provided the Mayor, the Council,  
23          the President, and Congress with a notice  
24          certifying approval under subparagraph  
25          (B)(i) or a statement of disapproval under

1           subparagraph (C) upon the expiration of  
2           the 15-day period which begins on the date  
3           the Authority receives the revised financial  
4           plan and budget submitted by the Council  
5           under subparagraph (A), the Authority  
6           shall be deemed to have approved the re-  
7           vised financial plan and budget and to  
8           have provided the Mayor, the Council, the  
9           President, and Congress with the notice  
10          certifying approval described in subpara-  
11          graph (B)(i).

12           (ii) EXPLANATION OF FAILURE TO  
13          RESPOND.—If clause (i) applies with re-  
14          spect to a financial plan and budget, the  
15          Authority shall provide the Mayor, the  
16          Council, the President and Congress with  
17          an explanation for its failure to provide the  
18          notice certifying approval or the statement  
19          of disapproval during the 15-day period de-  
20          scribed in such clause.

21           (6) DEADLINE FOR TRANSMISSION OF FINAN-  
22          CIAL PLAN AND BUDGET BY AUTHORITY.—Notwith-  
23          standing any other provision of this section, not  
24          later than the June 15 preceding each fiscal year  
25          which is a control year, the Authority shall—

1 (A) provide Congress with a notice certify-  
2 ing its approval of the Council's initial financial  
3 plan and budget for the fiscal year under para-  
4 graph (4)(A);

5 (B) provide Congress with a notice certify-  
6 ing its approval of the Council's revised finan-  
7 cial plan and budget for the fiscal year under  
8 paragraph (5)(B); or

9 (C) submit to Congress an approved and  
10 recommended financial plan and budget of the  
11 Authority for the District government for the  
12 fiscal year under paragraph (5)(C).

13 (d) ACTION UPON DISAPPROVAL OF MAYOR'S PRE-  
14 LIMINARY FINANCIAL PLAN AND BUDGET.—

15 (1) STATEMENT OF DISAPPROVAL.—If the Au-  
16 thority determines that the financial plan and budg-  
17 et for the fiscal year submitted by the Mayor under  
18 subsection (a) does not meet the requirements appli-  
19 cable under section 201, the Authority shall dis-  
20 approve the financial plan and budget, and shall  
21 provide the Mayor and the Council with a statement  
22 containing—

23 (A) the reasons for such disapproval;

24 (B) the amount of any shortfall in the fi-  
25 nancial plan and budget; and

1 (C) any recommendations for revisions to  
2 the financial plan and budget the Authority  
3 considers appropriate to ensure that the finan-  
4 cial plan and budget meets the requirements  
5 applicable under section 201.

6 (2) AUTHORITY REVIEW OF MAYOR'S REVISED  
7 FINANCIAL PLAN AND BUDGET.—

8 (A) SUBMISSION OF MAYOR'S REVISED FI-  
9 NANCIAL PLAN AND BUDGET.—Not later than  
10 15 days after receiving the statement from the  
11 Authority under paragraph (1), the Mayor shall  
12 promptly submit to the Authority and the  
13 Council a revised financial plan and budget for  
14 the fiscal year which addresses the reasons for  
15 the Authority's disapproval cited in the state-  
16 ment.

17 (B) APPROVAL OF MAYOR'S REVISED FI-  
18 NANCIAL PLAN AND BUDGET.—If the Authority  
19 determines that the revised financial plan and  
20 budget for the fiscal year submitted by the  
21 Mayor under subparagraph (A) meets the re-  
22 quirements applicable under section 201—

23 (i) the Authority shall approve the fi-  
24 nancial plan and budget and shall provide  
25 the Mayor, the Council, the President, and

1 Congress with a notice certifying its ap-  
2 proval; and

3 (ii) the Mayor shall promptly submit  
4 the financial plan and budget to the Coun-  
5 cil pursuant to section 442 of the District  
6 of Columbia Self-Government and Govern-  
7 mental Reorganization Act.

8 (C) DISAPPROVAL OF MAYOR'S REVISED  
9 FINANCIAL PLAN AND BUDGET.—

10 (i) IN GENERAL.—If the Authority de-  
11 termines that the revised financial plan  
12 and budget for the fiscal year submitted by  
13 the Mayor under subparagraph (A) does  
14 not meet the requirements applicable under  
15 section 201, the Authority shall—

16 (I) disapprove the financial plan  
17 and budget;

18 (II) shall provide the Mayor, the  
19 Council, the President, and Congress  
20 with a statement containing the rea-  
21 sons for such disapproval; and

22 (III) recommend a financial plan  
23 and budget for the District govern-  
24 ment which meets the requirements  
25 applicable under section 201 and sub-

1 mit such financial plan and budget to  
2 the Mayor and the Council.

3 (ii) SUBMISSION OF REJECTED FINAN-  
4 CIAL PLAN AND BUDGET.—The Mayor  
5 shall promptly submit the revised financial  
6 plan and budget disapproved by the Au-  
7 thority under this subparagraph to the  
8 Council pursuant to section 442 of the  
9 District of Columbia Self-Government and  
10 Governmental Reorganization Act.

11 (D) DEEMED APPROVAL AFTER 15 DAYS.—

12 (i) IN GENERAL.—If the Authority  
13 has not provided the Mayor, the Council,  
14 the President, and Congress with a notice  
15 certifying approval under subparagraph  
16 (B)(i) or a statement of disapproval under  
17 subparagraph (C) upon the expiration of  
18 the 15-day period which begins on the date  
19 the Authority receives the revised financial  
20 plan and budget submitted by the Mayor  
21 under subparagraph (A), the Authority  
22 shall be deemed to have approved the re-  
23 vised financial plan and budget and to  
24 have provided the Mayor, the Council, the  
25 President, and Congress with the notice

1 certifying approval described in subpara-  
2 graph (B)(i).

3 (ii) EXPLANATION OF FAILURE TO  
4 RESPOND.—If clause (i) applies with re-  
5 spect to a financial plan and budget, the  
6 Authority shall provide the Mayor, the  
7 Council, the President and Congress with  
8 an explanation for its failure to provide the  
9 notice certifying approval or the statement  
10 of disapproval during the 15-day period de-  
11 scribed in such clause.

12 (3) ACTION BY COUNCIL.—

13 (A) ADOPTION OF FINANCIAL PLAN AND  
14 BUDGET.—Notwithstanding the first sentence  
15 of section 446 of the District of Columbia Self-  
16 Government and Governmental Reorganization  
17 Act, not later than 30 days after receiving the  
18 Mayor’s approved revised financial plan and  
19 budget for the fiscal year under paragraph  
20 (2)(B) or (in the case of a financial plan and  
21 budget disapproved by the Authority) the finan-  
22 cial plan and budget recommended by the Au-  
23 thority under paragraph (2)(C)(i)(III), the  
24 Council shall by Act adopt a financial plan and  
25 budget for the fiscal year which shall serve as

1 the adoption of the budgets of the District gov-  
2 ernment for the fiscal year under such section,  
3 and shall submit the financial plan and budget  
4 to the Mayor and the Authority.

5 (B) REVIEW BY AUTHORITY.—The finan-  
6 cial plan and budget submitted by the Council  
7 under subparagraph (A) shall be subject to re-  
8 view by the Authority and revision by the Coun-  
9 cil in the same manner as the financial plan  
10 and budget submitted by the Council after an  
11 approved preliminary financial plan and budget  
12 of the Mayor under paragraphs (3), (4), (5),  
13 and (6) of subsection (c).

14 (e) REVISIONS TO FINANCIAL PLAN AND BUDGET.—

15 (1) PERMITTING MAYOR TO SUBMIT REVI-  
16 SIONS.—The Mayor may submit proposed revisions  
17 to the financial plan and budget for a control year  
18 to the Authority at any time during the year.

19 (2) PROCESS FOR REVIEW, APPROVAL, DIS-  
20 APPROVAL, AND COUNCIL ACTION.—Except as pro-  
21 vided in paragraph (3), the procedures described in  
22 subsections (b), (c), and (d) shall apply with respect  
23 to a proposed revision to a financial plan and budget  
24 in the same manner as such procedures apply with  
25 respect to the original financial plan and budget, ex-

1       cept that subparagraph (B) of subsection (c)(1) (re-  
2       lating to deemed approval by the Authority of a pre-  
3       liminary financial plan and budget of the Mayor)  
4       shall be applied as if the reference to the term “30-  
5       day period” were a reference to “20-day period”.

6               (3) EXCEPTION FOR REVISIONS NOT AFFECT-  
7       ING APPROPRIATIONS.—To the extent that a pro-  
8       posed revision to a financial plan and budget adopt-  
9       ed by the Council pursuant to this subsection does  
10      not increase the amount of spending with respect to  
11      any account of the District government, the revision  
12      shall become effective upon the Authority’s approval  
13      of such revision (subject to review by Congress  
14      under section 602(c) of the District of Columbia  
15      Self-Government and Governmental Reorganization  
16      Act).

17              (f) CONFORMING AMENDMENT TO BUDGET PROCESS  
18      REQUIREMENTS UNDER HOME RULE ACT.—

19              (1) SUBMISSION OF UNBALANCED BUDGETS.—  
20      Section 603 of the District of Columbia Self-Govern-  
21      ment and Governmental Reorganization Act (sec.  
22      47–313, D.C. Code) is amended—

23                      (A) in subsection (c), by striking “The  
24              Council” the first place it appears and inserting

1           “Except as provided in subsection (f), the  
2           Council”;

3           (B) in subsection (d), by striking “The  
4           Mayor” and inserting “Except as provided in  
5           subsection (f), the Mayor”; and

6           (C) by adding at the end the following new  
7           subsection:

8           “(f) In the case of a fiscal year which is a control  
9           year (as defined in section 305(4) of the District of Co-  
10          lumbia Financial Responsibility and Management Assist-  
11          ance Act of 1995)—

12           “(1) subsection (c) (other than the fourth sen-  
13          tence) and subsection (d) shall not apply; and

14           “(2) the Council may not approve, and the  
15          Mayor may not forward to the President, any budget  
16          which is not consistent with the financial plan and  
17          budget established for the fiscal year under subtitle  
18          A of title II of such Act.”.

19           (2) EXPEDITED PROCEDURES FOR DIS-  
20          APPROVAL OF ITEMS AND PROVISIONS OF COUNCIL  
21          BUDGET BY MAYOR.—Section 404(f) of the District  
22          of Columbia Self-Government and Governmental Re-  
23          organization Act (sec. 1-227(f), D.C. Code) is  
24          amended by adding at the end the following new  
25          sentence: “In the case of any budget act for a fiscal

1 year which is a control year (as defined in section  
2 305(4) of the District of Columbia Financial Re-  
3 sponsibility and Management Assistance Act of  
4 1995), this subsection shall apply as if the reference  
5 in the second sentence to ‘ten-day period’ were a ref-  
6 erence to ‘five-day period’ and the reference in the  
7 third sentence to ‘thirty calendar days’ were a ref-  
8 erence to ‘5 calendar days.’”.

9 (g) PERMITTING MAYOR AND COUNCIL TO SPECIFY  
10 EXPENDITURES UNDER SCHOOL BOARD BUDGET DUR-  
11 ING CONTROL YEAR.—

12 (1) MAYOR’S ESTIMATE INCLUDED IN ANNUAL  
13 FINANCIAL PLAN AND BUDGET.—Section 2(h) of the  
14 Act entitled “An Act to fix and regulate the salaries  
15 of teachers, school officers, and other employees of  
16 the board of education of the District of Columbia”,  
17 approved June 20, 1906 (sec. 31–103, D.C. Code)  
18 is amended by striking the period at the end and in-  
19 sserting the following: “, except that in the case of  
20 a year which is a control year (as defined in section  
21 305(4) of the District of Columbia Financial Re-  
22 sponsibility and Management Assistance Act of  
23 1995), the Mayor shall transmit the same together  
24 with the Mayor’s own request for the amount of  
25 money required for the public schools for the year.”.



1           (1) SUBMISSION OF ACTS TO AUTHORITY.—The  
2           Council shall submit to the Authority each Act  
3           passed by the Council and signed by the Mayor dur-  
4           ing a control year or vetoed by the Mayor and re-  
5           passed by two-thirds of the Council present and vot-  
6           ing during a control year, and each Act passed by  
7           the Council and allowed to become effective without  
8           the Mayor’s signature during a control year, to-  
9           gether with the estimate of costs accompanying such  
10          Act required under section 602(c)(3) of the District  
11          of Columbia Self-Government and Governmental Re-  
12          organization Act (as added by section 301(d)).

13          (2) PROMPT REVIEW BY AUTHORITY.—Upon re-  
14          ceipt of an Act from the Council under paragraph  
15          (1), the Authority shall promptly review the Act to  
16          determine whether it is consistent with the applica-  
17          ble financial plan and budget approved under this  
18          subtitle and with the estimate of costs accompanying  
19          the Act (described in paragraph (1)).

20          (3) ACTIONS BY AUTHORITY.—

21                (A) APPROVAL.—Except as provided in  
22                subparagraph (C), if the Authority determines  
23                that an Act is consistent with the applicable fi-  
24                nancial plan and budget, the Authority shall no-  
25                tify the Council that it approves the Act, and

1 the Council shall submit the Act to Congress  
2 for review in accordance with section 602(c) of  
3 the District of Columbia Self-Government and  
4 Governmental Reorganization Act.

5 (B) FINDING OF INCONSISTENCY.—Except  
6 as provided in subparagraph (C), if the Author-  
7 ity determines that an Act is significantly in-  
8 consistent with the applicable financial plan and  
9 budget, the Authority shall—

10 (i) notify the Council that of its find-  
11 ing;

12 (ii) provide the Council with an expla-  
13 nation of the reasons for its finding; and

14 (iii) to the extent the Authority con-  
15 siders appropriate, provide the Council  
16 with recommendations for modifications to  
17 the Act.

18 (C) EXCEPTION FOR EMERGENCY ACTS.—  
19 Subparagraphs (A) and (B) shall not apply  
20 with respect to any act which the Council deter-  
21 mines according to section 412(a) of the Dis-  
22 trict of Columbia Self-Government and Govern-  
23 mental Reorganization Act should take effect  
24 immediately because of emergency cir-  
25 cumstances.

1           (4) EFFECT OF FINDING.—If the Authority  
2 makes a finding with respect to an Act under para-  
3 graph (3)(B), the Council may not submit the Act  
4 to Congress for review in accordance with section  
5 602(c) of the District of Columbia Self-Government  
6 and Governmental Reorganization Act.

7           (5) DEEMED APPROVAL.—If the Authority does  
8 not notify the Council that it approves or dis-  
9 approves an Act submitted under this subsection  
10 during the 7-day period which begins on the date the  
11 Council submits the Act to the Authority, the Au-  
12 thority shall be deemed to have approved the Act in  
13 accordance with paragraph (3)(A). At the option of  
14 the Authority, the previous sentence shall be applied  
15 as if the reference to “7-day period” were a ref-  
16 erence to “14-day period” if during such 7-day pe-  
17 riod the Authority so notifies the Council and the  
18 Mayor.

19           (6) PRELIMINARY REVIEW OF PROPOSED  
20 ACTS.—At the request of the Council, the Authority  
21 may conduct a preliminary review of proposed legis-  
22 lation before the Council to determine whether the  
23 legislation as proposed would be consistent with the  
24 applicable financial plan and budget approved under  
25 this subtitle, except that any such preliminary review

1 shall not be binding on the Authority in reviewing  
2 any Act subsequently submitted under this sub-  
3 section.

4 (b) EFFECT OF APPROVED FINANCIAL PLAN AND  
5 BUDGET ON CONTRACTS AND LEASES.—

6 (1) MANDATORY PRIOR APPROVAL FOR CER-  
7 TAIN CONTRACTS AND LEASES.—

8 (A) IN GENERAL.—In the case of a con-  
9 tract or lease described in subparagraph (B)  
10 which is proposed to be entered into by the Dis-  
11 trict government during a control year, the  
12 Mayor (or the appropriate officer or agent of  
13 the District government) shall submit the pro-  
14 posed contract or lease to the Authority. The  
15 Authority shall review each contract or lease  
16 submitted under this subparagraph, and the  
17 Mayor (or the appropriate officer or agent of  
18 the District government) may not enter into the  
19 contract or lease unless the Authority deter-  
20 mines that the proposed contract or lease is  
21 consistent with the financial plan and budget  
22 for the fiscal year.

23 (B) CONTRACTS AND LEASES DE-  
24 SCRIBED.—A contract or lease described in this  
25 subparagraph is—

1 (i) a labor contract entered into  
2 through collective bargaining; or

3 (ii) such other type of contract or  
4 lease as the Authority may specify for pur-  
5 poses of this subparagraph.

6 (2) AUTHORITY TO REVIEW OTHER CONTRACTS  
7 AND LEASES AFTER EXECUTION.—

8 (A) IN GENERAL.—In addition to the prior  
9 approval of certain contracts and leases under  
10 paragraph (1), the Authority may require the  
11 Mayor (or the appropriate officer or agent of  
12 the District government) to submit to the Au-  
13 thority any other contract (including a contract  
14 to carry out a grant) or lease entered into by  
15 the District government during a control year  
16 which is executed after the Authority has ap-  
17 proved the financial plan and budget for the  
18 year under section 202(c) or 202(d), or any  
19 proposal of the District government to renew,  
20 extend, or modify a contract or lease during a  
21 control year which is made after the Authority  
22 has approved such financial plan and budget.

23 (B) REVIEW BY AUTHORITY.—The Author-  
24 ity shall review each contract or lease submitted  
25 under subparagraph (A) to determine if the

1 contract or lease is consistent with the financial  
2 plan and budget for the fiscal year. If the Au-  
3 thority determines that the contract or lease is  
4 not consistent with the financial plan and budg-  
5 et, the Mayor shall take such actions as are  
6 within the Mayor's powers to revise the contract  
7 or lease, or shall submit a proposed revision to  
8 the financial plan and budget in accordance  
9 with section 202(e), so that the contract or  
10 lease will be consistent with the financial plan  
11 and budget.

12 (3) SPECIAL RULE FOR FISCAL YEAR 1995.—  
13 The Authority may require the Mayor to submit to  
14 the Authority any proposal to renew, extend, or  
15 modify a contract or lease in effect during fiscal  
16 year 1995 to determine if the renewal, extension, or  
17 modification is consistent with the budget for the  
18 District of Columbia under the District of Columbia  
19 Appropriations Act, 1995.

20 (4) SPECIAL RULE FOR CONTRACTS SUBJECT  
21 TO COUNCIL APPROVAL.—In the case of a contract  
22 or lease which is required to be submitted to the Au-  
23 thority under this subsection and which is subject to  
24 approval by the Council under the laws of the Dis-  
25 trict of Columbia, the Mayor shall submit such con-

1 tract or lease to the Authority only after the Council  
2 has approved the contract or lease.

3 (c) RESTRICTIONS ON REPROGRAMMING OF  
4 AMOUNTS IN BUDGET DURING CONTROL YEARS.—

5 (1) SUBMISSIONS OF REQUESTS TO AUTHOR-  
6 ITY.—If the Mayor submits a request to the Council  
7 for the reprogramming of any amounts provided in  
8 a budget for a fiscal year which is a control year  
9 after the budget is adopted by the Council, the  
10 Mayor shall submit such request to the Authority,  
11 which shall analyze the affect of the proposed  
12 reprogramming on the financial plan and budget for  
13 the fiscal year and submit its analysis to the Council  
14 not later than 15 days after receiving the request.

15 (2) NO ACTION PERMITTED UNTIL ANALYSIS  
16 RECEIVED.—The Council may not adopt a  
17 reprogramming during a fiscal year which is a con-  
18 trol year, and no officer or employee of the District  
19 government may carry out any reprogramming dur-  
20 ing such a year, until the Authority has provided the  
21 Council with an analysis of a request for the  
22 reprogramming in accordance with paragraph (1).

23 **SEC. 204. RESTRICTIONS ON BORROWING BY DISTRICT**  
24 **DURING CONTROL YEAR.**

25 (a) PRIOR APPROVAL REQUIRED.—

1           (1) IN GENERAL.—The District government  
2           may not borrow money during a control year unless  
3           the Authority provides prior certification that both  
4           the receipt of funds through such borrowing and the  
5           repayment of obligations incurred through such bor-  
6           rowing are consistent with the financial plan and  
7           budget for the year.

8           (2) REVISIONS TO FINANCIAL PLAN AND BUDG-  
9           ET PERMITTED.—If the Authority determines that  
10          the borrowing proposed to be undertaken by the Dis-  
11          trict government is not consistent with the financial  
12          plan and budget, the Mayor may submit to the Au-  
13          thority a proposed revision to the financial plan and  
14          budget in accordance with section 202(e) so that the  
15          borrowing will be consistent with the financial plan  
16          and budget as so revised.

17          (3) BORROWING DESCRIBED.—This subsection  
18          shall apply with respect to any borrowing under-  
19          taken by the District government, including borrow-  
20          ing through the issuance of bonds under part E of  
21          title IV of the District of Columbia Self-Government  
22          and Governmental Reorganization Act, the exercise  
23          of authority to obtain funds from the United States  
24          Treasury under title VI of the District of Columbia

1 Revenue Act of 1939 (sec. 47–3401, D.C. Code), or  
2 any other means.

3 (4) SPECIAL RULES FOR TREASURY BORROWING  
4 DURING FISCAL YEAR 1995.—

5 (A) NO PRIOR APPROVAL REQUIRED DUR-  
6 ING INITIAL PERIOD FOLLOWING APPOINT-  
7 MENT.—The District government may requisition  
8 advances from the United States Treasury  
9 under title VI of the District of Columbia Reve-  
10 nue Act of 1939 (sec. 47–3401, D.C. Code)  
11 without the prior approval of the Authority dur-  
12 ing the 45-day period which begins on the date  
13 of the appointment of the members of the Au-  
14 thority (subject to the restrictions described in  
15 such title, as amended by subsection (c)).

16 (B) CRITERIA FOR APPROVAL DURING RE-  
17 MAINDER OF FISCAL YEAR.—The District gov-  
18 ernment may requisition advances described in  
19 subparagraph (A) during the portion of fiscal  
20 year 1995 occurring after the expiration of the  
21 45-day period described in such subparagraph if  
22 the Authority finds that—

23 (i) such borrowing is appropriate to  
24 meet the needs of the District government

1 to reduce deficits and discharge payment  
2 obligations; and

3 (ii) the District government is making  
4 appropriate progress toward meeting its  
5 responsibilities under this Act (and the  
6 amendments made by this Act).

7 (b) DEPOSIT OF FUNDS OBTAINED THROUGH  
8 TREASURY WITH AUTHORITY.—

9 (1) AUTOMATIC DEPOSIT DURING CONTROL  
10 YEAR.—If the Mayor requisitions funds from the  
11 Secretary of the Treasury pursuant to title VI of the  
12 District of Columbia Revenue Act of 1939 (sec. 47–  
13 3401, D.C. Code) during a control year (beginning  
14 with fiscal year 1996), such funds shall be deposited  
15 by the Secretary into an escrow account held by the  
16 Authority, to be used as follows:

17 (A) The Authority shall expend a portion  
18 of the funds for its operations during the fiscal  
19 year in which the funds are requisitioned, in  
20 such amount and under such conditions as are  
21 established under the budget of the Authority  
22 for the fiscal year under section 106(a).

23 (B) The Authority shall allocate the re-  
24 mainder of such funds to the Mayor at such in-  
25 tervals and in accordance with such terms and

1 conditions as it considers appropriate, consist-  
2 ent with the financial plan and budget for the  
3 year and with any other withholding of funds  
4 by the Authority pursuant to this Act.

5 (2) OPTIONAL DEPOSIT DURING FISCAL YEAR  
6 1995.—

7 (A) DURING INITIAL PERIOD FOLLOWING  
8 APPOINTMENT.—If the Mayor requisitions  
9 funds described in paragraph (1) during the 45-  
10 day period which begins on the date of the ap-  
11 pointment of the members of the Authority, the  
12 Secretary of the Treasury shall notify the Au-  
13 thority, and at the request of the Authority  
14 shall deposit such funds into an escrow account  
15 held by the Authority in accordance with para-  
16 graph (1).

17 (B) DURING REMAINDER OF FISCAL  
18 YEAR.—If the Mayor requisitions funds de-  
19 scribed in paragraph (1) during the portion of  
20 fiscal year 1995 occurring after the expiration  
21 of the 45-day period described in subparagraph  
22 (A), the Secretary of the Treasury shall deposit  
23 such funds into an escrow account held by the  
24 Authority in accordance with paragraph (1) at  
25 the request of the Authority.

1 (c) CONDITIONS ON REQUISITIONS FROM TREAS-  
2 URY.—Title VI of the District of Columbia Revenue Act  
3 of 1939 (sec. 47–3401, D.C. Code) is amended by striking  
4 all after the heading and inserting the following:

5 **“SEC. 601. TRANSITIONAL PROVISION FOR SHORT-TERM**  
6 **ADVANCES.**

7 “(a) TRANSITIONAL SHORT-TERM ADVANCES MADE  
8 BEFORE OCTOBER 1, 1995.—

9 “(1) IN GENERAL.—If the conditions in para-  
10 graph (2) are satisfied, the Secretary shall make an  
11 advance of funds from time to time, out of any  
12 money in the Treasury not otherwise appropriated,  
13 for the purpose of assisting the District government  
14 in meeting its general expenditures, as authorized by  
15 Congress.

16 “(2) CONDITIONS TO MAKING ANY TRANSI-  
17 TIONAL SHORT-TERM ADVANCE BEFORE OCTOBER 1,  
18 1995.—The Secretary shall make an advance under  
19 this subsection if the following conditions are satis-  
20 fied:

21 “(A) the Mayor delivers to the Secretary a  
22 requisition for an advance under this section;

23 “(B) as of the date on which the  
24 requisitioned advance is to be made, the Au-  
25 thority has not approved a financial plan and

1 budget for the District government as meeting  
2 the requirements of the District of Columbia  
3 Financial Responsibility and Management As-  
4 sistance Act of 1995;

5 “(C) the date on which the requisitioned  
6 advance is to be made is not later than Septem-  
7 ber 30, 1995;

8 “(D) the District government has delivered  
9 to the Secretary—

10 “(i) a schedule setting forth the an-  
11 ticipated timing and amounts of req-  
12 uisitions for advances under this sub-  
13 section; and

14 “(ii) evidence demonstrating to the  
15 satisfaction of the Secretary that the Dis-  
16 trict government is effectively unable to ob-  
17 tain credit in the public credit markets or  
18 elsewhere in sufficient amounts and on suf-  
19 ficiently reasonable terms to meet the Dis-  
20 trict government’s financing needs;

21 “(E) the Secretary determines that there is  
22 reasonable assurance of reimbursement for the  
23 advance from the amount authorized to be ap-  
24 propriated as the annual Federal payment to  
25 the District of Columbia under title V of the

1 District of Columbia Self-Government and Gov-  
2 ernmental Reorganization Act for the fiscal  
3 year ending September 30, 1996; and

4 “(F) except during the 45-day period be-  
5 ginning on the date of the appointment of the  
6 members of the Authority, the Authority makes  
7 the findings described in section 204(a)(4)(B)  
8 of the District of Columbia Financial Respon-  
9 sibility and Management Assistance Act of  
10 1995.

11 “(3) AMOUNT OF ANY TRANSITIONAL SHORT-  
12 TERM ADVANCE MADE BEFORE OCTOBER 1, 1995.—

13 “(A) IN GENERAL.—Except as provided in  
14 subparagraph (C), if the conditions described in  
15 subparagraph (B) are satisfied, each advance  
16 made under this subsection shall be in the  
17 amount designated by the Mayor in the Mayor’s  
18 requisition for such advance, except that—

19 “(i) the total amount requisitioned  
20 under this subsection during the 30-day  
21 period which begins on the date of the first  
22 requisition made under this subsection may  
23 not exceed 33<sup>1</sup>/<sub>3</sub> percent of the fiscal year  
24 1995 limit;

1           “(ii) the total amount requisitioned  
2           under this subsection during the 60-day  
3           period which begins on the date of the first  
4           requisition made under this subsection may  
5           not exceed  $66\frac{2}{3}$  percent of the fiscal year  
6           1995 limit; and

7           “(iii) the total amount requisitioned  
8           under this subsection after the expiration  
9           of the 60-day period which begins on the  
10          date of the first requisition made under  
11          this subsection may not exceed 100 percent  
12          of the fiscal year 1995 limit.

13          “(B) CONDITIONS APPLICABLE TO DES-  
14          IGNATED AMOUNT.—Subparagraph (A) applies  
15          if the Mayor determines that the amount des-  
16          ignated in the Mayor’s requisition for such ad-  
17          vance is needed to accomplish the purpose de-  
18          scribed in paragraph (1), and (except during  
19          the 45-day period beginning on the date of the  
20          appointment of the members of the Authority)  
21          the Authority approves such amount.

22          “(C) AGGREGATE MAXIMUM AMOUNT OUT-  
23          STANDING.—The sum of the anticipated prin-  
24          cipal and interest requirements of all advances

1           made under this subsection may not be greater  
2           than the fiscal year 1995 limit.

3           “(D) FISCAL YEAR 1995 LIMIT DE-  
4           SCRIBED.—In this paragraph, the ‘fiscal year  
5           1995 limit’ means the amount authorized to be  
6           appropriated to the District of Columbia as the  
7           annual Federal payment to the District of Co-  
8           lumbia under title V of the District of Columbia  
9           Self-Government and Governmental Reorga-  
10          nization Act for the fiscal year ending Septem-  
11          ber 30, 1995.

12          “(4) MATURITY OF ANY TRANSITIONAL SHORT-  
13          TERM ADVANCE MADE BEFORE OCTOBER 1, 1995.—

14                 “(A) IN GENERAL.—Except as provided in  
15                 subparagraph (B), each advance made under  
16                 this subsection shall mature on the date des-  
17                 ignated by the Mayor in the Mayor’s requisition  
18                 for such advance.

19                 “(B) LATEST PERMISSIBLE MATURITY  
20                 DATE.—Notwithstanding subparagraph (A), the  
21                 maturity date for any advance made under this  
22                 subsection shall not be later than October 1,  
23                 1995.

24          “(5) INTEREST RATE.—Each advance made  
25          under this subsection shall bear interest at an an-

1 nual rate equal to the rate determined by the Sec-  
2 retary at the time that the Secretary makes such ad-  
3 vance taking into consideration the prevailing yield  
4 on outstanding marketable obligations of the United  
5 States with remaining periods to maturity com-  
6 parable to the maturity of such advance, plus  $\frac{1}{8}$  of  
7 1 percent.

8 “(6) DEPOSIT OF ADVANCES.—

9 “(A) IN GENERAL.—Except as provided in  
10 subparagraph (B), each advance made under  
11 this subsection for the account of the District  
12 government shall be deposited by the Secretary  
13 into such account as is designated by the Mayor  
14 in the Mayor’s requisition for such advance.

15 “(B) EXCEPTION.—Notwithstanding sub-  
16 paragraph (A), if (in accordance with section  
17 204(b)(2) of the District of Columbia Financial  
18 Responsibility and Management Assistance Act  
19 of 1995) the Authority delivers a letter request-  
20 ing the Secretary to deposit all advances made  
21 under this subsection for the account of the  
22 District government in an escrow account held  
23 by the Authority, each advance made under this  
24 subsection for the account of the District gov-  
25 ernment after the date of such letter shall be

1 deposited by the Secretary into the escrow ac-  
2 count specified by the Authority in such letter.

3 “(b) TRANSITIONAL SHORT-TERM ADVANCES MADE  
4 ON OR AFTER OCTOBER 1, 1995 AND BEFORE FEBRUARY  
5 1, 1996.—

6 “(1) IN GENERAL.—If the conditions in para-  
7 graph (2) are satisfied, the Secretary shall make an  
8 advance of funds from time to time, out of any  
9 money in the Treasury not otherwise appropriated,  
10 for the same purpose as advances are made under  
11 subsection (a).

12 “(2) TERMS AND CONDITIONS.—

13 “(A) IN GENERAL.—Except as provided in  
14 subparagraph (B), paragraphs (2), (4), and (5)  
15 of subsection (a) (other than subparagraph (F)  
16 of paragraph (2)) shall apply to any advance  
17 made under this subsection.

18 “(B) EXCEPTIONS.—

19 “(i) NEW CONDITIONS PRECEDENT TO  
20 MAKING ADVANCES.—The conditions de-  
21 scribed in subsection (a)(2) shall apply  
22 with respect to making advances on or  
23 after October 1, 1995, in the same manner  
24 as such conditions apply with respect to

1 making advances before October 1, 1995,  
2 except that—

3 “(I) subparagraph (C) (relating  
4 to the last day on which advances may  
5 be made) shall be applied as if the  
6 reference to ‘September 30, 1995’  
7 were a reference to ‘January 31,  
8 1996’;

9 “(II) subparagraph (E) (relating  
10 to the Secretary’s determination of  
11 reasonable assurance of reimburse-  
12 ment from the annual Federal pay-  
13 ment appropriated to the District of  
14 Columbia) shall be applied as if the  
15 reference to ‘September 30, 1996’  
16 were a reference to ‘September 30,  
17 1997’;

18 “(III) the Secretary may not  
19 make an advance under this sub-  
20 section unless all advances made  
21 under subsection (a) are fully reim-  
22 bursed by withholding from the an-  
23 nual Federal payment appropriated to  
24 the District of Columbia for the fiscal  
25 year ending September 30, 1996,

1 under title V of the District of Colum-  
2 bia Self-Government and Govern-  
3 mental Reorganization Act, and apply-  
4 ing toward reimbursement for such  
5 advances an amount equal to the  
6 amount needed to fully reimburse the  
7 Treasury for such advances; and

8 “(IV) the Secretary may not  
9 make an advance under this sub-  
10 section unless the Authority has pro-  
11 vided the Secretary with the prior cer-  
12 tification described in section  
13 204(a)(1) of the District of Columbia  
14 Financial Responsibility and Manage-  
15 ment Assistance Act of 1995.

16 “(ii) NEW LATEST PERMISSIBLE MA-  
17 TURITY DATE.—The provisions of sub-  
18 section (a)(4) shall apply with respect to  
19 the maturity of advances made after Octo-  
20 ber 1, 1995, in the same manner as such  
21 provisions apply with respect to the matu-  
22 rity of advances made before October 1,  
23 1995, except that subparagraph (B) of  
24 such subsection (relating to the latest per-  
25 missible maturity date) shall apply as if

1 the reference to ‘October 1, 1995’ were a  
2 reference to ‘October 1, 1996’.

3 “(C) NEW MAXIMUM AMOUNT OUTSTAND-  
4 ING.—

5 “(i) IN GENERAL.—Except as pro-  
6 vided in clause (iii), if the conditions de-  
7 scribed in clause (ii) are satisfied, each ad-  
8 vance made under this subsection shall be  
9 in the amount designated by the Mayor in  
10 the Mayor’s requisition for such advance.

11 “(ii) CONDITIONS APPLICABLE TO  
12 DESIGNATED AMOUNT.—Clause (i) applies  
13 if the Mayor determines that the amount  
14 designated in the Mayor’s requisition for  
15 such advance is needed to accomplish the  
16 purpose described in paragraph (1), and  
17 the Authority approves such amount.

18 “(iii) AGGREGATE MAXIMUM AMOUNT  
19 OUTSTANDING.—The sum of the antici-  
20 pated principal and interest requirements  
21 of all advances made under this paragraph  
22 may not be greater than 60 percent of the  
23 fiscal year 1996 limit.

24 “(D) DEPOSIT OF ADVANCES.—As pro-  
25 vided in section 204(b) of the District of Co-

1           lumbia Financial Responsibility and Manage-  
2           ment Assistance Act of 1995, each advance  
3           made under this subsection for the account of  
4           the District shall be deposited by the Secretary  
5           into an escrow account held by the Authority.

6           “(E) FISCAL YEAR 1996 LIMIT DE-  
7           SCRIBED.—In this paragraph, the ‘fiscal year  
8           1996 limit’ means the amount authorized to be  
9           appropriated to the District of Columbia as the  
10          annual Federal payment to the District of Co-  
11          lumbia under title V of the District of Columbia  
12          Self-Government and Governmental Reorga-  
13          nization Act for the fiscal year ending Septem-  
14          ber 30, 1996.

15          “(c) TRANSITIONAL SHORT-TERM ADVANCES MADE  
16          ON OR AFTER FEBRUARY 1, 1996, AND BEFORE OCTO-  
17          BER 1, 1996.—

18                 “(1) IN GENERAL.—If the conditions in para-  
19                 graph (2) are satisfied, the Secretary shall make an  
20                 advance of funds from time to time, out of any  
21                 money in the Treasury not otherwise appropriated,  
22                 for the same purpose as advances are made under  
23                 subsection (a).

24                 “(2) TERMS AND CONDITIONS.—

1           “(A) IN GENERAL.—Except as provided in  
2 subparagraph (B), subsection (b)(2) shall apply  
3 to any advance made under this subsection.

4           “(B) EXCEPTIONS.—The conditions appli-  
5 cable under subsection (b)(2) (other than para-  
6 graph (2)(B) of subsection (a)) shall apply with  
7 respect to making advances on or after Feb-  
8 ruary 1, 1996, and before October 1, 1996, in  
9 the same manner as such conditions apply to  
10 making advances under such subsection, except  
11 that—

12           “(i) in applying subparagraph (C) of  
13 subsection (a)(2) (as described in sub-  
14 section (b)(2)(B)(i)(I)), the reference to  
15 ‘October 1, 1995’ shall be deemed to be a  
16 reference to ‘September 30, 1996’;

17           “(ii) subparagraph (C)(iii) of sub-  
18 section (b)(2) shall apply as if the ref-  
19 erence to ‘60 percent’ were a reference to  
20 ‘40 percent’; and

21           “(iii) no advance may be made unless  
22 the Secretary has been provided the certifi-  
23 cations and information described in para-  
24 graphs (3) through (6) of section 602(b).

1       “(d) TRANSITIONAL SHORT-TERM ADVANCES MADE  
2 ON OR AFTER OCTOBER 1, 1996, AND BEFORE OCTOBER  
3 1, 1997.—

4           “(1) IN GENERAL.—If the conditions in para-  
5 graph (2) are satisfied, the Secretary shall make an  
6 advance of funds from time to time, out of any  
7 money in the Treasury not otherwise appropriated,  
8 for the same purpose as advances are made under  
9 subsection (a).

10           “(2) TERMS AND CONDITIONS.—

11           “(A) IN GENERAL.—Except as provided in  
12 subparagraph (B), paragraphs (2), (4), and (5)  
13 of subsection (a) (other than subparagraphs  
14 (B) and (F) of paragraph (2)) shall apply to  
15 any advance made under this subsection.

16           “(B) EXCEPTIONS.—

17           “(i) NEW CONDITIONS PRECEDENT TO  
18 MAKING ADVANCES.—The conditions de-  
19 scribed in subsection (a)(2) shall apply  
20 with respect to making advances on or  
21 after October 1, 1996, and before October  
22 1, 1997, in the same manner as such con-  
23 ditions apply with respect to making ad-  
24 vances before October 1, 1995, except  
25 that—

1           “(I) subparagraph (C) (relating  
2           to the last day on which advances may  
3           be made) shall be applied as if the  
4           reference to ‘September 30, 1995’  
5           were a reference to ‘September 30,  
6           1997’;

7           “(II) subparagraph (E) (relating  
8           to the Secretary’s determination of  
9           reasonable assurance of reimburse-  
10          ment from the annual Federal pay-  
11          ment appropriated to the District of  
12          Columbia) shall be applied as if the  
13          reference to ‘September 30, 1996’  
14          were a reference to ‘September 30,  
15          1997’;

16          “(III) the Secretary may not  
17          make an advance under this sub-  
18          section unless all advances made  
19          under subsections (b) and (c) are fully  
20          reimbursed by withholding from the  
21          annual Federal payment appropriated  
22          to the District of Columbia for the fis-  
23          cal year ending September 30, 1997,  
24          under title V of the District of Colum-  
25          bia Self-Government and Govern-

1           mental Reorganization Act, and apply-  
2           ing toward reimbursement for such  
3           advances an amount equal to the  
4           amount needed to fully reimburse the  
5           Treasury for such advances; and

6                   “(IV) the Secretary may not  
7                   make an advance under this sub-  
8                   section unless the Secretary has been  
9                   provided the certifications and infor-  
10                  mation described in paragraphs (3)  
11                  through (6) of section 602(b).

12                   “(ii) NEW LATEST PERMISSIBLE MA-  
13                  TURITY DATE.—The provisions of sub-  
14                  section (a)(4) shall apply with respect to  
15                  the maturity of advances made under this  
16                  subsection, in the same manner as such  
17                  provisions apply with respect to the matu-  
18                  rity of advances made before October 1,  
19                  1995, except that subparagraph (B) of  
20                  such subsection (relating to the latest per-  
21                  missible maturity date) shall apply as if  
22                  the reference to ‘September 30, 1995’ were  
23                  a reference to ‘September 30, 1997’.

24                   “(C) NEW MAXIMUM AMOUNT OUTSTAND-  
25                  ING.—

1           “(i) IN GENERAL.—Except as pro-  
2           vided in clause (iii), if the conditions de-  
3           scribed in clause (ii) are satisfied, each ad-  
4           vance made under this subsection shall be  
5           in the amount designated by the Mayor in  
6           the Mayor’s requisition for such advance.

7           “(ii) CONDITIONS APPLICABLE TO  
8           DESIGNATED AMOUNT.— Clause (i) applies  
9           if the Mayor determines that the amount  
10          designated in the Mayor’s requisition for  
11          such advance is needed to accomplish the  
12          purpose described in paragraph (1), and  
13          the Authority approves such amount.

14          “(iii) AGGREGATE MAXIMUM AMOUNT  
15          OUTSTANDING.—The sum of the antici-  
16          pated principal and interest requirements  
17          of all advances made under this paragraph  
18          may not be greater than 100 percent of  
19          the fiscal year 1997 limit.

20          “(iv) FISCAL YEAR 1997 LIMIT DE-  
21          SCRIBED.—In this subparagraph, the ‘fis-  
22          cal year 1997 limit’ means the amount au-  
23          thorized to be appropriated to the District  
24          of Columbia as the annual Federal pay-  
25          ment to the District of Columbia under

1 title V of the District of Columbia Self-  
2 Government and Governmental Reorga-  
3 nization Act for the fiscal year ending Sep-  
4 tember 30, 1997.

5 “(D) DEPOSIT OF ADVANCES.—As pro-  
6 vided in section 204(b) of the District of Co-  
7 lumbia Financial Responsibility and Manage-  
8 ment Assistance Act of 1995, each advance  
9 made under this subsection for the account of  
10 the District shall be deposited by the Secretary  
11 into an escrow account held by the Authority.

12 **“SEC. 602. SHORT-TERM ADVANCES FOR SEASONAL CASH-  
13 FLOW MANAGEMENT.**

14 “(a) IN GENERAL.—If the conditions in subsection  
15 (b) are satisfied, the Secretary shall make an advance of  
16 funds from time to time, out of any money in the Treasury  
17 not otherwise appropriated, for the purpose of assisting  
18 the District government in meeting its general expendi-  
19 tures, as authorized by Congress, at times of seasonal  
20 cash-flow deficiencies.

21 “(b) CONDITIONS TO MAKING ANY SHORT-TERM AD-  
22 VANCE.—The Secretary shall make an advance under this  
23 section if—

24 “(1) the Mayor delivers to the Secretary a req-  
25 uisition for an advance under this section;

1           “(2) the date on which the requisitioned ad-  
2           vance is to be made is in a control period;

3           “(3) the Authority certifies to the Secretary  
4           that—

5                   “(A) the District government has prepared  
6                   and submitted a financial plan and budget for  
7                   the District government;

8                   “(B) there is an approved financial plan  
9                   and budget in effect under the District of Co-  
10                  lumbia Financial Responsibility and Manage-  
11                  ment Assistance Act of 1995 for the fiscal year  
12                  for which the requisition is to be made;

13                  “(C) at the time of the Mayor’s requisition  
14                  for an advance, the District government is in  
15                  compliance with the financial plan and budget;

16                  “(D) both the receipt of funds from such  
17                  advance and the reimbursement of Treasury for  
18                  such advance are consistent with the financial  
19                  plan and budget for the year; and

20                  “(E) such advance will not adversely affect  
21                  the financial stability of the District govern-  
22                  ment;

23           “(4) the Authority certifies to the Secretary, at  
24           the time of the Mayor’s requisition for an advance,  
25           that the District government is effectively unable to

1 obtain credit in the public credit markets or else-  
2 where in sufficient amounts and on sufficiently rea-  
3 sonable terms to meet the District government's fi-  
4 nancing needs;

5 “(5) the Inspector General of the District of  
6 Columbia certifies to the Secretary the information  
7 described in paragraph (3) by providing the Sec-  
8 retary with a certification conducted by an outside  
9 auditor under a contract entered into pursuant to  
10 section 208(a)(4) of the District of Columbia Pro-  
11 curement Practices Act of 1985;

12 “(6) the Secretary receives such additional cer-  
13 tifications and opinions relating to the financial posi-  
14 tion of the District government as the Secretary de-  
15 termines to be appropriate from such other Federal  
16 agencies and instrumentalities as the Secretary de-  
17 termines to be appropriate; and

18 “(7) the Secretary determines that there is rea-  
19 sonable assurance of reimbursement for the advance  
20 from the amount authorized to be appropriated as  
21 the annual Federal payment to the District of Co-  
22 lumbia under title V of the District of Columbia  
23 Self-Government and Governmental Reorganization  
24 Act for the fiscal year following the fiscal year in  
25 which such advance is made.

1 “(c) AMOUNT OF ANY SHORT-TERM ADVANCE.—

2 “(1) IN GENERAL.—Except as provided in para-  
3 graph (3), if the conditions in paragraph (2) are sat-  
4 isfied, each advance made under this section shall be  
5 in the amount designated by the Mayor in the May-  
6 or’s requisition for such advance.

7 “(2) CONDITIONS APPLICABLE TO DESIGNATED  
8 AMOUNT.—Paragraph (1) applies if—

9 “(A) the Mayor determines that the  
10 amount designated in the Mayor’s requisition  
11 for such advance is needed to accomplish the  
12 purpose described in subsection (a); and

13 “(B) the Authority—

14 “(i) concurs in the Mayor’s deter-  
15 mination under subparagraph (A); and

16 “(ii) determines that the reimburse-  
17 ment obligation of the District government  
18 for an advance made under this section in  
19 the amount designated in the Mayor’s req-  
20 uisition is consistent with the financial  
21 plan for the year.

22 “(3) MAXIMUM AMOUNT OUTSTANDING.—

23 “(A) IN GENERAL.—Notwithstanding para-  
24 graph (1), the unpaid principal balance of all  
25 advances made under this section in any fiscal

1 year of the District government shall not at any  
2 time be greater than 100 percent of applicable  
3 limit.

4 “(B) SPECIAL RULE FOR FISCAL YEAR  
5 1997.—The unpaid principal balance of all ad-  
6 vances made under this section in fiscal year  
7 1997 of the District government shall not at  
8 any time be greater than the difference be-  
9 tween—

10 “(i) 150 percent of the applicable  
11 limit for such fiscal year; and

12 “(ii) the unpaid principal balance of  
13 any advances made under section 601(d).

14 “(C) APPLICABLE LIMIT DEFINED.—In  
15 this paragraph, the ‘applicable limit’ for a fiscal  
16 year is the amount authorized under title V of  
17 the District of Columbia Self-Government and  
18 Governmental Reorganization Act for appro-  
19 priation as the Federal payment to the District  
20 of Columbia for the fiscal year following the fis-  
21 cal year in which the advance is made.

22 “(d) MATURITY OF ANY SHORT-TERM ADVANCE.—

23 “(1) IN GENERAL.—Except as provided in para-  
24 graph (3), if the condition in paragraph (2) is satis-  
25 fied, each advance made under this section shall ma-

1       ture on the date designated by the Mayor in the  
2       Mayor's requisition for such advance.

3           “(2) CONDITION APPLICABLE TO DESIGNATED  
4       MATURITY.—Paragraph (1) applies if the Authority  
5       determines that the reimbursement obligation of the  
6       District government for an advance made under this  
7       section having the maturity date designated in the  
8       Mayor's requisition is consistent with the financial  
9       plan for the year.

10          “(3) LATEST PERMISSIBLE MATURITY DATE.—  
11       Notwithstanding paragraph (1), the maturity date  
12       for any advance made under this section shall not be  
13       later than 11 months after the date on which such  
14       advance is made.

15          “(e) INTEREST RATE.—Each advance made under  
16       this section shall bear interest at an annual rate equal to  
17       a rate determined by the Secretary at the time that the  
18       Secretary makes such advance taking into consideration  
19       the prevailing yield on outstanding marketable obligations  
20       of the United States with remaining periods to maturity  
21       comparable to the maturity of such advance, plus  $\frac{1}{8}$  of  
22       1 percent.

23          “(f) 10-BUSINESS-DAY ZERO BALANCE REQUIRE-  
24       MENT.—After the expiration of the 12-month period be-  
25       ginning on the date on which the first advance is made

1 under this section, the Secretary shall not make any new  
2 advance under this section unless the District government  
3 has—

4 “(1) reduced to zero at the same time the prin-  
5 cipal balance of all advances made under this section  
6 at least once during the previous 12-month period;  
7 and

8 “(2) not requisitioned any advance to be made  
9 under this section in any of the 10 business days fol-  
10 lowing such reduction.

11 “(g) DEPOSIT OF ADVANCES.—As provided in section  
12 204(b) of the District of Columbia Financial Responsibil-  
13 ity and Management Assistance Act of 1995, advances  
14 made under this section for the account of the District  
15 government shall be deposited by the Secretary into an  
16 escrow account held by the Authority.

17 **“SEC. 603. SECURITY FOR ADVANCES.**

18 “(a) IN GENERAL.—The Secretary shall require the  
19 District government to provide such security for any ad-  
20 vance made under this title as the Secretary determines  
21 to be appropriate.

22 “(b) AUTHORITY TO REQUIRE SPECIFIC SECU-  
23 RITY.—As security for any advance made under this title,  
24 the Secretary may require the District government to—

1           “(1) pledge to the Secretary specific taxes and  
2 revenue of the District government, if such pledging  
3 does not cause the District government to violate ex-  
4 isting laws or contracts; and

5           “(2) establish a debt service reserve fund  
6 pledged to the Secretary.

7 **“SEC. 604. REIMBURSEMENT TO THE TREASURY.**

8           “(a) REIMBURSEMENT AMOUNT.—

9           “(1) IN GENERAL.—Except as provided in para-  
10 graph (2), on any date on which a reimbursement  
11 payment is due to the Treasury under the terms of  
12 any advance made under this title, the District shall  
13 pay to the Treasury the amount of such reimburse-  
14 ment payment out of taxes and revenue collected for  
15 the support of the District government.

16           “(2) EXCEPTIONS FOR TRANSITIONAL AD-  
17 VANCES.—

18           “(A) ADVANCES MADE BEFORE OCTOBER  
19 1, 1995.—

20           “(i) FINANCIAL PLAN AND BUDGET  
21 APPROVED.—If the Authority approves a  
22 financial plan for the District government  
23 before October 1, 1995, the District gov-  
24 ernment may use the proceeds of any ad-  
25 vance made under section 602 to discharge

1 its obligation to reimburse the Treasury  
2 for any advance made under section  
3 601(a).

4 “(ii) FINANCIAL PLAN AND BUDGET  
5 NOT APPROVED.—If the Authority has not  
6 approved a financial plan and budget for  
7 the District government by October 1,  
8 1995, the annual Federal payment appro-  
9 priated to the District government for the  
10 fiscal year ending September 30, 1996,  
11 shall be withheld and applied to discharge  
12 the District government’s obligation to re-  
13 imburse the Treasury for any advance  
14 made under section 601(a).

15 “(B) ADVANCES MADE ON OR AFTER OC-  
16 TOBER 1, 1995.—

17 “(i) FINANCIAL PLAN AND BUDGET  
18 APPROVED.—If the Authority approves a  
19 financial plan and budget for the District  
20 government during fiscal year 1996, the  
21 District may use the proceeds of any ad-  
22 vance made under section 602 to discharge  
23 its obligation to reimburse the Treasury  
24 for any advance made under section  
25 601(b).

1           “(ii) FINANCIAL PLAN AND BUDGET  
2           NOT APPROVED.—If the Authority has not  
3           approved a financial plan and budget for  
4           the District government by October 1,  
5           1996, the annual Federal payment appro-  
6           priated to the District government for the  
7           fiscal year ending September 30, 1997,  
8           shall be withheld and applied to discharge  
9           the District government’s obligation to re-  
10          imburse the Treasury for any advance  
11          made under section 601(b).

12          “(b) REMEDIES FOR FAILURE TO REIMBURSE.—If,  
13          on any date on which a reimbursement payment is due  
14          to the Treasury under the terms of any advance made  
15          under this title, the District government does not make  
16          such reimbursement payment, the Secretary shall take the  
17          actions listed in this subsection.

18          “(1) WITHHOLD ANNUAL FEDERAL PAY-  
19          MENT.—Notwithstanding any other law, before turn-  
20          ing over to the Authority (on behalf of the District  
21          government under section 205 of the District of Co-  
22          lumbia Financial Responsibility and Management  
23          Assistance Act of 1995) any annual Federal pay-  
24          ment appropriated to the District government for  
25          any fiscal year under title V of the District of Co-

1       olumbia Self-Government and Governmental Reorga-  
2       nization Act (if any), the Secretary shall withhold  
3       from such annual Federal payment, and apply to-  
4       ward reimbursement for the payment not made, an  
5       amount equal to the amount needed to fully reim-  
6       burse the Treasury for the payment not made.

7               “(2) WITHHOLD OTHER FEDERAL PAY-  
8       MENTS.—If, after the Secretary takes the action de-  
9       scribed in paragraph (1), the Treasury is not fully  
10      reimbursed, the Secretary shall withhold from each  
11      grant, entitlement, loan, or other payment to the  
12      District government by the Federal Government not  
13      dedicated to making entitlement or benefit payments  
14      to individuals, and apply toward reimbursement for  
15      the payment not made, an amount that, when added  
16      to the amount withheld from each other such grant,  
17      entitlement, loan, or other payment, will be equal to  
18      the amount needed to fully reimburse the Treasury  
19      for the payment not made.

20              “(3) ATTACH AVAILABLE DISTRICT REVE-  
21      NUES.—If, after the Secretary takes the actions de-  
22      scribed in paragraphs (1) and (2), the Treasury is  
23      not fully reimbursed, the Secretary shall attach any  
24      and all revenues of the District government which  
25      the Secretary may lawfully attach, and apply toward

1 reimbursement for the payment not made, an  
2 amount equal to the amount needed to fully reim-  
3 burse the Treasury for the payment not made.

4 “(4) TAKE OTHER ACTIONS.—If, after the Sec-  
5 retary takes the actions described in paragraphs (1)  
6 through (3), the Treasury is not fully reimbursed,  
7 the Secretary shall take any and all other actions  
8 permitted by law to recover from the District gov-  
9 ernment the amount needed to fully reimburse the  
10 Treasury for the payment not made.

11 **“SEC. 605. DEFINITIONS.**

12 “For purposes of this title—

13 “(1) the term ‘Authority’ means the District of  
14 Columbia Financial Responsibility and Management  
15 Assistance Authority established under section  
16 101(a) of the District of Columbia Financial Re-  
17 sponsibility and Management Assistance Act of  
18 1995;

19 “(2) the term ‘control period’ has the meaning  
20 given such term under section 305(4) of such Act;

21 “(3) the term ‘District government’ has the  
22 meaning given such term under section 305(5) of  
23 such Act;



1 eral payment to the District of Columbia for the  
2 year authorized under title V of the District of Co-  
3 lumbia Self-Government and Governmental Reorga-  
4 nization Act into an escrow account held by the Au-  
5 thority, which shall allocate the funds to the Mayor  
6 at such intervals and in accordance with such terms  
7 and conditions as it considers appropriate to imple-  
8 ment the financial plan for the year. In establishing  
9 such terms and conditions, the Authority shall give  
10 priority to using the Federal payment for cash flow  
11 management and the payment of outstanding bills  
12 owed by the District government.

13 (2) EXCEPTION FOR AMOUNTS WITHHELD FOR  
14 ADVANCES.—Paragraph (1) shall not apply with re-  
15 spect to any portion of the Federal payment which  
16 is withheld by the Secretary of the Treasury in ac-  
17 cordance with section 604 of title VI of the District  
18 of Columbia Revenue Act of 1939 (as added by sec-  
19 tion 204(c)) to reimburse the Secretary for advances  
20 made under title VI of such Act.

21 (b) EXPENDITURE OF FUNDS FROM ACCOUNT IN AC-  
22 CORDANCE WITH AUTHORITY INSTRUCTIONS.—Any  
23 funds allocated by the Authority to the Mayor from the  
24 escrow account described in paragraph (1) may be ex-  
25 pended by the Mayor only in accordance with the terms

1 and conditions established by the Authority at the time  
2 the funds are allocated.

3 **SEC. 206. EFFECT OF FINDING OF NON-COMPLIANCE WITH**  
4 **FINANCIAL PLAN AND BUDGET.**

5 (a) SUBMISSION OF REPORTS.—Not later than 30  
6 days after the expiration of each quarter of each fiscal  
7 year (beginning with fiscal year 1996), the Mayor shall  
8 submit reports to the Authority describing the actual reve-  
9 nues obtained and expenditures made by the District gov-  
10 ernment during the quarter with its cash flows during the  
11 quarter, and comparing such actual revenues, expendi-  
12 tures, and cash flows with the most recent projections for  
13 these items.

14 (b) DEMAND FOR ADDITIONAL INFORMATION.—If  
15 the Authority determines, based on reports submitted by  
16 the Mayor under subsection (a), independent audits, or  
17 such other information as the Authority may obtain, that  
18 the revenues or expenditures of the District government  
19 during a control year are not consistent with the financial  
20 plan and budget for the year, the Authority shall require  
21 the Mayor to provide such additional information as the  
22 Authority determines to be necessary to explain the incon-  
23 sistency.

24 (c) CERTIFICATION OF VARIANCE.—

1           (1) IN GENERAL.—After requiring the Mayor to  
2 provide additional information under subsection (b),  
3 the Authority shall certify to the Council, the Presi-  
4 dent, the Secretary of the Treasury, and Congress  
5 that the District government is at variance with the  
6 financial plan and budget unless—

7           (A)(i) the additional information provides  
8 an explanation for the inconsistency which the  
9 Authority finds reasonable and appropriate, or

10           (ii) the District government adopts or im-  
11 plements remedial action (including revising the  
12 financial plan and budget pursuant to section  
13 202(e)) to correct the inconsistency which the  
14 Authority finds reasonable and appropriate,  
15 taking into account the terms of the financial  
16 plan and budget; and

17           (B) the Mayor agrees to submit the re-  
18 ports described in subsection (a) on a monthly  
19 basis for such period as the Authority may  
20 require.

21           (2) SPECIAL RULE FOR INCONSISTENCIES AT-  
22 TRIBUTABLE TO ACTS OF CONGRESS.—

23           (A) DETERMINATION BY AUTHORITY.—If  
24 the Authority determines that the revenues or  
25 expenditures of the District government during

1 a control year are not consistent with the finan-  
2 cial plan and budget for the year as approved  
3 by the Authority under section 202 as a result  
4 of the terms and conditions of the budget of  
5 the District government for the year as enacted  
6 by Congress or as a result of any other law en-  
7 acted by Congress which affects the District of  
8 Columbia, the Authority shall so notify the  
9 Mayor.

10 (B) CERTIFICATION.—In the case of an in-  
11 consistency described in subparagraph (A), the  
12 Authority shall certify to the Council, the Presi-  
13 dent, the Secretary of the Treasury, and Con-  
14 gress that the District government is at vari-  
15 ance with the financial plan and budget unless  
16 the District government adopts or implements  
17 remedial action (including revising the financial  
18 plan and budget pursuant to section 202(e)) to  
19 correct the inconsistency which the Authority  
20 finds reasonable and appropriate, taking into  
21 account the terms of the financial plan and  
22 budget.

23 (d) EFFECT OF CERTIFICATION.—If the Authority  
24 certifies to the Secretary of the Treasury that a variance  
25 exists—

1 (1) the Authority may withhold any funds de-  
2 posited with the Authority under section 204(b) or  
3 section 205(a) which would otherwise be expended  
4 on behalf of the District government; and

5 (2) the Secretary shall withhold funds otherwise  
6 payable to the District of Columbia under such Fed-  
7 eral programs as the Authority may specify (other  
8 than funds dedicated to making entitlement or bene-  
9 fit payments to individuals), in such amounts and  
10 under such other conditions as the Authority may  
11 specify.

12 **SEC. 207. RECOMMENDATIONS ON FINANCIAL STABILITY**  
13 **AND MANAGEMENT RESPONSIBILITY.**

14 (a) IN GENERAL.—The Authority may at any time  
15 submit recommendations to the Mayor, the Council, the  
16 President, and Congress on actions the District govern-  
17 ment or the Federal Government may take to ensure com-  
18 pliance by the District government with a financial plan  
19 and budget or to otherwise promote the financial stability,  
20 management responsibility, and service delivery efficiency  
21 of the District government, including recommendations re-  
22 lating to—

23 (1) the management of the District govern-  
24 ment’s financial affairs, including cash forecasting,  
25 information technology, placing controls on expendi-

1 tures for personnel, reducing benefit costs, reforming  
2 procurement practices, and placing other controls on  
3 expenditures;

4 (2) the relationship between the District gov-  
5 ernment and the Federal Government;

6 (3) the structural relationship of departments,  
7 agencies, and independent agencies within the Dis-  
8 trict government;

9 (4) the modification of existing revenue struc-  
10 tures, or the establishment of additional revenue  
11 structures;

12 (5) the establishment of alternatives for meet-  
13 ing obligations to pay for the pensions of former  
14 District government employees;

15 (6) modifications or transfers of the types of  
16 services which are the responsibility of and are deliv-  
17 ered by the District government;

18 (7) modifications of the types of services which  
19 are delivered by entities other than the District gov-  
20 ernment under alternative service delivery mecha-  
21 nisms (including privatization and commercializa-  
22 tion);

23 (8) the effects of District of Columbia laws and  
24 court orders on the operations of the District gov-  
25 ernment;

1           (9) the establishment of a personnel system for  
2 employees of the District government which is based  
3 upon employee performance standards; and

4           (10) the improvement of personnel training and  
5 proficiency, the adjustment of staffing levels, and  
6 the improvement of training and performance of  
7 management and supervisory personnel.

8           (b) RESPONSE TO RECOMMENDATIONS FOR ACTIONS  
9 WITHIN AUTHORITY OF DISTRICT GOVERNMENT.—

10           (1) IN GENERAL.—In the case of any rec-  
11 ommendations submitted under subsection (a) dur-  
12 ing a control year which are within the authority of  
13 the District government to adopt, not later than 90  
14 days after receiving the recommendations, the Mayor  
15 or the Council (whichever has the authority to adopt  
16 the recommendation) shall submit a statement to the  
17 Authority, the President, and Congress which pro-  
18 vides notice as to whether the District government  
19 will adopt the recommendations.

20           (2) IMPLEMENTATION PLAN REQUIRED FOR  
21 ADOPTED RECOMMENDATIONS.—If the Mayor or the  
22 Council (whichever is applicable) notifies the Author-  
23 ity and Congress under paragraph (1) that the Dis-  
24 trict government will adopt any of the recommenda-  
25 tions submitted under subsection (a), the Mayor or

1 the Council (whichever is applicable) shall include in  
2 the statement a written plan to implement the rec-  
3 ommendation which includes—

4 (A) specific performance measures to de-  
5 termine the extent to which the District govern-  
6 ment has adopted the recommendation; and

7 (B) a schedule for auditing the District  
8 government's compliance with the plan.

9 (3) EXPLANATIONS REQUIRED FOR REC-  
10 OMMENDATIONS NOT ADOPTED.—If the Mayor or  
11 the Council (whichever is applicable) notifies the Au-  
12 thority, the President, and Congress under para-  
13 graph (1) that the District government will not  
14 adopt any recommendation submitted under sub-  
15 section (a) which the District government has au-  
16 thority to adopt, the Mayor or the Council shall in-  
17 clude in the statement explanations for the rejection  
18 of the recommendations.

19 (c) IMPLEMENTATION OF REJECTED RECOMMENDA-  
20 TIONS BY AUTHORITY.—

21 (1) IN GENERAL.—If the Mayor or the Council  
22 (whichever is applicable) notifies the Authority, the  
23 President, and Congress under subsection (b)(1)  
24 that the District government will not adopt any rec-  
25 ommendation submitted under subsection (a) which

1 the District government has authority to adopt, the  
2 Authority may by a majority vote of its members  
3 take such action concerning the recommendation as  
4 it deems appropriate, after consulting with the Com-  
5 mittee on Government Reform and Oversight of the  
6 House of Representatives and the Committee on  
7 Governmental Affairs of the Senate.

8 (2) EFFECTIVE DATE.—This subsection shall  
9 apply with respect to recommendations of the Au-  
10 thority made after the expiration of the 6-month pe-  
11 riod which begins on the date of the enactment of  
12 this Act.

13 **SEC. 208. SPECIAL RULES FOR FISCAL YEAR 1996.**

14 (a) ADOPTION OF TRANSITION BUDGET.—Notwith-  
15 standing any provision of section 202 to the contrary, in  
16 the case of fiscal year 1996, the following rules shall apply:

17 (1) Not later than 45 days after the appoint-  
18 ment of its members, the Authority shall review the  
19 proposed budget for the District of Columbia for  
20 such fiscal year submitted to Congress under section  
21 446 of the District of Columbia Self-Government  
22 and Governmental Reorganization Act (taking into  
23 account any items or provisions disapproved by the  
24 Mayor or disapproved by the Mayor and reenacted  
25 by the Council under section 404(f) of the District

1 of Columbia Self-Government and Governmental Re-  
2 organization Act, as amended by section 202(f)(2))  
3 and the multiyear plan for the District of Columbia  
4 prepared pursuant to section 443 of the District of  
5 Columbia Self-Government and Governmental Reor-  
6 ganization Act, and shall submit any recommenda-  
7 tions for modifications to such financial plan and  
8 budget to promote the financial stability of the Dis-  
9 trict government to the Mayor, the Council, the  
10 President, and Congress.

11 (2) Not later than 15 days after receiving the  
12 recommendations of the Authority submitted under  
13 paragraph (1), the Council (in consultation with the  
14 Mayor) shall promptly adopt a revised budget for  
15 the fiscal year (in this section referred to as the  
16 “transition budget”), and shall submit the transition  
17 budget to the Authority, the President, and Con-  
18 gress.

19 (3) Not later than 15 days after receiving the  
20 transition budget from the Council under paragraph  
21 (2), the Authority shall submit a report to the  
22 Mayor, the Council, the President, and Congress  
23 analyzing the budget (taking into account any items  
24 or provisions disapproved by the Mayor or dis-  
25 approved by the Mayor and reenacted by the Council

1 under section 404(f) of the District of Columbia  
2 Self-Government and Governmental Reorganization  
3 Act, as amended by section 202(f)(2)), and shall in-  
4 clude in the report such recommendations for revi-  
5 sions to the transition budget as the Authority con-  
6 siders appropriate to promote the financial stability  
7 of the District government during the fiscal year.

8 (b) FINANCIAL PLAN AND BUDGET.—

9 (1) DEADLINE FOR SUBMISSION.—For purposes  
10 of section 202, the Mayor shall submit the financial  
11 plan and budget for fiscal year 1996 as soon as  
12 practicable after the date of the enactment of this  
13 Act (in accordance with guidelines established by the  
14 Authority).

15 (2) ADOPTION BY COUNCIL.—In accordance  
16 with the procedures applicable under section 202  
17 (including procedures providing for review by the  
18 Authority)—

19 (A) the Council shall adopt the financial  
20 plan and budget for the fiscal year (including  
21 the supplemental budget incorporated in the fi-  
22 nancial plan and budget) prior to the submis-  
23 sion by the Mayor of the financial plan and  
24 budget for fiscal year 1997 under section  
25 202(a); and

1 (B) the financial plan and budget adopted  
2 by the Council (and, in the case of a financial  
3 plan and budget disapproved by the Authority,  
4 together with the financial plan and budget ap-  
5 proved and recommended by the Authority)  
6 shall be submitted to Congress (in accordance  
7 with the procedures applicable under such sec-  
8 tion) as a supplemental budget request for fis-  
9 cal year 1996 (in accordance with section 446  
10 of the District of Columbia Self-Government  
11 and Governmental Reorganization Act).

12 (3) TRANSITION BUDGET AS TEMPORARY FI-  
13 NANCIAL PLAN AND BUDGET.—Until the approval of  
14 the financial plan and budget for fiscal year 1996 by  
15 the Authority under this subsection, the transition  
16 budget established under subsection (a) (as enacted  
17 by Congress) shall serve as the financial plan and  
18 budget adopted under this subtitle for purposes of  
19 this Act (and any provision of law amended by this  
20 Act) for fiscal year 1996.

21 (c) RESTRICTIONS ON ADVANCES FROM TREAS-  
22 URY.—

23 (1) MONTHLY DETERMINATION OF PROGRESS  
24 TOWARD FINANCIAL PLAN AND BUDGET.—During  
25 each month of fiscal year 1996 prior to the adoption

1 of the financial plan and budget, the Authority shall  
2 determine whether the District government is mak-  
3 ing appropriate progress in preparing and adopting  
4 a financial plan and budget for the fiscal year under  
5 this subtitle.

6 (2) CERTIFICATION.—The Authority shall pro-  
7 vide the President and Congress with a certification  
8 if the Authority finds that the District government  
9 is not making appropriate progress in developing the  
10 financial plan and budget for a month, and shall no-  
11 tify the President and Congress that the certification  
12 is no longer in effect if the Authority finds that the  
13 District government is making such progress after  
14 the certification is provided.

15 (3) PROHIBITION AGAINST ALLOCATION OF AD-  
16 VANCES IF CERTIFICATION IN EFFECT.—At any  
17 time during which a certification under paragraph  
18 (2) is in effect, Authority may not allocate any funds  
19 obtained through advances to the Mayor under title  
20 VI of the District of Columbia Revenue Act of 1939  
21 from the escrow account in which the funds are held.

22 **SEC. 209. CONTROL PERIODS DESCRIBED.**

23 (a) INITIATION.—For purposes of this Act, a “control  
24 period” is initiated upon the occurrence of any of the fol-  
25 lowing events (as determined by the Authority based upon

1 information obtained through the Mayor, the Inspector  
2 General of the District of Columbia, or such other sources  
3 as the Authority considers appropriate):

4           (1) The requisitioning by the Mayor of ad-  
5 vances from the Treasury of the United States  
6 under title VI of the District of Columbia Revenue  
7 Act of 1939 (sec. 47-3401, D.C. Code), or the exist-  
8 ence of any unreimbursed amounts obtained pursu-  
9 ant to such authority.

10           (2) The failure of the District government to  
11 provide sufficient revenue to a debt service reserve  
12 fund of the Authority under subtitle B.

13           (3) The default by the District government with  
14 respect to any loans, bonds, notes, or other form of  
15 borrowing.

16           (4) The failure of the District government to  
17 meet its payroll for any pay period.

18           (5) The existence of a cash deficit of the Dis-  
19 trict government at the end of any quarter of the  
20 fiscal year in excess of the difference between the es-  
21 timated revenues of the District government and the  
22 estimated expenditures of the District government  
23 (including repayments of temporary borrowings)  
24 during the remainder of the fiscal year or the re-  
25 mainder of the fiscal year together with the first 6

1 months of the succeeding fiscal year (as determined  
2 by the Authority in consultation with the Chief Fi-  
3 nancial Officer of the District of Columbia).

4 (6) The failure of the District government to  
5 make required payments relating to pensions and  
6 benefits for current and former employees of the  
7 District government.

8 (7) The failure of the District government to  
9 make required payments to any entity established  
10 under an interstate compact to which the District of  
11 Columbia is a signatory.

12 (b) TERMINATION.—

13 (1) IN GENERAL.—A control period terminates  
14 upon the certification by the Authority that—

15 (A) the District government has adequate  
16 access to both short-term and long-term credit  
17 markets at reasonable interest rates to meet its  
18 borrowing needs; and

19 (B) for 4 consecutive fiscal years (occur-  
20 ring after the date of the enactment of this Act)  
21 the expenditures made by the District govern-  
22 ment during each of the years did not exceed  
23 the revenues of the District government during  
24 such years (as determined in accordance with  
25 generally accepted accounting principles, as

1 contained in the comprehensive annual financial  
2 report for the District of Columbia under sec-  
3 tion 448(a)(4) of the District of Columbia Self-  
4 Government and Governmental Reorganization  
5 Act).

6 (2) CONSULTATION WITH INSPECTOR GEN-  
7 ERAL.—In making the determination under this sub-  
8 section, the Authority shall consult with the Inspec-  
9 tor General of the District of Columbia.

10 (c) CONTROL PERIOD DEEMED TO EXIST UPON EN-  
11 ACTMENT.—For purposes of this subtitle, a control period  
12 is deemed to exist upon the enactment of this Act.

## 13 **Subtitle B—Issuance of Bonds**

### 14 **SEC. 211. AUTHORITY TO ISSUE BONDS.**

15 (a) IN GENERAL.—

16 (1) REQUEST OF MAYOR.—Subject to the re-  
17 quirements of this subtitle, the Authority may at the  
18 request of the Mayor pursuant to an Act of the  
19 Council issue bonds, notes, or other obligations to  
20 borrow funds to obtain funds for the use of the Dis-  
21 trict government, in such amounts and in such man-  
22 ner as the Authority considers appropriate.

23 (2) SPECIAL RULE FOR INSTRUMENTALITIES  
24 WITH INDEPENDENT BORROWING AUTHORITY.—In  
25 the case of an agency or instrumentality of the Dis-

1        trict government which under law has the authority  
2        to issue bonds, notes, or obligations to borrow funds  
3        without the enactment of an Act of the Council, the  
4        Authority may issue bonds, notes, or other obliga-  
5        tions to borrow funds for the use or functions of  
6        such agency or instrumentality at the request of the  
7        head of the agency or instrumentality.

8        (b) DEPOSIT OF FUNDS OBTAINED THROUGH BOR-  
9        ROWING WITH AUTHORITY.—Any funds obtained by the  
10       District government through borrowing by the Authority  
11       pursuant to this subtitle shall be deposited into an escrow  
12       account held by the Authority, which shall allocate such  
13       funds to the District government in such amounts and at  
14       such times as the Authority considers appropriate, consist-  
15       ent with the specified purposes of such funds and the ap-  
16       plicable financial plan and budget under subtitle A.

17       (c) USES OF FUNDS OBTAINED THROUGH BONDS.—  
18       Any funds obtained through the issuance of bonds, notes,  
19       or other obligations pursuant to this subtitle may be used  
20       for any purpose (consistent with the applicable financial  
21       plan and budget) under subtitle A for which the District  
22       government may use borrowed funds under the District  
23       of Columbia Self-Government and Governmental Reorga-  
24       nization Act and for any other purpose which the Author-  
25       ity considers appropriate.

1 **SEC. 212. PLEDGE OF SECURITY INTEREST IN REVENUES**  
2 **OF DISTRICT GOVERNMENT.**

3 (a) IN GENERAL.—The Authority may pledge or  
4 grant a security interest in revenues to individuals or enti-  
5 ties purchasing bonds, notes, or other obligations issued  
6 pursuant to this subtitle.

7 (b) DEDICATION OF REVENUE STREAM FROM DIS-  
8 TRICT GOVERNMENT.—The Authority shall require the  
9 Mayor—

10 (1) to pledge or direct taxes or other revenues  
11 otherwise payable to the District government (which  
12 are not otherwise pledged or committed), including  
13 payments from the Federal Government, to the Au-  
14 thority for purposes of securing repayment of bonds,  
15 notes, or other obligations issued pursuant to this  
16 subtitle; and

17 (2) to transfer the proceeds of any tax levied  
18 for purposes of securing such bonds, notes, or other  
19 obligations to the Authority immediately upon collec-  
20 tion.

21 **SEC. 213. ESTABLISHMENT OF DEBT SERVICE RESERVE**  
22 **FUND.**

23 (a) IN GENERAL.—As a condition for the issuance  
24 of bonds, notes, or other obligations pursuant to this sub-  
25 title, the Authority shall establish a debt service reserve  
26 fund in accordance with this section.

1 (b) REQUIREMENTS FOR FUND.—

2 (1) FUND DESCRIBED.—A debt service reserve  
3 fund established by the Authority pursuant to this  
4 subsection shall consist of such funds as the Author-  
5 ity may make available, and shall be a trust fund  
6 held for the benefit and security of the obligees of  
7 the Authority whose bonds, notes, or other obliga-  
8 tions are secured by such fund.

9 (2) USES OF FUNDS.—Amounts in a debt serv-  
10 ice reserve fund may be used solely for the payment  
11 of the principal of bonds secured in whole or in part  
12 by such fund, the purchase or redemption of such  
13 bonds, the payment of interest on such bonds, or the  
14 payment of any redemption premium required to be  
15 paid when such bonds and notes are redeemed prior  
16 to maturity.

17 (3) RESTRICTIONS ON WITHDRAWALS.—

18 (A) IN GENERAL.—Amounts in a debt  
19 service reserve fund may not be withdrawn from  
20 the fund at any time in an amount that would  
21 reduce the amount of the fund to less than the  
22 minimum reserve fund requirement established  
23 for such fund in the resolution of the Authority  
24 creating such fund, except for withdrawals for  
25 the purpose of making payments when due of

1 principal, interest, redemption premiums and  
2 sinking fund payments, if any, with respect to  
3 such bonds for the payment of which other  
4 moneys of the Authority are not available, and  
5 for the purpose of funding the operations of the  
6 Authority for a fiscal year (in such amounts  
7 and under such conditions as are established  
8 under the budget of the Authority for the fiscal  
9 year under section 106(a)).

10 (B) USE OF EXCESS FUNDS.—Nothing in  
11 subparagraph (A) may be construed to prohibit  
12 the Authority from transferring any income or  
13 interest earned by, or increments to, any debt  
14 service reserve fund due to the investment  
15 thereof to other funds or accounts of the Au-  
16 thority (to the extent such transfer does not re-  
17 duce the amount of the debt service reserve  
18 fund below the minimum reserve fund require-  
19 ment established for such fund) for such pur-  
20 poses as the Authority considers appropriate to  
21 promote the financial stability and management  
22 efficiency of the District government.

1 **SEC. 214. OTHER REQUIREMENTS FOR ISSUANCE OF**  
2 **BONDS.**

3 (a) MINIMUM DEBT SERVICE RESERVE FUND RE-  
4 QUIREMENT.—The Authority may not at any time issue  
5 bonds, notes, or other obligations pursuant to this subtitle  
6 which are secured in whole or in part by a debt service  
7 reserve fund under section 213 if issuance of such bonds  
8 would cause the amount in the debt reserve fund to fall  
9 below the minimum reserve requirement for such fund, un-  
10 less the Authority at the time of issuance of such bonds  
11 shall deposit in the fund an amount (from the proceeds  
12 of the bonds to be issued or from other sources) which  
13 when added to the amount already in such fund will cause  
14 the total amount on deposit in such fund to equal or ex-  
15 ceed the minimum reserve fund requirement established  
16 by the Authority at the time of the establishment of the  
17 fund.

18 (b) AMOUNTS INCLUDED IN AGGREGATE LIMIT ON  
19 DISTRICT BORROWING.—Any amounts provided to the  
20 District government through the issuance of bonds, notes,  
21 or other obligations to borrow funds pursuant to this sub-  
22 title shall be taken into account in determining whether  
23 the amount of funds borrowed by the District of Columbia  
24 during a fiscal year exceeds the limitation on such amount  
25 provided under section 603(b) of the District of Columbia  
26 Self-Government and Governmental Reorganization Act.

1 **SEC. 215. NO FULL FAITH AND CREDIT OF THE UNITED**  
2 **STATES.**

3 The full faith and credit of the United States is not  
4 pledged for the payment of any principal of or interest  
5 on any bond, note, or other obligation issued by the Au-  
6 thority pursuant to this subtitle. The United States is not  
7 responsible or liable for the payment of any principal of  
8 or interest on any bond, note, or other obligation issued  
9 by the Authority pursuant to this subtitle.

10 **Subtitle C—Other Duties of**  
11 **Authority**

12 **SEC. 221. DUTIES OF AUTHORITY DURING YEAR OTHER**  
13 **THAN CONTROL YEAR.**

14 (a) IN GENERAL.—During the period beginning upon  
15 the termination of a control period pursuant to section  
16 209(b) and ending with the suspension of its activities  
17 pursuant to section 107(a), the Authority shall conduct  
18 the following activities:

19 (1) The Authority shall review the budgets of  
20 the District government adopted by the Council  
21 under section 446 of the District of Columbia Self-  
22 Government and Governmental Reorganization Act  
23 for each fiscal year occurring during such period.

24 (2) At such time prior to the enactment of such  
25 budget by Congress as the Authority considers ap-  
26 propriate, the Authority shall prepare a report ana-

1 lyzing the budget and submit the report to the  
2 Mayor, the Council, the President, and Congress.

3 (3) The Authority shall monitor the financial  
4 status of the District government and shall submit  
5 reports to the Mayor, the Council, the President,  
6 and Congress if the Authority determines that a risk  
7 exists that a control period may be initiated pursu-  
8 ant to section 209(a).

9 (4) The Authority shall carry out activities  
10 under subtitle B with respect to bonds, notes, or  
11 other obligations of the Authority outstanding dur-  
12 ing such period.

13 (b) REQUIRING MAYOR TO SUBMIT BUDGETS TO AU-  
14 THORITY.—With respect to the budget for each fiscal year  
15 occurring during the period described in subsection (a),  
16 at the time the Mayor submits the budget of the District  
17 government adopted by the Council to the President under  
18 section 446 of the District of Columbia Self-Government  
19 and Governmental Reorganization Act, the Mayor shall  
20 submit such budget to the Authority.

21 **SEC. 222. GENERAL ASSISTANCE IN ACHIEVING FINANCIAL**  
22 **STABILITY AND MANAGEMENT EFFICIENCY.**

23 In addition to any other actions described in this title,  
24 the Authority may undertake cooperative efforts to assist

1 the District government in achieving financial stability  
2 and management efficiency, including—

3 (1) assisting the District government in avoid-  
4 ing defaults, eliminating and liquidating deficits,  
5 maintaining sound budgetary practices, and avoiding  
6 interruptions in the delivery of services;

7 (2) assisting the District government in improv-  
8 ing the delivery of municipal services, the training  
9 and effectiveness of personnel of the District govern-  
10 ment, and the efficiency of management and super-  
11 vision; and

12 (3) making recommendations to the President  
13 for transmission to Congress on changes to this Act  
14 or other Federal laws, or other actions of the Fed-  
15 eral Government, which would assist the District  
16 government in complying with an approved financial  
17 plan and budget under subtitle A.

18 **SEC. 223. OBTAINING REPORTS.**

19 The Authority may require the Mayor, the Chair of  
20 the Council, the Chief Financial Officer of the District of  
21 Columbia, and the Inspector General of the District of Co-  
22 lumbia, to prepare and submit such reports as the Author-  
23 ity considers appropriate to assist it in carrying out its  
24 responsibilities under this Act, including submitting copies  
25 of any reports regarding revenues, expenditures, budgets,

1 costs, plans, operations, estimates, and other financial or  
2 budgetary matters of the District government.

3 **SEC. 224. REPORTS AND COMMENTS.**

4 (a) ANNUAL REPORTS TO CONGRESS.—Not later  
5 than 30 days after the last day of each fiscal year which  
6 is a control year, the Authority shall submit a report to  
7 Congress describing—

8 (1) the progress made by the District govern-  
9 ment in meeting the objectives of this Act during the  
10 fiscal year;

11 (2) the assistance provided by the Authority to  
12 the District government in meeting the purposes of  
13 this Act for the fiscal year; and

14 (3) any other activities of the Authority during  
15 the fiscal year.

16 (b) REVIEW AND ANALYSIS OF PERFORMANCE AND  
17 FINANCIAL ACCOUNTABILITY REPORTS.—

18 (1) IN GENERAL.—The Authority shall review  
19 each report prepared and submitted by the Mayor  
20 under section 456 of the District of Columbia Self-  
21 Government and Governmental Reorganization Act  
22 (as added by section 3(a) of the Federal Payment  
23 Reauthorization Act of 1994), and shall submit a re-  
24 port to Congress analyzing the completeness and ac-  
25 curacy of such reports.

1           (2) SUBMISSION OF REPORTS BY MAYOR.—Sec-  
2           tion 456 of the District of Columbia Self-Govern-  
3           ment and Governmental Reorganization Act, as  
4           added by section 3(a) of the Federal Payment Reau-  
5           thorization Act of 1994, is amended by adding at  
6           the end the following new subsection:

7           “(e) SUBMISSION OF REPORTS TO DISTRICT OF CO-  
8           LUMBIA FINANCIAL RESPONSIBILITY AND MANAGEMENT  
9           ASSISTANCE AUTHORITY.—In the case of any report sub-  
10          mitted by the Mayor under this section for a fiscal year  
11          (or any quarter of a fiscal year) which is a control year  
12          under the District of Columbia Financial Responsibility  
13          and Management Assistance Act of 1995, the Mayor shall  
14          submit the report to the District of Columbia Financial  
15          Responsibility and Management Assistance Authority es-  
16          tablished under section 101(a) of such Act in addition to  
17          any other individual to whom the Mayor is required to  
18          submit the report under this section.”.

19          (c) COMMENTS REGARDING ACTIVITIES OF DISTRICT  
20          GOVERNMENT.—At any time during a control year, the  
21          Authority may submit a report to Congress describing any  
22          action taken by the District government (or any failure  
23          to act by the District government) which the Authority  
24          determines will adversely affect the District government’s  
25          ability to comply with an approved financial plan and

1 budget under subtitle A or will otherwise have a signifi-  
2 cant adverse impact on the best interests of the District  
3 of Columbia.

4 (d) REPORTS ON EFFECT OF FEDERAL LAWS ON  
5 DISTRICT GOVERNMENT.—At any time during any year,  
6 the Authority may submit a report to the Mayor, the  
7 Council, the President, and Congress on the effect of laws  
8 enacted by Congress on the financial plan and budget for  
9 the year and on the financial stability and management  
10 efficiency of the District government in general.

11 (e) MAKING REPORTS PUBLICLY AVAILABLE.—The  
12 Authority shall make any report submitted under this sec-  
13 tion available to the public, except to the extent that the  
14 Authority determines that the report contains confidential  
15 material.

## 16 **TITLE III—MISCELLANEOUS** 17 **PROVISIONS**

### 18 **SEC. 301. OTHER DISTRICT BUDGET REFORMS.**

19 (a) INCLUSION OF ALL FUNDS OF DISTRICT IN  
20 BUDGET OF DISTRICT GOVERNMENT.—

21 (1) IN GENERAL.—Section 103 of the District  
22 of Columbia Self-Government and Governmental  
23 Reorganization Act (sec. 1-202, D.C. Code) is  
24 amended—

1 (A) by amending paragraph (10) to read  
2 as follows:

3 “(10) The term ‘District revenues’ means all  
4 funds derived from taxes, fees, charges, miscellane-  
5 ous receipts, the annual Federal payment to the Dis-  
6 trict authorized under title V, grants and other  
7 forms of financial assistance, or the sale of bonds,  
8 notes, or other obligations, and any funds adminis-  
9 tered by the District government under cost sharing  
10 arrangements.”;

11 (B) by amending paragraph (14) to read  
12 as follows:

13 “(14) The term ‘resources’ means revenues,  
14 balances, enterprise or other revolving funds, and  
15 funds realized from borrowing.”; and

16 (C) by amending paragraph (15) to read  
17 as follows:

18 “(15) The term ‘budget’ means the entire re-  
19 quest for appropriations or loan or spending author-  
20 ity for all activities of all departments or agencies of  
21 the District of Columbia financed from all existing,  
22 proposed or anticipated resources, and shall include  
23 both operating and capital expenditures.”.

24 (2) EFFECTIVE DATE.—The amendments made  
25 by paragraph (1) shall apply with respect to reve-

1 nues, resources, and budgets of the District of Co-  
2 lumbia for fiscal years beginning with fiscal year  
3 1996.

4 (b) RESTRICTIONS ON REPROGRAMMING OF  
5 FUNDS.—

6 (1) IN GENERAL.—Section 446 of such Act  
7 (sec. 47–304, D.C. Code) is amended by adding at  
8 the end the following: “After the adoption of the an-  
9 nual budget for a fiscal year (beginning with the an-  
10 nual budget for fiscal year 1995), no reprogramming  
11 of amounts in the budget may occur unless the  
12 Mayor submits to the Council a request for such  
13 reprogramming and the Council approves the re-  
14 quest, but only if any additional expenditures pro-  
15 vided under such request for an activity are offset  
16 by reductions in expenditures for another activity.”.

17 (2) CONFORMING AMENDMENT.—Section 5 of  
18 D.C. Law 3–100 (sec. 47–364, D.C. Code) is hereby  
19 repealed.

20 (c) PERMITTING COUNCIL TO REQUEST BUDGET  
21 ADJUSTMENTS FROM MAYOR.—Section 442 of the Dis-  
22 trict of Columbia Self-Government and Governmental Re-  
23 organization Act (sec. 47–301, D.C. Code) is amended by  
24 adding at the end the following new subsection:

1       “(d) The Mayor shall prepare and submit to the  
2 Council a proposed supplemental or deficiency budget rec-  
3 ommendation under subsection (c) if the Council by reso-  
4 lution requests the Mayor to submit such a recommenda-  
5 tion.”.

6       (d) REQUIRING BUDGETARY IMPACT STATEMENTS  
7 TO ACCOMPANY ACTS OF COUNCIL.—

8           (1) IN GENERAL.—Section 602(c) of the Dis-  
9 trict of Columbia Self-Government and Govern-  
10 mental Reorganization Act (sec. 1-233(c), D.C.  
11 Code) is amended by adding at the end the following  
12 new paragraph:

13       “(3) The Council shall submit with each Act trans-  
14 mitted under this subsection an estimate of the costs  
15 which will be incurred by the District of Columbia as a  
16 result of the enactment of the Act in each of the first 4  
17 fiscal years for which the Act is in effect, together with  
18 a statement of the basis for such estimate.”.

19           (2) EFFECTIVE DATE.—The amendment made  
20 by paragraph (1) shall apply to Acts of the Council  
21 transmitted on or after October 1, 1995.

22       (e) EXTENSION OF AUTHORIZATION OF ANNUAL  
23 FEDERAL PAYMENT.—Section 503(c) of the District of  
24 Columbia Self-Government and Governmental Reorganiza-  
25 tion Act (sec. 47-3406.1(c), D.C. Code), as added by sec-

1 tion 2 of the Federal Payment Reauthorization Act of  
2 1994, is amended by striking “fiscal year 1996” and in-  
3 serting “each of the fiscal years 1996, 1997, 1998, and  
4 1999”.

5 **SEC. 302. ESTABLISHMENT OF CHIEF FINANCIAL OFFICER**  
6 **OF DISTRICT OF COLUMBIA.**

7 (a) IN GENERAL.—Part B of title IV of the District  
8 of Columbia Self-Government and Governmental Reorga-  
9 nization Act is amended by adding at the end the following  
10 new section:

11 “CHIEF FINANCIAL OFFICER OF THE DISTRICT OF  
12 COLUMBIA

13 “SEC. 424. (a) ESTABLISHMENT OF OFFICE.—

14 “(1) IN GENERAL.—There is hereby established  
15 within the executive branch of the government of the  
16 District of Columbia an Office of the Chief Financial  
17 Officer of the District of Columbia (hereafter re-  
18 ferred to as the ‘Office’), which shall be headed by  
19 the Chief Financial Officer of the District of Colum-  
20 bia (hereafter referred to as the ‘Chief Financial  
21 Officer’).

22 “(2) OFFICE OF THE TREASURER.—The Office  
23 shall include the Office of the Treasurer, which shall  
24 be headed by the Treasurer of the District of Colum-  
25 bia, who shall be appointed by the Chief Financial

1 Officer and subject to the Chief Financial Officer's  
2 direction and control.

3 “(3) TRANSFER OF OTHER OFFICES.—Effective  
4 with the appointment of the first Chief Financial Of-  
5 ficer under subsection (b), the functions and person-  
6 nel of the following offices are transferred to the  
7 Office:

8 “(A) The Controller of the District of  
9 Columbia.

10 “(B) The Office of the Budget.

11 “(C) The Office of Financial Information  
12 Services.

13 “(D) The Department of Finance and  
14 Revenue.

15 “(4) SERVICE OF HEADS OF OTHER OFFICES.—

16 “(A) OFFICE HEADS APPOINTED BY  
17 MAYOR.—With respect to the head of the Office  
18 of the Budget and the head of the Department  
19 of Finance and Revenue—

20 “(i) the Mayor shall appoint such in-  
21 dividuals with the advice and consent of  
22 the Council, subject to the approval of the  
23 Authority during a control year; and

24 “(ii) during a control year, the Au-  
25 thority may remove such individuals from

1 office for cause, after consultation with the  
2 Mayor.

3 “(B) OFFICE HEADS APPOINTED BY CHIEF  
4 FINANCIAL OFFICER.—With respect to the  
5 Controller of the District of Columbia and the  
6 head of the Office of Financial Information  
7 Services—

8 “(i) the Chief Financial Officer shall  
9 appoint such individuals subject to the ap-  
10 proval of the Mayor; and

11 “(ii) the Chief Financial Officer may  
12 remove such individuals from office for  
13 cause, after consultation with the Mayor.

14 “(b) APPOINTMENT.—

15 “(1) IN GENERAL.—

16 “(A) CONTROL YEAR.—During a control  
17 year, the Chief Financial Officer shall be ap-  
18 pointed by the Mayor as follows:

19 “(i) Prior to the appointment of the  
20 Chief Financial Officer, the Authority may  
21 submit recommendations for the appoint-  
22 ment to the Mayor.

23 “(ii) In consultation with the Author-  
24 ity and the Council, the Mayor shall nomi-

1           nate an individual for appointment and no-  
2           tify the Council of the nomination.

3           “(iii) After the expiration of the 7-day  
4           period which begins on the date the Mayor  
5           notifies the Council of the nomination  
6           under clause (ii), the Mayor shall notify  
7           the Authority of the nomination.

8           “(iv) The nomination shall be effective  
9           subject to approval by a majority vote of  
10          the Authority.

11          “(B) OTHER YEARS.—During a year other  
12          than a control year, the Chief Financial Officer  
13          shall be appointed by the Mayor with the advice  
14          and consent of the Council. Prior to appoint-  
15          ment, the Authority may submit recommenda-  
16          tions for the appointment.

17          “(2) REMOVAL.—

18                 “(A) CONTROL YEAR.—During a control  
19                 year, the Chief Financial Officer may be re-  
20                 moved for cause by the Authority or by the  
21                 Mayor with the approval of the Authority.

22                 “(B) OTHER YEARS.—During a year other  
23                 than a control year, the Chief Financial Officer  
24                 shall serve at the pleasure of the Mayor, except

1           that the Chief Financial Officer may only be re-  
2           moved for cause.

3           “(3) SALARY.—The Chief Financial Officer  
4           shall be paid at an annual rate determined by the  
5           Mayor, except that such rate may not exceed the  
6           rate of basic pay payable for level IV of the Execu-  
7           tive Schedule.

8           “(c) FUNCTIONS DURING CONTROL YEAR.—During  
9           a control year, the Chief Financial Officer shall have the  
10          following duties:

11           “(1) Preparing the financial plan and budget  
12           for the use of the Mayor for purposes of subtitle A  
13           of title II of the District of Columbia Financial Re-  
14           sponsibility and Management Assistance Act of  
15           1995.

16           “(2) Preparing the budgets of the District of  
17           Columbia for the year for the use of the Mayor for  
18           purposes of part D.

19           “(3) Assuring that all financial information pre-  
20           sented by the Mayor is presented in a manner, and  
21           is otherwise consistent with, the requirements of the  
22           District of Columbia Financial Responsibility and  
23           Management Assistance Act of 1995.

24           “(4) Implementing appropriate procedures and  
25           instituting such programs, systems, and personnel

1 policies within the Officer's authority, to ensure that  
2 budget, accounting and personnel control systems  
3 and structures are synchronized for budgeting and  
4 control purposes on a continuing basis.

5 “(5) With the approval of the Authority,  
6 preparing and submitting to the Mayor and the  
7 Council—

8 “(A) annual estimates of all revenues of  
9 the District of Columbia (without regard to the  
10 source of such revenues), including proposed  
11 revenues, which shall be binding on the Mayor  
12 and the Council for purposes of preparing and  
13 submitting the budget of the District govern-  
14 ment for the year under part D, except that the  
15 Mayor and the Council may prepare the budget  
16 based on estimates of revenues which are lower  
17 than those prepared by the Chief Financial  
18 Officer; and

19 “(B) quarterly re-estimates of the revenues  
20 of the District of Columbia during the year.

21 “(6) Supervising and assuming responsibility  
22 for financial transactions to ensure adequate control  
23 of revenues and resources, and to ensure that appro-  
24 priations are not exceeded.

1           “(7) Maintaining systems of accounting and in-  
2           ternal control designed to provide—

3                   “(A) full disclosure of the financial impact  
4                   of the activities of the District government;

5                   “(B) adequate financial information need-  
6                   ed by the District government for management  
7                   purposes;

8                   “(C) effective control over, and account-  
9                   ability for, all funds, property, and other assets  
10                  of the District of Columbia; and

11                  “(D) reliable accounting results to serve as  
12                  the basis for preparing and supporting agency  
13                  budget requests and controlling the execution of  
14                  the budget.

15           “(8) Submitting to the Council a financial  
16           statement of the District government, containing  
17           such details and at such times as the Council may  
18           specify.

19           “(9) Supervising and assuming responsibility  
20           for the assessment of all property subject to assess-  
21           ment and special assessments within the corporate  
22           limits of the District of Columbia for taxation, pre-  
23           paring tax maps, and providing such notice of taxes  
24           and special assessments (as may be required by  
25           law).

1           “(10) Supervising and assuming responsibility  
2           for the levying and collection of all taxes, special as-  
3           sessments, licensing fees, and other revenues of the  
4           District of Columbia (as may be required by law),  
5           and receiving all amounts paid to the District of Co-  
6           lumbia from any source (including the Authority).

7           “(11) Maintaining custody of all public funds  
8           belonging to or under the control of the District gov-  
9           ernment (or any department or agency of the Dis-  
10          trict government), and depositing all amounts paid  
11          in such depositories and under such terms and con-  
12          ditions as may be designated by the Council or the  
13          Authority.

14          “(12) Maintaining custody of all investment  
15          and invested funds of the District government or in  
16          possession of the District government in a fiduciary  
17          capacity, and maintaining the safekeeping of all  
18          bonds and notes of the District government and the  
19          receipt and delivery of District government bonds  
20          and notes for transfer, registration, or exchange.

21          “(13) Apportioning the total of all appropria-  
22          tions and funds made available during the year for  
23          obligation so as to prevent obligation or expenditure  
24          in a manner which would result in a deficiency or a  
25          need for supplemental appropriations during the

1 year, and (with respect to appropriations and funds  
2 available for an indefinite period and all authoriza-  
3 tions to create obligations by contract in advance of  
4 appropriations) apportioning the total of such appro-  
5 priations, funds, or authorizations in the most effec-  
6 tive and economical manner.

7 “(14) Certifying all contracts (whether directly  
8 or through delegation) prior to execution as to the  
9 availability of funds to meet the obligations expected  
10 to be incurred by the District government under  
11 such contracts during the year.

12 “(15) Prescribing the forms of receipts, vouch-  
13 ers, bills, and claims to be used by all agencies, of-  
14 fices, and instrumentalities of the District govern-  
15 ment.

16 “(16) Certifying and approving prior to pay-  
17 ment all bills, invoices, payrolls, and other evidences  
18 of claims, demands, or charges against the District  
19 government, and determining the regularity, legality,  
20 and correctness of such bills, invoices, payrolls,  
21 claims, demands, or charges.

22 “(17) In coordination with the Inspector Gen-  
23 eral of the District of Columbia, performing internal  
24 audits of accounts and operations and records of the  
25 District government, including the examination of

1 any accounts or records of financial transactions,  
2 giving due consideration to the effectiveness of ac-  
3 counting systems, internal control, and related ad-  
4 ministrative practices of the departments and agen-  
5 cies of the District government.

6 “(d) FUNCTIONS DURING ALL YEARS.—At all times,  
7 the Chief Financial Officer shall have the following duties:

8 “(1) Exercising responsibility for the adminis-  
9 tration and supervision of the District of Columbia  
10 Treasurer (except that the Chief Financial Officer  
11 may delegate any portion of such responsibility as  
12 the Chief Financial Officer considers appropriate  
13 and consistent with efficiency).

14 “(2) Administering all borrowing programs of  
15 the District government for the issuance of long-  
16 term and short-term indebtedness.

17 “(3) Administering the cash management pro-  
18 gram of the District government, including the in-  
19 vestment of surplus funds in governmental and non-  
20 governmental interest-bearing securities and ac-  
21 counts.

22 “(4) Administering the centralized District gov-  
23 ernment payroll and retirement systems.

24 “(5) Governing the accounting policies and sys-  
25 tems applicable to the District government.

1           “(6) Preparing appropriate annual, quarterly,  
2           and monthly financial reports of the accounting and  
3           financial operations of the District government.

4           “(7) Not later than 120 days after the end of  
5           each fiscal year (beginning with fiscal year 1995),  
6           preparing the complete financial statement and re-  
7           port on the activities of the District government for  
8           such fiscal year, for the use of the Mayor under sec-  
9           tion 448(a)(4) of the District of Columbia Self-Gov-  
10          ernment and Governmental Reorganization Act.

11          “(e) FUNCTIONS OF TREASURER.—At all times, the  
12          Treasurer shall have the following duties:

13                 “(1) Assisting the Chief Financial Officer in re-  
14                 porting revenues received by the District govern-  
15                 ment, including submitting annual and quarterly re-  
16                 ports concerning the cash position of the District  
17                 government not later than 60 days after the last day  
18                 of the quarter (or year) involved. Such reports shall  
19                 include:

20                         “(A) Comparative reports of revenue and  
21                         other receipts by source, including tax, nontax,  
22                         and Federal revenues, grants and reimburse-  
23                         ments, capital program loans, and advances.  
24                         Each source shall be broken down into specific  
25                         components.

1           “(B) Statements of the cash flow of the  
2 District government for the preceding quarter  
3 or year, including receipts, disbursements, net  
4 changes in cash inclusive of the beginning bal-  
5 ance, cash and investment, and the ending bal-  
6 ance, inclusive of cash and investment. Such  
7 statements shall reflect the actual, planned, bet-  
8 ter or worse dollar amounts and the percentage  
9 change with respect to the current quarter,  
10 year-to-date, and fiscal year.

11           “(C) Quarterly cash flow forecast for the  
12 quarter or year involved, reflecting receipts, dis-  
13 bursements, net change in cash inclusive of the  
14 beginning balance, cash and investment, and  
15 the ending balance, inclusive of cash and invest-  
16 ment with respect to the actual dollar amounts  
17 for the quarter or year, and projected dollar  
18 amounts for each of the 3 succeeding quarters.

19           “(D) Monthly reports reflecting a detailed  
20 summary analysis of all District of Columbia  
21 government investments, including, but not lim-  
22 ited to—

23                   “(i) the total of long-term and short-  
24 term investments;

1           “(ii) a detailed summary analysis of  
2 investments by type and amount, including  
3 purchases, sales (maturities), and interest;

4           “(iii) an analysis of investment port-  
5 folio mix by type and amount, including li-  
6 quidity, quality/risk of each security, and  
7 similar information;

8           “(iv) an analysis of investment strat-  
9 egy, including near-term strategic plans  
10 and projects of investment activity, as well  
11 as forecasts of future investment strategies  
12 based on anticipated market conditions,  
13 and similar information;

14           “(v) an analysis of cash utilization, in-  
15 cluding—

16           “(I) comparisons of budgeted  
17 percentages of total cash to be in-  
18 vested with actual percentages of cash  
19 invested and the dollar amounts;

20           “(II) comparisons of the next re-  
21 turn on invested cash expressed in  
22 percentages (yield) with comparable  
23 market indicators and established Dis-  
24 trict of Columbia government yield ob-  
25 jectives; and

1                   “(III) comparisons of estimated  
2                   dollar return against actual dollar  
3                   yield.

4                   “(E) Monthly reports reflecting a detailed  
5                   summary analysis of long-term and short-term  
6                   borrowings inclusive of debt as authorized by  
7                   section 603, in the current fiscal year and the  
8                   amount of debt for each succeeding fiscal year  
9                   not to exceed 5 years. All such reports shall  
10                  reflect—

11                   “(i) the amount of debt outstanding  
12                   by type of instrument;

13                   “(ii) the amount of authorized and u-  
14                   nissued debt, including availability of  
15                   short-term lines of credit, United States  
16                   Treasury borrowings, and similar informa-  
17                   tion;

18                   “(iii) a maturity schedule of the debt;

19                   “(iv) the rate of interest payable upon  
20                   the debt; and

21                   “(v) the amount of debt service re-  
22                   quirements and related debt service re-  
23                   serves.

1           “(2) Such other functions assigned to the Chief  
2 Financial Officer under subsection (c) or subsection  
3 (d) as the Chief Financial Officer may delegate.

4           “(f) DEFINITIONS.—In this section—

5           “(1) the term ‘Authority’ means the District of  
6 Columbia Financial Responsibility and Management  
7 Assistance Authority established under section  
8 101(a) of the District of Columbia Financial Re-  
9 sponsibility and Management Assistance Act of  
10 1995;

11           “(2) the term ‘control year’ has the meaning  
12 given such term under section 305(4) of such Act;  
13 and

14           “(3) the term ‘District government’ has the  
15 meaning given such term under section 305(5) of  
16 such Act.”.

17           (b) PROHIBITING DELEGATION OF CHIEF FINANCIAL  
18 OFFICER’S AUTHORITY.—Section 422(6) of the District  
19 of Columbia Self-Government and Governmental Reorga-  
20 nization Act (sec. 1-242(6), D.C. Code) is amended by  
21 adding at the end the following: “Nothing in the previous  
22 sentence may be construed to permit the Mayor to dele-  
23 gate any functions assigned to the Chief Financial Officer  
24 of the District of Columbia under section 424, without re-  
25 gard to whether such functions are assigned to the Chief

1 Financial Officer under such section during a control year  
2 (as defined in section 305(4) of the District of Columbia  
3 Financial Responsibility and Management Assistance Act  
4 of 1995) or during any other year.”.

5 (c) CONFORMING AMENDMENT.—Effective upon the  
6 appointment of the Chief Financial Officer of the District  
7 of Columbia under section 424(b) of the District of Co-  
8 lumbia Self-Government and Governmental Reorganiza-  
9 tion Act (as added by subsection (a)), D.C. Law 3–138  
10 (sec. 47–314 et seq., D.C. Code) is repealed.

11 (d) CLERICAL AMENDMENT.—The table of contents  
12 of part B of title IV of the District of Columbia Self-Gov-  
13 ernment and Governmental Reorganization Act is amend-  
14 ed by adding at the end the following new item:

“Sec. 424. Chief Financial Officer of the District of Columbia.”.

15 **SEC. 303. REVISIONS TO POWERS AND DUTIES OF INSPEC-**  
16 **TOR GENERAL OF DISTRICT OF COLUMBIA.**

17 (a) APPOINTMENT AND TERM OF SERVICE; INDE-  
18 PENDENCE OF BUDGET.—Section 208(a) of the District  
19 of Columbia Procurement Practices Act  
20 of 1985 (sec. 1–1182.8(a), D.C. Code) is  
21 amended by striking paragraphs (1) and (2) and inserting  
22 the following:

23 “(1)(A) There is created within the executive branch  
24 of the government of the District of Columbia the Office  
25 of the Inspector General. The Office shall be headed by

1 an Inspector General appointed pursuant to subparagraph  
2 (B), who shall serve for a term of 6 years and shall be  
3 subject to removal only for cause by the Mayor (with the  
4 approval of the District of Columbia Financial Respon-  
5 sibility and Management Assistance Authority in a control  
6 year) or (in the case of a control year) by the Authority.  
7 The Inspector General may be reappointed for additional  
8 terms.

9 “(B) During a control year, the Inspector General  
10 shall be appointed by the Mayor as follows:

11 “(i) Prior to the appointment of the Inspector  
12 General, the Authority may submit recommendations  
13 for the appointment to the Mayor.

14 “(ii) In consultation with the Authority and the  
15 Council, the Mayor shall nominate an individual for  
16 appointment and notify the Council of the nomina-  
17 tion.

18 “(iii) After the expiration of the 7-day period  
19 which begins on the date the Mayor notifies the  
20 Council of the nomination under clause (ii), the  
21 Mayor shall notify the Authority of the nomination.

22 “(iv) The nomination shall be effective subject  
23 to approval by a majority vote of the Authority.

24 “(C) During a year which is not a control year, the  
25 Inspector General shall be appointed by the Mayor with

1 the advice and consent of the Council. Prior to appoint-  
2 ment, the Authority may submit recommendations for the  
3 appointment.

4 “(D) The Inspector General shall be appointed with-  
5 out regard to party affiliation and solely on the basis of  
6 integrity and demonstrated ability in accounting, auditing,  
7 financial management analysis, public administration, or  
8 investigations.

9 “(E) The Inspector General shall be paid at an an-  
10 nual rate determined by the Mayor, except that such rate  
11 may not exceed the rate of basic pay payable for level IV  
12 of the Executive Schedule.

13 “(2) The annual budget for the Office shall be adopt-  
14 ed as follows:

15 “(A) The Inspector General shall prepare and  
16 submit to the Mayor, for inclusion in the annual  
17 budget of the District of Columbia under part D of  
18 title IV of the District of Columbia Self-Government  
19 and Governmental Reorganization Act for the year,  
20 annual estimates of the expenditures and appropria-  
21 tions necessary for the operation of the Office for  
22 the year. All such estimates shall be forwarded by  
23 the Mayor to the Council of the District of Columbia  
24 for its action pursuant to sections 446 and 603(c)  
25 of such Act, without revision but subject to rec-

1 ommendations. Notwithstanding any other provision  
2 of such Act, the Council may comment or make rec-  
3 ommendations concerning such estimates, but shall  
4 have no authority to revise such estimates.

5 “(B) Upon receipt of the annual Federal pay-  
6 ment for the District of Columbia authorized under  
7 title V of the District of Columbia Self-Government  
8 and Governmental Reorganization Act, the Mayor  
9 shall deposit a portion of the payment (equal to the  
10 estimate of necessary appropriations described in  
11 subparagraph (A)) into a dedicated fund within the  
12 government of the District of Columbia.

13 “(C) Amounts deposited in the dedicated fund  
14 described in subparagraph (B) shall be available  
15 solely for the operation of the Office, and shall be  
16 paid to the Inspector General by the Mayor (acting  
17 through the Chief Financial Officer of the District  
18 of Columbia) in such installments and at such times  
19 as the Inspector General requires.”.

20 (b) ADDITIONAL POWERS AND DUTIES.—

21 (1) IN GENERAL.—Section 208(a)(3) of the  
22 District of Columbia Procurement Practices Act of  
23 1985 (sec. 1-1182.8(a)(3), D.C. Code) is amend-  
24 ed—

1 (A) by striking “and” at the end of sub-  
2 paragraph (E);

3 (B) by striking the period at the end of  
4 subparagraph (F) and inserting a semicolon;  
5 and

6 (C) by adding at the end the following new  
7 subparagraphs:

8 “(G) Pursuant to a contract described in para-  
9 graph (4), provide certifications under section  
10 602(b)(5) of title VI of the District of Columbia  
11 Revenue Act of 1939;

12 “(H) Pursuant to a contract described in para-  
13 graph (4), audit the complete financial statement  
14 and report on the activities of the District govern-  
15 ment for such fiscal year, for the use of the Mayor  
16 under section 448(a)(4) of the District of Columbia  
17 Self-Government and Governmental Reorganization  
18 Act; and

19 “(I) Not later than 30 days before the begin-  
20 ning of each fiscal year (beginning with fiscal year  
21 1996) and in consultation with the Mayor, the  
22 Council, and the Authority, establish an annual plan  
23 for audits to be conducted under this paragraph dur-  
24 ing the fiscal year under which the Inspector Gen-  
25 eral shall report only those variances which are in an

1 amount equal to or greater than \$1,000,000 or 1  
2 percent of the applicable annual budget for the pro-  
3 gram in which the variance is found (whichever is  
4 lesser).”.

5 (2) LIMITATION ON CONTRACT WITH OUTSIDE  
6 AUDITOR.—Section 208(a) of such Act (sec. 1-  
7 1182.8(a), D.C. Code) is amended by adding at the  
8 end the following new paragraph:

9 “(4) The Inspector General shall enter into a contract  
10 with an auditor who is not an officer or employee of the  
11 Office to—

12 “(A) audit the financial statement and report  
13 described in paragraph (3)(H) for a fiscal year, ex-  
14 cept that the financial statement and report may not  
15 be audited by the same auditor (or an auditor em-  
16 ployed by or affiliated with the same auditor) for  
17 more than 3 consecutive fiscal years; and

18 “(B) audit the certification described in para-  
19 graph (3)(G).”.

20 (3) SUBPOENA POWER.—Section 208(c) of such  
21 Act (sec. 1-1182.8(c), D.C. Code) is amended—

22 (A) by striking “(c)” and inserting  
23 “(c)(1)”; and

24 (B) by adding at the end the following new  
25 paragraph:

1       “(2)(A) The Inspector General may issue subpoenas  
2 requiring the attendance and testimony of witnesses and  
3 the production of any evidence relating to any matter  
4 under investigation by the Inspector General.

5       “(B) If a person refuses to obey a subpoena issued  
6 under subparagraph (A), the Inspector General may apply  
7 to the Superior Court of the District of Columbia for an  
8 order requiring that person to appear before the Inspector  
9 General to give testimony, produce evidence, or both, re-  
10 lating to the matter under investigation. Any failure to  
11 obey the order of the court may be punished by the Supe-  
12 rior Court as civil contempt.”.

13           (4) REFERRAL OF FINDINGS OF CRIMINAL AC-  
14 TIVITY TO ATTORNEY GENERAL.—Section 208 of  
15 such Act (sec. 1–1182.8, D.C. Code) is amended by  
16 adding at the end the following new subsection:

17       “(f) In carrying out the duties and responsibilities es-  
18 tablished under this section, the Inspector General shall  
19 report expeditiously to the Attorney General whenever the  
20 Inspector General has reasonable grounds to believe there  
21 has been a violation of Federal or District criminal law.”.

22           (c) REVISION OF CURRENT POWERS AND DUTIES.—

23           (1) LIAISON REPRESENTATIVE FOR ALL EXTER-  
24 NAL AUDITS OF DISTRICT GOVERNMENT.—Section  
25 208(a)(3)(B) of such Act (sec. 1–1182.8(a)(3)(B),

1 D.C. Code) is amended by striking “executive  
2 branch”.

3 (2) APPLICATION OF GENERALLY ACCEPTED  
4 ACCOUNTING PRINCIPLES.—Section 208(b) of such  
5 Act (sec. 1–1182.8(b), D.C. Code) is amended by in-  
6 serting “accounting and” after “accepted”.

7 (3) ACCESS TO ALL NECESSARY RECORDS.—  
8 Section 208(c)(1) of such Act (sec. 1–1182.8(c),  
9 D.C. Code), as amended by subsection (b)(3), is  
10 amended by striking “relating to contracts and pro-  
11 curement”.

12 (4) SUBMISSION OF REPORTS TO AUTHORITY  
13 DURING CONTROL YEAR.—Section 208(d) of such  
14 Act (sec. 1–1182.8(d), D.C. Code) is amended—

15 (A) in paragraph (1), by striking “the  
16 Mayor and the Council” and inserting “the Au-  
17 thority (or, with respect to a fiscal year which  
18 is not a control year, the Mayor and the Coun-  
19 cil)”; and

20 (B) in paragraph (2), by striking “the  
21 Mayor” and inserting “the Authority, the  
22 Mayor,”.

23 (5) MAKING REPORTS PUBLICLY AVAILABLE.—  
24 Section 208(d) of such Act (sec. 1–1182.8(d), D.C.

1 Code) is amended by adding at the end the following  
2 new paragraph:

3 “(4) The Inspector General shall make each report  
4 submitted under this subsection available to the public, ex-  
5 cept to the extent that the report contains information de-  
6 termined by the Inspector General to be privileged.”.

7 (6) RESPONDING TO REQUESTS OF AUTHOR-  
8 ITY.—Section 208(e) of such Act (sec. 1–1182.8(e),  
9 D.C. Code) is amended by striking “the Director”  
10 and inserting “the Authority”.

11 (d) DEFINITIONS.—Section 208 of such Act (sec. 1–  
12 1182.8, D.C. Code), as amended by subsection (b)(4), is  
13 amended by adding at the end the following new sub-  
14 section:

15 “(g) In this section—

16 “(1) the term ‘Authority’ means the District of  
17 Columbia Financial Responsibility and Management  
18 Assistance Authority established under section  
19 101(a) of the District of Columbia Financial Re-  
20 sponsibility and Management Assistance Act of  
21 1995;

22 “(2) the term ‘control year’ has the meaning  
23 given such term under section 305(4) of such Act;  
24 and

1           “(3) the term ‘District government’ has the  
2 meaning given such term under section 305(5) of  
3 such Act.”.

4           (e) DEADLINE FOR APPOINTMENT.—

5           (1) IN GENERAL.—Not later than 30 days after  
6 its members are appointed, the Authority shall ap-  
7 point the Inspector General of the District of Colum-  
8 bia pursuant to section 208(a)(1) of the District of  
9 Columbia Procurement Practices Act of 1985 (as  
10 amended by subsection (a)).

11           (2) TRANSITION RULE.—The term of service of  
12 the individual serving as the Inspector General  
13 under section 208(a) of the District of Columbia  
14 Procurement Practices Act of 1985 prior to the ap-  
15 pointment of the Inspector General by the Authority  
16 under section 208(a)(1) of such Act (as amended by  
17 subsection (a)) shall expire upon the appointment of  
18 the Inspector General by the Authority.

19 **SEC. 304. COUNCIL APPROVAL OF CERTAIN CONTRACTS.**

20           (a) IN GENERAL.—Section 451 of the District of Co-  
21 lumbia Self-Government and Governmental Reorganiza-  
22 tion Act (sec. 1–1130, D.C. Code) is amended—

23           (1) by amending the heading to read as follows:

24           “SPECIAL RULES REGARDING CERTAIN CONTRACTS”;

1           (2) by striking “No contract” and inserting  
2           “(a) CONTRACTS EXTENDING BEYOND ONE  
3           YEAR.—No contract”; and

4           (3) by adding at the end the following new sub-  
5           section:

6           “(b) CONTRACTS EXCEEDING CERTAIN AMOUNT.—

7           “(1) IN GENERAL.—No contract involving ex-  
8           penditures in excess of \$1,000,000 during a 12-  
9           month period may be made unless the Mayor sub-  
10          mits the contract to the Council for its approval and  
11          the Council approves the contract (in accordance  
12          with criteria established by act of the Council).

13          “(2) DEEMED APPROVAL.—For purposes of  
14          paragraph (1), the Council shall be deemed to ap-  
15          prove a contract if—

16                 “(A) during the 10-day period beginning  
17                 on the date the Mayor submits the contract to  
18                 the Council, no member of the Council intro-  
19                 duces a resolution approving or disapproving  
20                 the contract; or

21                 “(B) during the 45-calendar day period be-  
22                 ginning on the date the Mayor submits the con-  
23                 tract to the Council, the Council does not dis-  
24                 approve the contract.”.

1 (b) CLERICAL AMENDMENT.—The table of contents  
2 of the District of Columbia Self-Government and Govern-  
3 mental Reorganization Act is amended by amending the  
4 item relating to section 451 to read as follows:

“Sec. 451. Special rules regarding certain contracts.”.

5 (c) EFFECTIVE DATE.—The amendments made by  
6 this section shall apply to contracts made on or after the  
7 date of the enactment of this Act.

8 **SEC. 305. DEFINITIONS.**

9 In this Act, the following definitions apply:

10 (1) The term “Authority” means the District of  
11 Columbia Financial Responsibility and Management  
12 Assistance Authority established under section  
13 101(a).

14 (2) The term “Council” means the Council of  
15 the District of Columbia.

16 (3) The term “control period” has the meaning  
17 given such term in section 209.

18 (4) The term “control year” means any fiscal  
19 year for which a financial plan and budget approved  
20 by the Authority under section 202(b) is in effect,  
21 and includes fiscal year 1996.

22 (5) The term “District government” means the  
23 government of the District of Columbia, including  
24 any department, agency or instrumentality of the  
25 government of the District of Columbia; any inde-

1       pendent agency of the District of Columbia estab-  
2       lished under part F of title IV of the District of Co-  
3       lumbia Self-Government and Governmental Reorga-  
4       nization Act or any other agency, board, or commis-  
5       sion established by the Mayor or the Council; the  
6       courts of the District of Columbia; the Council of  
7       the District of Columbia; and any other agency, pub-  
8       lic authority, or public benefit corporation which has  
9       the authority to receive monies directly or indirectly  
10      from the District of Columbia (other than monies re-  
11      ceived from the sale of goods, the provision of serv-  
12      ices, or the loaning of funds to the District of Co-  
13      lumbia), except that such term does not include the  
14      Authority.

15           (6) The term “financial plan and budget”  
16      means a financial plan and budget described in sub-  
17      title A of title II, and includes the budgets of the  
18      District government for the fiscal years which are  
19      subject to the financial plan and budget (as de-  
20      scribed in section 201(b)).

1           (7) The term “Mayor” means the Mayor of the  
2           District of Columbia.

          Passed the House of Representatives April 3, 1995.

          Attest:

*Clerk.*

HR 1345 EH—2

HR 1345 EH—3

HR 1345 EH—4

HR 1345 EH—5

HR 1345 EH—6

HR 1345 EH—7

HR 1345 EH—8

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