

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1345

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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## IN THE HOUSE OF REPRESENTATIVES

MARCH 29, 1995

Mr. DAVIS (for himself, Ms. NORTON, Mr. WALSH, Mr. DIXON, Mr. CLINGER, Mrs. COLLINS of Illinois, Mr. MCHUGH, Mr. GUTKNECHT, Mr. LATOURETTE, Mr. FLANAGAN, Mr. FATTAH, Miss COLLINS of Michigan, Mr. WOLF, Mr. MORAN, Mrs. MORELLA, and Mr. WYNN) introduced the following bill; which was referred to the Committee on Government Reform and Oversight

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## A BILL

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,*

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

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

5 (b) TABLE OF CONTENTS.—The table of contents of  
6 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

1 adversely affected the long-term economic health of  
2 the District of Columbia by causing the migration of  
3 residents and business out of the District of Colum-  
4 bia and the failure of new residents and businesses  
5 to move to the District of Columbia.

6 (4) The fiscal and management problems in the  
7 District of Columbia government are pervasive  
8 across all segments of the government.

9 (5) A comprehensive approach to fiscal, man-  
10 agement, and structural problems must be under-  
11 taken which exempts no part of the District govern-  
12 ment and which preserves home rule for the citizens  
13 of the District of Columbia.

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

17 (7) The ability of the District government to  
18 obtain funds from capital markets in the future will  
19 be severely diminished without Congressional action  
20 to restore its financial stability.

21 (8) The failure to improve the financial situa-  
22 tion of the District government will adversely affect  
23 the long-term economic health of the entire National  
24 Capital region.

1           (9) The efficient operation of the Federal Gov-  
2           ernment may be adversely affected by the current  
3           problems of the District of Columbia not only  
4           through the services the District government pro-  
5           vides directly to the Federal Government but  
6           through services provided indirectly such as street  
7           and traffic flow maintenance, public safety, and  
8           services affecting tourism.

9           (b) PURPOSE.—The purposes of this Act are as  
10          follows:

11           (1) To eliminate budget deficits and cash short-  
12           ages of the District of Columbia through visionary  
13           financial planning, sound budgeting, accurate reve-  
14           nue forecasts, and careful spending.

15           (2) To ensure the most efficient and effective  
16           delivery of services, including public safety services,  
17           by the District government during a period of fiscal  
18           emergency.

19           (3) To conduct necessary investigations and  
20           studies to determine the fiscal status and oper-  
21           ational efficiency of the District government.

22           (4) To assist the District government in—

23           (A) restructuring its organization and  
24           workforce to ensure that the residents of the

1 District of Columbia are served by a local gov-  
2 ernment that is efficient and effective;

3 (B) achieving an appropriate relationship  
4 with the Federal Government;

5 (C) ensuring the appropriate and efficient  
6 delivery of services; and

7 (D) modernizing its budget, accounting,  
8 personnel, procurement, information technology,  
9 and management systems to ensure the maxi-  
10 mum financial and performance accountability  
11 of the District government and its officers and  
12 employees.

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

16 (6) To ensure the long-term financial, fiscal,  
17 and economic vitality and operational efficiency of  
18 the District of Columbia.

19 (7) To examine the programmatic and struc-  
20 tural relationship between the District government  
21 and the Federal Government.

22 (8) To provide for the review of the financial  
23 impact of activities of the District government before  
24 such activities are implemented or submitted for  
25 Congressional review.

1 (c) RULES OF CONSTRUCTION.—Nothing in this Act  
2 may be construed—

3 (1) to relieve any obligations existing as of the  
4 date of the enactment of this Act of the District gov-  
5 ernment to repay any individual or entity from  
6 whom the District has borrowed funds, whether  
7 through the issuance of bonds or otherwise; or

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

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

14 **SEC. 101. DISTRICT OF COLUMBIA FINANCIAL RESPON-**  
15 **SIBILITY AND MANAGEMENT ASSISTANCE AU-**  
16 **THORITY.**

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

1 established as a department, agency, establishment, or in-  
2 strumentality of the United States Government.

3 (b) MEMBERSHIP.—

4 (1) IN GENERAL.—The Authority shall consist  
5 of 5 members appointed by the President who meet  
6 the qualifications described in subsection (c), except  
7 that the Authority may take any action under this  
8 Act (or any amendments made by this Act) at any  
9 time after the President has appointed 3 of its mem-  
10 bers.

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

21 (3) CHAIR.—The President shall designate one  
22 of the members of the Authority as the Chair of the  
23 Authority.

24 (4) SENSE OF CONGRESS REGARDING DEAD-  
25 LINE FOR APPOINTMENT.—It is the sense of Con-

1       gress that the President should appoint the members  
2       of the Authority as soon as practicable after the  
3       date of the enactment of this Act, but in no event  
4       later than 25 days after the date of the enactment  
5       of this Act.

6           (5) TERM OF SERVICE.—

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

10          (B) APPOINTMENT FOR TERM FOLLOWING  
11       INITIAL TERM.—As designated by the President  
12       at the time of appointment for the term imme-  
13       diately following the initial term, of the mem-  
14       bers appointed for the term immediately follow-  
15       ing the initial term—

16           (i) 1 member shall be appointed for a  
17       term of 1 year;

18           (ii) 2 members shall be appointed for  
19       a term of 2 years; and

20           (iii) 2 members shall be appointed for  
21       a term of 3 years.

22          (C) REMOVAL.—The President may re-  
23       move any member of the Authority only for  
24       cause.

1 (c) QUALIFICATIONS FOR MEMBERSHIP.—An indi-  
2 vidual meets the qualifications for membership on the Au-  
3 thority if the individual—

4 (1) has knowledge and expertise in finance,  
5 management, and the organization or operation of  
6 business or government;

7 (2) does not provide goods or services to the  
8 District government (and is not the spouse, parent,  
9 child, or sibling of an individual who provides goods  
10 and services to the District government);

11 (3) is not an officer or employee of the District  
12 government; and

13 (4) during the most recent taxable year prior to  
14 appointment, paid personal income or business taxes  
15 to the District government.

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

20 (e) ADOPTION OF BY-LAWS FOR CONDUCTING BUSI-  
21 NESS OF AUTHORITY.—

22 (1) IN GENERAL.—As soon as practicable after  
23 the appointment of its members, the Authority shall  
24 adopt by-laws, rules, and procedures governing its  
25 activities under this Act, including procedures for

1 hiring experts and consultants. Such by-laws, rules,  
2 and procedures shall be public documents, and shall  
3 be submitted by the Authority upon adoption to the  
4 Mayor, the Council, the President, and Congress.

5 (2) CERTAIN ACTIVITIES REQUIRING APPROVAL  
6 OF MAJORITY OF MEMBERS.—Under the by-laws  
7 adopted pursuant to paragraph (1), the Authority  
8 may conduct its operations under such procedures as  
9 it considers appropriate, except that an affirmative  
10 vote of a majority of the members the Authority  
11 shall be required in order for the Authority to—

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

14 (B) implement recommendations on finan-  
15 cial stability and management responsibility  
16 under section 207;

17 (C) give consent to the appointment of the  
18 Chief Financial Officer of the District of Co-  
19 lumbia under section 424 of the District of Co-  
20 lumbia Self-Government and Governmental Re-  
21 organization Act (as added by section 302); and

22 (D) give consent to the appointment of the  
23 Inspector General of the District of Columbia  
24 under section 208(a) of the District of Colum-

1           bia Procurement Practices Act of 1985 (as  
2           amended by section 303(a)).

3           (3) ADOPTION OF RULES AND REGULATIONS OF  
4           DISTRICT OF COLUMBIA.—The Authority may incor-  
5           porate in its by-laws, rules, and procedures under  
6           this subsection such rules and regulations of the  
7           District government as it considers appropriate to  
8           enable it to carry out its activities under this Act  
9           with the greatest degree of independence practicable.

10 **SEC. 102. EXECUTIVE DIRECTOR AND STAFF OF AUTHOR-**  
11 **ITY.**

12           (a) EXECUTIVE DIRECTOR.—The Authority shall  
13           have an Executive Director who shall be appointed by the  
14           Chair with the consent of the Authority. The Executive  
15           Director shall be paid at a rate determined by the Author-  
16           ity, except that such rate may not exceed the rate of basic  
17           pay payable for level IV of the Executive Schedule.

18           (b) STAFF.—With the approval of the Chair, the Ex-  
19           ecutive Director may appoint and fix the pay of additional  
20           personnel as the Executive Director considers appropriate,  
21           except that no individual appointed by the Executive Di-  
22           rector may be paid at a rate greater than the rate of pay  
23           for the Executive Director.

24           (c) INAPPLICABILITY OF CERTAIN CIVIL SERVICE  
25           LAWS.—The Executive Director and staff of the Authority

1 may be appointed without regard to the provisions of title  
2 5, United States Code, governing appointments in the  
3 competitive service, and may be paid without regard to  
4 the provisions of chapter 51 and subchapter III of chapter  
5 53 of that title relating to classification and General  
6 Schedule pay rates.

7 (d) STAFF OF FEDERAL AGENCIES.—Upon request  
8 of the Chair, the head of any Federal department or agen-  
9 cy may detail, on a reimbursable or non-reimbursable  
10 basis, any of the personnel of that department or agency  
11 to the Authority to assist it in carrying out its duties  
12 under this Act.

13 (e) PRESERVATION OF RETIREMENT AND CERTAIN  
14 OTHER RIGHTS OF FEDERAL EMPLOYEES WHO BECOME  
15 EMPLOYED BY THE AUTHORITY.—

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

19 (A) may elect, for purposes of the retire-  
20 ment system in which that individual last par-  
21 ticipated before so separating, to have such in-  
22 dividual's period of service with the Authority  
23 treated in the same way as if performed in the  
24 position within the Federal Government from  
25 which separated, subject to the requisite em-

1           employee deductions and agency contributions  
2           being currently deposited in the appropriate  
3           fund; and

4           (B) if, after serving with the Authority,  
5           such employee becomes reemployed by the Fed-  
6           eral Government, shall be entitled to credit, for  
7           the full period of such individual's service with  
8           the Authority, for purposes of determining the  
9           applicable leave accrual rate.

10       (2) RETIREMENT.—

11           (A) CONTRIBUTIONS.—For purposes of  
12           subparagraph (A) of paragraph (1)—

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

21               (ii) the agency contributions referred  
22               to in such paragraph shall be made by the  
23               Authority.

24           (B) DOUBLE COVERAGE NOT PER-  
25           MITTED.—An individual who makes an election

1 under paragraph (1)(A) shall be ineligible, while  
2 such election remains in effect, to participate in  
3 any retirement system for employees of the gov-  
4 ernment of the District of Columbia.

5 (3) REGULATIONS.—The Office of Personnel  
6 Management shall prescribe such regulations as may  
7 be necessary to carry out this subsection. Regula-  
8 tions to carry out paragraph (1)(A) shall be pre-  
9 scribed in consultation with the office or agency of  
10 the government of the District of Columbia having  
11 jurisdiction over any retirement system referred to  
12 in paragraph (2)(B).

13 **SEC. 103. POWERS OF AUTHORITY.**

14 (a) HEARINGS AND SESSIONS.—The Authority may,  
15 for the purpose of carrying out this Act, hold hearings,  
16 sit and act at times and places, take testimony, and re-  
17 ceive evidence as the Authority considers appropriate. The  
18 Authority may administer oaths or affirmations to wit-  
19 nesses appearing before it.

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

24 (c) OBTAINING OFFICIAL DATA.—

1           (1) FROM FEDERAL GOVERNMENT.—Notwith-  
2 standing sections 552 (commonly known as the  
3 Freedom of Information Act) and 552b (the Govern-  
4 ment in the Sunshine Act) of title 5, United States  
5 Code, the Authority may secure directly from any  
6 department or agency of the United States informa-  
7 tion necessary to enable it to carry out this Act,  
8 with the approval of the head of that department or  
9 agency.

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

1 (d) GIFTS, BEQUESTS, AND DEVISES.—The Author-  
2 ity may accept, use, and dispose of gifts, bequests, or de-  
3 vise of services or property, both real and personal, for  
4 the purpose of aiding or facilitating the work of the Au-  
5 thority. Gifts, bequests, or devise of money and proceeds  
6 from sales of other property received as gifts, bequests,  
7 or devise shall be deposited in such account as the Au-  
8 thority may establish and shall be available for disburse-  
9 ment upon order of the Chair.

10 (e) SUBPOENA POWER.—

11 (1) IN GENERAL.—The Authority may issue  
12 subpoenas requiring the attendance and testimony of  
13 witnesses and the production of any evidence relat-  
14 ing to any matter under investigation by the Author-  
15 ity. The attendance of witnesses and the production  
16 of evidence may be required from any place within  
17 the United States at any designated place of hearing  
18 within the United States.

19 (2) FAILURE TO OBEY A SUBPOENA.—If a per-  
20 son refuses to obey a subpoena issued under para-  
21 graph (1), the Authority may apply to a United  
22 States district court for an order requiring that per-  
23 son to appear before the Authority to give testimony,  
24 produce evidence, or both, relating to the matter  
25 under investigation. The application may be made

1 within the judicial district where the hearing is con-  
2 ducted or where that person is found, resides, or  
3 transacts business. Any failure to obey the order of  
4 the court may be punished by the court as civil  
5 contempt.

6 (3) SERVICE OF SUBPOENAS.—The subpoenas  
7 of the Authority shall be served in the manner pro-  
8 vided for subpoenas issued by United States district  
9 court under the Federal Rules of Civil Procedure for  
10 the United States district courts.

11 (4) SERVICE OF PROCESS.—All process of any  
12 court to which application is be made under para-  
13 graph (2) may be served in the judicial district in  
14 which the person required to be served resides or  
15 may be found.

16 (f) ADMINISTRATIVE SUPPORT SERVICES.—Upon the  
17 request of the Authority, the Administrator of General  
18 Services may provide to the Authority, on a reimbursable  
19 basis, the administrative support services necessary for the  
20 Authority to carry out its responsibilities under this Act.

21 (g) AUTHORITY TO ENTER INTO CONTRACTS.—The  
22 Executive Director may enter into such contracts as the  
23 Executive Director considers appropriate (subject to the  
24 approval of the Chair) to carry out the Authority's respon-  
25 sibilities under this Act.

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

4 (i) PENALTIES.—

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

7 (A) takes any action in violation of any  
8 valid order of the Authority or fails or refuses  
9 to take any action required by any such order;  
10 or

11 (B) prepares, presents, or certifies any in-  
12 formation (including any projections or esti-  
13 mates) or report for the Board or any of its  
14 agents that is false or misleading, or, upon  
15 learning that any such information is false or  
16 misleading, fails to immediately advise the  
17 Board or its agents thereof in writing,

18 shall be guilty of a misdemeanor.

19 (2) ADMINISTRATIVE DISCIPLINE.—In addition  
20 to any other applicable penalty, any officer or em-  
21 ployee of the District government who knowingly  
22 and willfully violates paragraph (1) shall be subject  
23 to appropriate administrative discipline, including  
24 (when appropriate) suspension from duty without

1 pay or removal from office by order of either the  
2 Mayor or Authority.

3 (3) REPORT BY MAYOR ON DISCIPLINARY AC-  
4 TIONS TAKEN.—In the case of a violation of para-  
5 graph (1) by an officer or employee of the District  
6 government, the Mayor shall immediately report to  
7 the Board all pertinent facts together with a state-  
8 ment of the action taken thereon.

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

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

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

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

21 (b) PROMPT APPEAL.—

22 (1) COURT OF APPEALS.—Notwithstanding any  
23 other provision of law, any order of the United  
24 States District Court for the District of Columbia  
25 which is issued pursuant to an action brought under

1 subsection (a) shall be reviewable only pursuant to  
2 a notice of appeal to the United States Court of Ap-  
3 peals for the District of Columbia Circuit.

4 (2) SUPREME COURT.—Notwithstanding any  
5 other provision of law, review by the Supreme Court  
6 of the United States of a decision of the Court of  
7 Appeals which is issued pursuant to paragraph (1)  
8 may be had only if the petition for such review is  
9 filed within 10 days after the entry of such decision.

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

18 (d) EXPEDITED CONSIDERATION.—It shall be the  
19 duty of the United States District Court for the District  
20 of Columbia, the United States Court of Appeals for the  
21 District of Columbia Circuit, and the Supreme Court of  
22 the United States to advance on the docket and to expe-  
23 dite to the greatest possible extent the disposition of any  
24 matter brought under subsection (a).

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

2 (a) ANNUAL BUDGETING PROCESS.—

3 (1) SUBMISSION OF BUDGET.—The Authority  
4 shall submit a proposed budget for each fiscal year  
5 to the President for inclusion in the annual budget  
6 for the District of Columbia under part D of title IV  
7 of the District of Columbia Self-Government and  
8 Governmental Reorganization Act not later than the  
9 May 1 prior to the first day of the fiscal year. In  
10 the case of the budget for fiscal year 1996, the Au-  
11 thority shall submit its proposed budget not later  
12 than July 15, 1995.

13 (2) CONTENTS OF BUDGET.—The budget shall  
14 describe—

15 (A) expenditures of the Authority by each  
16 object class, including expenditures for staff of  
17 the Authority;

18 (B) services of personnel and other services  
19 provided by or on behalf of the Authority for  
20 which the Authority made no reimbursement;  
21 and

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

24 (3) APPROPRIATIONS REQUIRED.—No amount  
25 may be obligated or expended by the Authority for  
26 a fiscal year (beginning with fiscal year 1996) unless

1 such amount has been approved by Act of Congress,  
2 and then only according to such Act.

3 (4) CONFORMING AMENDMENT.—Section  
4 453(c) of the District of Columbia Self-Government  
5 and Governmental Reorganization Act (sec. 47–  
6 304.1(c), D.C. Code) is amended by striking the pe-  
7 riod at the end and inserting the following: “, or to  
8 the District of Columbia Financial Responsibility  
9 and Management Assistance Authority established  
10 under section 101(a) of the District of Columbia Fi-  
11 nancial Responsibility and Management Assistance  
12 Act of 1995.”.

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

17 (1) a request for reprogramming of funds under  
18 subsection (c)(1); and

19 (2) a description of anticipated expenditures of  
20 the Authority for fiscal year 1995 (which shall be  
21 transmitted to Congress).

22 (c) SOURCES OF FUNDS.—

23 (1) USE OF PREVIOUSLY APPROPRIATED FUNDS  
24 IN DISTRICT BUDGET.—The Mayor shall transfer  
25 funds previously appropriated to the District govern-

1       ment for a fiscal year for auditing and consulting  
2       services to the Authority (in such amounts as are  
3       provided in the budget request of the Authority  
4       under subsection (a) or, with respect to fiscal year  
5       1995, the request submitted under subsection  
6       (b)(1)) for the purpose of carrying out the  
7       Authority's activities during the fiscal year.

8           (2) OTHER SOURCES OF FUNDS.—For provi-  
9       sions describing the sources of funds available for  
10      the operations of the Authority during a fiscal year  
11      (in addition to any interest earned on accounts of  
12      the Authority during the year), see section  
13      204(b)(1)(A) (relating to the set-aside of amounts  
14      requisitioned from the Treasury by the Mayor) and  
15      section 213(b)(3) (relating to the use of interest ac-  
16      crued from amounts in a debt service reserve fund  
17      of the Authority).

18   **SEC. 107. SUSPENSION OF ACTIVITIES.**

19       (a) SUSPENSION UPON PAYMENT OF AUTHORITY  
20      OBLIGATIONS.—

21           (1) IN GENERAL.—Upon the expiration of the  
22      12-month period which begins on the date that the  
23      Authority certifies that all obligations arising from  
24      the issuance by the Authority of bonds, notes, or  
25      other obligations pursuant to subtitle B of title II

1 have been discharged, and that all borrowings by the  
2 Authority pursuant to title VI of the District of Co-  
3 lumbia Revenue Act of 1939 (sec. 47-3401, D.C.  
4 Code) have been repaid, the Authority shall suspend  
5 any activities carried out under this Act and the  
6 terms of the members of the Authority shall expire.

7 (2) NO SUSPENSION DURING CONTROL YEAR.—  
8 The Authority may not suspend its activities pursu-  
9 ant to paragraph (1) at any time during a control  
10 year.

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

21 **SEC. 108. APPLICATION OF LAWS OF DISTRICT OF COLUM-**  
22 **BIA TO AUTHORITY.**

23 (a) IN GENERAL.—The following laws of the District  
24 of Columbia (as in effect on the date of the enactment

1 of this Act) shall apply to the members and activities of  
2 the Authority:

3 (1) Section 742 of the District of Columbia  
4 Self-Government and Governmental Reorganization  
5 Act (sec. 1-1504, D.C. Code).

6 (2) Sections 201 through 206 of the District of  
7 Columbia Freedom of Information Act (secs. 1-1521  
8 through 1-1526, D.C. Code).

9 (3) Section 601 of the District of Columbia  
10 Campaign Finance Reform and Conflict of Interest  
11 Act (sec. 1-1461, D.C. Code).

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

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

17 (2) PROHIBITION AGAINST LEGISLATION AF-  
18 FECTING AUTHORITY.—Section 602(a) of the Dis-  
19 trict of Columbia Self-Government and Govern-  
20 mental Reorganization Act (sec. 1-233(a), D.C.  
21 Code) is amended—

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

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

1 (C) by adding at the end the following new  
2 paragraph:

3 “(10) enact any act, resolution, or rule with re-  
4 spect to the District of Columbia Financial Respon-  
5 sibility and Management Assistance Authority estab-  
6 lished under section 101(a) of the District of Colum-  
7 bia Financial Responsibility and Management As-  
8 sistance Act of 1995.”.

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

16 **TITLE II—RESPONSIBILITIES OF**  
17 **AUTHORITY**

18 **Subtitle A—Establishment and En-**  
19 **forcement of Financial Plan and**  
20 **Budget for District Government**

21 **SEC. 201. DEVELOPMENT OF FINANCIAL PLAN AND BUDG-**  
22 **ET FOR DISTRICT OF COLUMBIA.**

23 (a) DEVELOPMENT OF FINANCIAL PLAN AND BUDG-  
24 ET.—For each fiscal year for which the District govern-  
25 ment is in a control period, the Mayor shall develop and

1 submit to the Authority a financial plan and budget for  
2 the District of Columbia in accordance with this section.

3 (b) CONTENTS OF FINANCIAL PLAN AND BUDGET.—

4 A financial plan and budget for the District of Columbia  
5 for a fiscal year shall specify the budgets for the District  
6 government under part D of title IV of the District of Co-  
7 lumbia Self-Government and Governmental Reorganiza-  
8 tion Act for the applicable fiscal year and the next 3 fiscal  
9 years (including the projected revenues and expenditures  
10 of each fund of the District government for such years),  
11 in accordance with the following requirements:

12 (1) The financial plan and budget shall meet  
13 the standards described in subsection (c) to promote  
14 the financial stability of the District government.

15 (2) The financial plan and budget shall provide  
16 for estimates of revenues and expenditures on a  
17 modified accrual basis.

18 (3) The financial plan and budget shall—

19 (A) describe lump sum expenditures by de-  
20 partment by object class;

21 (B) describe capital expenditures (together  
22 with a schedule of projected capital commit-  
23 ments of the District government and proposed  
24 sources of funding);

1 (C) contain estimates of short-term and  
2 long-term debt (both outstanding and antici-  
3 pated to be issued); and

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

7 (4) The financial plan and budget shall include  
8 a statement describing methods of estimations and  
9 significant assumptions.

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

20 (c) STANDARDS TO PROMOTE FINANCIAL STABILITY  
21 DESCRIBED.—

22 (1) IN GENERAL.—The standards to promote  
23 the financial stability of the District government ap-  
24 plicable to the financial plan and budget for a fiscal  
25 year are as follows:

1           (A) In the case of the financial plan and  
2 budget for fiscal year 1996, the expenditures of  
3 the District government for each fiscal year (be-  
4 ginning with fiscal year 1999) may not exceed  
5 the revenues of the District government for  
6 each such fiscal year.

7           (B) During fiscal years 1996, 1997, and  
8 1998, the District government shall make con-  
9 tinuous, substantial progress towards equalizing  
10 the expenditures and revenues of the District  
11 government for such fiscal years (in equal an-  
12 nual installments to the greatest extent pos-  
13 sible).

14           (C) The District government shall provide  
15 for the orderly liquidation of the cumulative  
16 fund balance deficit of the District government,  
17 as evidenced by financial statements prepared  
18 in accordance with generally accepted account-  
19 ing principles.

20           (D) If funds in accounts of the District  
21 government which are dedicated for specific  
22 purposes have been withdrawn from such ac-  
23 counts for other purposes, the District govern-  
24 ment shall fully restore the funds to such ac-  
25 counts.

1           (E) The financial plan and budget shall as-  
2           sure the continuing long-term financial stability  
3           of the District government, as indicated by fac-  
4           tors including access to short-term and long-  
5           term capital markets, the efficient management  
6           of the District government’s workforce, and the  
7           effective provision of services by the District  
8           government.

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

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

24          (d) REPEAL OF OFFSETS AGAINST FEDERAL PAY-  
25          MENT AND OTHER DISTRICT REVENUES.—Section 138 of

1 the District of Columbia Appropriations Act, 1995, is  
2 amended—

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

4 (2) by redesignating subsections (d) and (e) as  
5 subsections (c) and (d).

6 **SEC. 202. PROCESS FOR SUBMISSION AND APPROVAL OF FI-**  
7 **NANCIAL PLAN AND ANNUAL DISTRICT**  
8 **BUDGET.**

9 (a) SUBMISSION OF PRELIMINARY FINANCIAL PLAN  
10 AND BUDGET BY MAYOR.—Not later than the February  
11 1 preceding a fiscal year for which the District govern-  
12 ment is in a control period, the Mayor shall submit to the  
13 Authority and the Council a financial plan and budget for  
14 the fiscal year which meets the requirements of section  
15 201.

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

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

25 (1) CERTIFICATION TO MAYOR.—

1 (A) IN GENERAL.—If the Authority deter-  
2 mines that the financial plan and budget for the  
3 fiscal year submitted by the Mayor under sub-  
4 section (a) meets the requirements applicable  
5 under section 201—

6 (i) the Authority shall approve the fi-  
7 nancial plan and budget and shall provide  
8 the Mayor, the Council, the President, and  
9 Congress with a notice certifying its ap-  
10 proval; and

11 (ii) the Mayor shall promptly submit  
12 the financial plan and budget to the Coun-  
13 cil pursuant to section 442 of the District  
14 of Columbia Self-Government and Govern-  
15 mental Reorganization Act.

16 (B) DEEMED APPROVAL AFTER 30  
17 DAYS.—

18 (i) IN GENERAL.—If the Authority  
19 has not provided the Mayor, the Council,  
20 and Congress with a notice certifying ap-  
21 proval under subparagraph (A)(i) or a  
22 statement of disapproval under subsection  
23 (d)(1) upon the expiration of the 30-day  
24 period which begins on the date the Au-  
25 thority receives the financial plan and

1 budget from the Mayor under subsection  
2 (a), the Authority shall be deemed to have  
3 approved the financial plan and budget  
4 and to have provided the Mayor, the Coun-  
5 cil, the President, and Congress with the  
6 notice certifying approval described in sub-  
7 paragraph (A)(i).

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

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

1 budget for the fiscal year which shall serve as the  
2 adoption of the budgets of the District government  
3 for the fiscal year under such section, and shall sub-  
4 mit such financial plan and budget to the Mayor and  
5 the Authority.

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

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

22 (A) APPROVAL OF COUNCIL'S INITIAL FI-  
23 NANCIAL PLAN AND BUDGET.—If the Authority  
24 determines that the financial plan and budget  
25 for the fiscal year submitted by the Council

1 under paragraph (2) meets the requirements  
2 applicable under section 201—

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

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

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

24 (i) the reasons for such disapproval;

1 (ii) the amount of any shortfall in the  
2 budget or financial plan; and

3 (iii) any recommendations for revi-  
4 sions to the budget the Authority considers  
5 appropriate to ensure that the budget is  
6 consistent with the financial plan and  
7 budget.

8 (C) DEEMED APPROVAL AFTER 15 DAYS.—

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

24 (ii) EXPLANATION OF FAILURE TO  
25 RESPOND.—If clause (i) applies with re-

1           spect to a financial plan and budget, the  
2           Authority shall provide the Mayor, the  
3           Council, the President and Congress with  
4           an explanation for its failure to provide the  
5           notice certifying approval or the statement  
6           of disapproval during the 15-day period de-  
7           scribed in such clause.

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

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

20           (B) APPROVAL OF COUNCIL'S REVISED FI-  
21           NANCIAL PLAN AND BUDGET.—If, after review-  
22           ing the revised financial plan and budget for a  
23           fiscal year submitted by the Council under sub-  
24           paragraph (A) in accordance with the proce-  
25           dures described in this subsection, the Author-

1           ity determines that the revised financial plan  
2           and budget meets the requirements applicable  
3           under section 201—

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

9                   (ii) the Council shall promptly submit  
10                  the financial plan and budget to the Mayor  
11                  for transmission to the President and Con-  
12                  gress under section 446 of the District of  
13                  Columbia Self-Government and Govern-  
14                  mental Reorganization Act.

15                  (C) DISAPPROVAL OF COUNCIL'S REVISED  
16                  FINANCIAL PLAN AND BUDGET.—

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

1 (I) disapprove the financial plan  
2 and budget;

3 (II) provide the Mayor, the  
4 Council, the President, and Congress  
5 with a statement containing the rea-  
6 sons for such disapproval and describ-  
7 ing the amount of any shortfall in the  
8 financial plan and budget; and

9 (III) approve and recommend a  
10 financial plan and budget for the Dis-  
11 trict government which meets the ap-  
12 plicable requirements under section  
13 201, and submit such financial plan  
14 and budget to the Mayor, the Council,  
15 the President, and Congress.

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

1 (D) DEEMED APPROVAL AFTER 15  
2 DAYS.—

3 (i) IN GENERAL.—If the Authority  
4 has not provided the Mayor, the Council,  
5 the President, and Congress with a notice  
6 certifying approval under subparagraph  
7 (B)(i) or a statement of disapproval under  
8 subparagraph (C) upon the expiration of  
9 the 15-day period which begins on the date  
10 the Authority receives the revised financial  
11 plan and budget submitted by the Council  
12 under subparagraph (A), the Authority  
13 shall be deemed to have approved the re-  
14 vised financial plan and budget and to  
15 have provided the Mayor, the Council, the  
16 President, and Congress with the notice  
17 certifying approval described in subpara-  
18 graph (B)(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 (6) DEADLINE FOR TRANSMISSION OF FINAN-  
4 CIAL PLAN AND BUDGET BY AUTHORITY.—Notwith-  
5 standing any other provision of this section, not  
6 later than the June 15 preceding each fiscal year  
7 which is a control year, the Authority shall—

8 (A) provide Congress with a notice certify-  
9 ing its approval of the Council’s initial financial  
10 plan and budget for the fiscal year under para-  
11 graph (4)(A);

12 (B) provide Congress with a notice certify-  
13 ing its approval of the Council’s revised finan-  
14 cial plan and budget for the fiscal year under  
15 paragraph (5)(B); or

16 (C) submit to Congress an approved and  
17 recommended financial plan and budget of the  
18 Authority for the District government for the  
19 fiscal year under paragraph (5)(C).

20 (d) ACTION UPON DISAPPROVAL OF MAYOR’S PRE-  
21 LIMINARY FINANCIAL PLAN AND BUDGET.—

22 (1) STATEMENT OF DISAPPROVAL.—If the Au-  
23 thority determines that the financial plan and budg-  
24 et for the fiscal year submitted by the Mayor under  
25 subsection (a) does not meet the requirements appli-

1 cable under section 201, the Authority shall dis-  
2 approve the financial plan and budget, and shall  
3 provide the Mayor and the Council with a statement  
4 containing—

5 (A) the reasons for such disapproval;

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

8 (C) any recommendations for revisions to  
9 the financial plan and budget the Authority  
10 considers appropriate to ensure that the finan-  
11 cial plan and budget meets the requirements  
12 applicable under section 201.

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

15 (A) SUBMISSION OF MAYOR'S REVISED FI-  
16 NANCIAL PLAN AND BUDGET.—Not later than  
17 15 days after receiving the statement from the  
18 Authority under paragraph (1), the Mayor shall  
19 promptly submit to the Authority and the  
20 Council a revised financial plan and budget for  
21 the fiscal year which addresses the reasons for  
22 the Authority's disapproval cited in the state-  
23 ment.

24 (B) APPROVAL OF MAYOR'S REVISED FI-  
25 NANCIAL PLAN AND BUDGET.—If the Authority

1 determines that the revised financial plan and  
2 budget for the fiscal year submitted by the  
3 Mayor under subparagraph (A) meets the re-  
4 quirements applicable under section 201—

5 (i) the Authority shall approve the fi-  
6 nancial plan and budget and shall provide  
7 the Mayor, the Council, the President, and  
8 Congress with a notice certifying its ap-  
9 proval; and

10 (ii) the Mayor shall promptly submit  
11 the financial plan and budget to the Coun-  
12 cil pursuant to section 442 of the District  
13 of Columbia Self-Government and Govern-  
14 mental Reorganization Act.

15 (C) DISAPPROVAL OF MAYOR'S REVISED  
16 FINANCIAL PLAN AND BUDGET.—

17 (i) IN GENERAL.—If the Authority de-  
18 termines that the revised financial plan  
19 and budget for the fiscal year submitted by  
20 the Mayor under subparagraph (A) does  
21 not meet the requirements applicable under  
22 section 201, the Authority shall—

23 (I) disapprove the financial plan  
24 and budget;

1 (II) shall provide the Mayor, the  
2 Council, the President, and Congress  
3 with a statement containing the rea-  
4 sons for such disapproval; and

5 (III) recommend a financial plan  
6 and budget for the District govern-  
7 ment which meets the requirements  
8 applicable under section 201 and sub-  
9 mit such financial plan and budget to  
10 the Mayor and the Council.

11 (ii) SUBMISSION OF REJECTED FINAN-  
12 CIAL PLAN AND BUDGET.—The Mayor  
13 shall promptly submit the revised financial  
14 plan and budget disapproved by the Au-  
15 thority under this subparagraph to the  
16 Council pursuant to section 442 of the  
17 District of Columbia Self-Government and  
18 Governmental Reorganization Act.

19 (D) DEEMED APPROVAL AFTER 15  
20 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 Mayor  
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          (3) ACTION BY COUNCIL.—

22           (A) ADOPTION OF FINANCIAL PLAN AND  
23          BUDGET.—Notwithstanding the first sentence  
24          of section 446 of the District of Columbia Self-  
25          Government and Governmental Reorganization

1 Act, not later than 30 days after receiving the  
2 Mayor's approved revised financial plan and  
3 budget for the fiscal year under paragraph  
4 (2)(B) or (in the case of a financial plan and  
5 budget disapproved by the Authority) the finan-  
6 cial plan and budget recommended by the Au-  
7 thority under paragraph (2)(C)(i)(III), the  
8 Council shall by Act adopt a financial plan and  
9 budget for the fiscal year which shall serve as  
10 the adoption of the budgets of the District gov-  
11 ernment for the fiscal year under such section,  
12 and shall submit the financial plan and budget  
13 to the Mayor and the Authority.

14 (B) REVIEW BY AUTHORITY.—The finan-  
15 cial plan and budget submitted by the Council  
16 under subparagraph (A) shall be subject to re-  
17 view by the Authority and revision by the Coun-  
18 cil in the same manner as the financial plan  
19 and budget submitted by the Council after an  
20 approved preliminary financial plan and budget  
21 of the Mayor under paragraphs (3), (4), (5),  
22 and (6) of subsection (c).

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

24 (1) PERMITTING MAYOR TO SUBMIT REVI-  
25 SIONS.—The Mayor may submit proposed revisions

1 to the financial plan and budget for a control year  
2 to the Authority at any time during the year.

3 (2) PROCESS FOR REVIEW, APPROVAL, DIS-  
4 APPROVAL, AND COUNCIL ACTION.—Except as pro-  
5 vided in paragraph (3), the procedures described in  
6 subsections (b), (c), and (d) shall apply with respect  
7 to a proposed revision to a financial plan and budget  
8 in the same manner as such procedures apply with  
9 respect to the original financial plan and budget, ex-  
10 cept that subparagraph (B) of subsection (c)(1) (re-  
11 lating to deemed approval by the Authority of an  
12 preliminary financial plan and budget of the Mayor)  
13 shall be applied as if the reference to the term “30-  
14 day period” were a reference to “20-day period”.

15 (3) EXCEPTION FOR REVISIONS NOT AFFECT-  
16 ING APPROPRIATIONS.—To the extent that a pro-  
17 posed revision to a financial plan and budget adopt-  
18 ed by the Council pursuant to this subsection does  
19 not increase the amount of spending with respect to  
20 any account of the District government, the revision  
21 shall become effective upon the Authority’s approval  
22 of such revision (subject to review by Congress  
23 under section 602 of the District of Columbia Self-  
24 Government and Governmental Reorganization Act).

1 (f) CONFORMING AMENDMENT TO BUDGET PROCESS  
2 REQUIREMENTS UNDER HOME RULE ACT.—

3 (1) SUBMISSION OF UNBALANCED BUDGETS.—

4 Section 603 of the District of Columbia Self-Govern-  
5 ment and Governmental Reorganization Act (sec.  
6 47-313, D.C. Code) is amended—

7 (A) in subsection (c), by striking “The  
8 Council” the first place it appears and inserting  
9 “Except as provided in subsection (f), the  
10 Council”;

11 (B) in subsection (d), by striking “The  
12 Mayor” and inserting “Except as provided in  
13 subsection (f), the Mayor”; and

14 (C) by adding at the end the following new  
15 subsection:

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

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

22 “(2) the Council may not approve, and the  
23 Mayor may not forward to the President, any budget  
24 which is not consistent with the financial plan and

1 budget established for the fiscal year under subtitle  
2 A of title II of such Act.”.

3 (2) EXPEDITED PROCEDURES FOR DIS-  
4 APPROVAL OF ITEMS AND PROVISIONS OF COUNCIL  
5 BUDGET BY MAYOR.—Section 404(f) of the District  
6 of Columbia Self-Government and Governmental Re-  
7 organization Act (sec. 1-227(f), D.C. Code) is  
8 amended by adding at the end the following new  
9 sentence: “In the case of any budget act for a fiscal  
10 year which is a control year (as defined in section  
11 305(4) of the District of Columbia Financial Re-  
12 sponsibility and Management Assistance Act of  
13 1995), this subsection shall apply as if the reference  
14 in the second sentence to ‘ten-day period’ were a ref-  
15 erence to ‘five-day period’ and the reference in the  
16 third sentence to ‘thirty calendar days’ were a ref-  
17 erence to ‘5 calendar days’.”.

18 (g) PERMITTING MAYOR AND COUNCIL TO SPECIFY  
19 EXPENDITURES UNDER SCHOOL BOARD BUDGET DUR-  
20 ING CONTROL YEAR.—

21 (1) MAYOR’S ESTIMATE INCLUDED IN ANNUAL  
22 FINANCIAL PLAN AND BUDGET.—Section 2(h) of the  
23 Act entitled “An Act to fix and regulate the salaries  
24 of teachers, school officers, and other employees of  
25 the board of education of the District of Columbia”,

1 approved June 20, 1906 (sec. 31–103, D.C. Code)  
2 is amended by striking the period at the end and in-  
3 serting the following: “, except that in the case of  
4 a year which is a control year (as defined in section  
5 305(4) of the District of Columbia Financial Re-  
6 sponsibility and Management Assistance Act of  
7 1995), the Mayor shall transmit the same together  
8 with the Mayor’s own request for the amount of  
9 money required for the public schools for the year.”.

10 (2) SPECIFICATION OF EXPENDITURES.—Sec-  
11 tion 452 of the District of Columbia Self-Govern-  
12 ment and Governmental Reorganization Act (sec.  
13 31–104, D.C. Code) is amended by adding at the  
14 end the following new sentence: “This section shall  
15 not apply with respect to the annual budget for any  
16 fiscal year which is a control year (as defined in sec-  
17 tion 305(4) of the District of Columbia Financial  
18 Responsibility and Management Assistance Act of  
19 1995).”.

20 (h) PERMITTING SEPARATION OF EMPLOYEES IN AC-  
21 CORDANCE WITH FINANCIAL PLAN AND BUDGET.—The  
22 fourth sentence of section 422(3) of the District of Colum-  
23 bia Self-Government and Governmental Reorganization  
24 Act (sec. 1–242(3), D.C. Code) is amended by striking  
25 “pursuant to procedures” and all that follows through

1 “Act of 1991” and inserting the following: “in the imple-  
2 mentation of a financial plan and budget for the District  
3 government approved under subtitle A of title II of the  
4 District of Columbia Financial Responsibility and Man-  
5 agement Assistance Act of 1995”.

6 **SEC. 203. REVIEW OF ACTIVITIES OF DISTRICT GOVERN-**  
7 **MENT TO ENSURE COMPLIANCE WITH AP-**  
8 **PROVED FINANCIAL PLAN AND BUDGET.**

9 (a) REVIEW OF COUNCIL ACTS.—

10 (1) SUBMISSION OF ACTS TO AUTHORITY.—The  
11 Council shall submit each Act passed by the Council  
12 and signed by the Mayor during a control year or  
13 vetoed by the Mayor and repassed by two-thirds of  
14 the Council present and voting during a control  
15 year, and each Act passed by the Council and al-  
16 lowed to become effective without the Mayor’s signa-  
17 ture during a control year, together with the esti-  
18 mate of costs accompanying such Act required under  
19 section 602(c)(3) of the District of Columbia Self-  
20 Government and Governmental Reorganization Act  
21 (as added by section 301(d)).

22 (2) PROMPT REVIEW BY AUTHORITY.—Upon re-  
23 ceipt of an Act from the Council under paragraph  
24 (1), the Authority shall promptly review the Act to  
25 determine whether it is consistent with the applica-

1 ble financial plan and budget approved under this  
2 subtitle and with the estimate of costs accompanying  
3 the Act (described in paragraph (1)).

4 (3) ACTIONS BY AUTHORITY.—

5 (A) APPROVAL.—Except as provided in  
6 subparagraph (C), if the Authority determines  
7 that an Act is consistent with the applicable fi-  
8 nancial plan and budget, the Authority shall no-  
9 tify the Council that it approves the Act, and  
10 the Council shall submit the Act to Congress  
11 for review in accordance with section 602(c)(1)  
12 of the District of Columbia Self-Government  
13 and Governmental Reorganization Act.

14 (B) FINDING OF INCONSISTENCY.—Except  
15 as provided in subparagraph (C), if the Author-  
16 ity determines that an Act is significantly in-  
17 consistent with the applicable financial plan and  
18 budget, the Authority shall—

19 (i) notify the Council that of its find-  
20 ing;

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

23 (iii) to the extent the Authority con-  
24 siders appropriate, provide the Council

1           with recommendations for modifications to  
2           the Act.

3           (C) EXCEPTION FOR EMERGENCY ACTS.—  
4           Subparagraphs (A) and (B) shall not apply  
5           with respect to any act which the Council deter-  
6           mines according to section 412(a) of the Dis-  
7           trict of Columbia Self-Government and Govern-  
8           mental Reorganization Act should take effect  
9           immediately because of emergency cir-  
10          cumstances.

11          (4) EFFECT OF FINDING.—If the Authority  
12          makes a finding with respect to an Act under para-  
13          graph (3)(B), the Council may not submit the Act  
14          to Congress for review in accordance with section  
15          602(c)(1) of the District of Columbia Self-Govern-  
16          ment and Governmental Reorganization Act.

17          (5) DEEMED APPROVAL.—If the Authority does  
18          not notify the Council that it approves or dis-  
19          approves an Act submitted under this subsection  
20          during the 7-day period which begins on the date the  
21          Council submits the Act to the Authority, the Au-  
22          thority shall be deemed to have approved the Act in  
23          accordance with paragraph (3)(A). At the option of  
24          the Authority, the previous sentence shall be applied  
25          as if the reference to “7-day period” were a ref-

1       erence to “14-day period” if during such 7-day pe-  
2       riod the Authority so notifies the Council and the  
3       Mayor.

4           (6) PRELIMINARY REVIEW OF PROPOSED  
5       ACTS.—At the request of the Council, the Authority  
6       may conduct a preliminary review of proposed legis-  
7       lation before the Council to determine whether the  
8       legislation as proposed would be consistent with the  
9       applicable financial plan and budget approved under  
10      this subtitle, except that any such preliminary review  
11      shall not be binding on the Authority in reviewing  
12      any Act subsequently submitted under this sub-  
13      section.

14       (b) EFFECT OF APPROVED FINANCIAL PLAN AND  
15      BUDGET ON CONTRACTS AND LEASES.—

16           (1) MANDATORY PRIOR APPROVAL FOR CER-  
17      TAIN CONTRACTS AND LEASES.—

18           (A) IN GENERAL.—In the case of a con-  
19      tract or lease described in subparagraph (B)  
20      which is proposed to be entered into by the Dis-  
21      trict government during a control year, the  
22      Mayor (or the appropriate officer or agent of  
23      the District government) shall submit the pro-  
24      posed contract or lease to the Authority for re-  
25      view under paragraph (1) (and the Authority

1 shall review the contract or lease pursuant to  
2 paragraph (2)), and may not enter into the con-  
3 tract or lease unless the Authority determines  
4 that the proposed contract or lease is consistent  
5 with the financial plan and budget for the fiscal  
6 year.

7 (B) CONTRACTS AND LEASES DE-  
8 SCRIBED.—A contract or lease described in this  
9 subparagraph is—

10 (i) a labor contract entered into  
11 through collective bargaining; or

12 (ii) such other type of contract or  
13 lease as the Authority may specify for pur-  
14 poses of this subparagraph.

15 (2) AUTHORITY TO REVIEW OTHER CONTRACTS  
16 AND LEASES AFTER EXECUTION.—

17 (A) IN GENERAL.—In addition to the prior  
18 approval of certain contracts and leases under  
19 paragraph (1), the Authority may require the  
20 Mayor (or the appropriate officer or agent of  
21 the District government) to submit to the Au-  
22 thority any other contract (including a contract  
23 to carry out a grant) or lease entered into by  
24 the District government during a control year  
25 which is executed after the Authority has ap-

1 proved the financial plan and budget for the  
2 year under section 202(b)(2), or any proposal  
3 of the District government to renew, extend, or  
4 modify a contract or lease during a control year  
5 which is made after the Authority has approved  
6 such financial plan and budget.

7 (B) REVIEW BY AUTHORITY.—The Author-  
8 ity shall review each contract or lease submitted  
9 under subparagraph (A) to determine if the  
10 contract or lease is consistent with the financial  
11 plan and budget for the fiscal year. If the Au-  
12 thority determines that the contract or lease is  
13 not consistent with the financial plan and budg-  
14 et, the Mayor shall take such actions as are  
15 within the Mayor’s powers to revise the contract  
16 or lease, or shall submit a proposed revision to  
17 the financial plan and budget in accordance  
18 with section 202(e), so that the contract or  
19 lease will be consistent with the financial plan  
20 and budget.

21 (3) SPECIAL RULE FOR FISCAL YEAR 1995.—  
22 The Authority may require the Mayor to submit to  
23 the Authority any proposal to renew, extend, or  
24 modify a contract or lease in effect during fiscal  
25 year 1995 to determine if the renewal, extension, or

1 modification is consistent with the budget for the  
2 District of Columbia under the District of Columbia  
3 Appropriations Act, 1995.

4 (4) SPECIAL RULE FOR CONTRACTS SUBJECT  
5 TO COUNCIL APPROVAL.—In the case of a contract  
6 which is required to be submitted to the Authority  
7 under this subsection and which is subject to ap-  
8 proval by the Council under the laws of the District  
9 of Columbia, the Mayor shall submit such contract  
10 to the Authority only after the Council has approved  
11 the contract.

12 (c) RESTRICTIONS ON REPROGRAMMING OF  
13 AMOUNTS IN BUDGET DURING CONTROL YEARS.—

14 (1) SUBMISSIONS OF REQUESTS TO AUTHOR-  
15 ITY.—If the Mayor submits a request to the Council  
16 for the reprogramming of any amounts provided in  
17 a budget for a fiscal year which is a control year  
18 after the budget is adopted by the Council, the  
19 Mayor shall submit such request to the Authority,  
20 which shall analyze the affect of the proposed  
21 reprogramming on the financial plan and budget for  
22 the fiscal year and submit its analysis to the Council  
23 not later than 15 days after receiving the request.

24 (2) NO ACTION PERMITTED UNTIL ANALYSIS  
25 RECEIVED.—The Council may not adopt a

1 reprogramming during a fiscal year which is a con-  
2 trol year, and no officer or employee of the District  
3 government may carry out any reprogramming dur-  
4 ing such a year, until the Authority has provided the  
5 Council with an analysis of a request for the  
6 reprogramming in accordance with paragraph (1).

7 **SEC. 204. RESTRICTIONS ON BORROWING BY DISTRICT**  
8 **DURING CONTROL YEAR.**

9 (a) PRIOR APPROVAL REQUIRED.—

10 (1) IN GENERAL.—The District government  
11 may not borrow money during a control year unless  
12 the Authority provides prior certification that both  
13 the receipt of funds through such borrowing and the  
14 repayment of obligations incurred through such bor-  
15 rowing are consistent with the financial plan and  
16 budget for the year.

17 (2) REVISIONS TO FINANCIAL PLAN AND BUDG-  
18 ET PERMITTED.—If the Authority determines that  
19 the borrowing proposed to be undertaken by the Dis-  
20 trict government is not consistent with the financial  
21 plan and budget, the Mayor may submit to the Au-  
22 thority a proposed revision to the financial plan and  
23 budget in accordance with section 202(e) so that the  
24 borrowing will be consistent with the financial plan  
25 and budget as so revised.

1           (3) BORROWING DESCRIBED.—This subsection  
2 shall apply with respect to any borrowing under-  
3 taken by the District government, including borrow-  
4 ing through the issuance of bonds under part E of  
5 title IV of the District of Columbia Self-Government  
6 and Governmental Reorganization Act, the exercise  
7 of authority to obtain funds from the United States  
8 Treasury under title VI of the District of Columbia  
9 Revenue Act of 1939 (sec. 47-3401, D.C. Code), or  
10 any other means.

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

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

24           (B) CRITERIA FOR APPROVAL DURING RE-  
25 MAINDER OF FISCAL YEAR.—The District gov-

1           ernment may requisition advances described in  
2           subparagraph (A) during the portion of fiscal  
3           year 1995 occurring after the expiration of the  
4           45-day period described in such subparagraph if  
5           the Authority finds that—

6                   (i) both the receipt of funds through  
7                   such borrowing and the repayment of obli-  
8                   gations incurred through such borrowing  
9                   are appropriate steps to meet the needs of  
10                  the District government to reduce deficits  
11                  and discharge payment obligations; and

12                   (ii) the District government is making  
13                   appropriate progress toward meeting its  
14                   responsibilities under this Act (and the  
15                   amendments made by this Act).

16           (b) DEPOSIT OF FUNDS OBTAINED THROUGH  
17           TREASURY WITH AUTHORITY.—

18                   (1) AUTOMATIC DEPOSIT DURING CONTROL  
19           YEAR.—If the Mayor requisitions funds from the  
20           Secretary of the Treasury pursuant to title VI of the  
21           District of Columbia Revenue Act of 1939 (sec. 47–  
22           3401, D.C. Code) during a control year (beginning  
23           with fiscal year 1996), such funds shall be deposited  
24           by the Secretary into an escrow account held by the  
25           Authority, to be used as follows:

1           (A) The Authority shall expend a portion  
2 of the funds for its operations during the fiscal  
3 year in which the funds are requisitioned, in  
4 such amount and under such conditions as are  
5 established under the budget of the Authority  
6 for the fiscal year under section 106(a).

7           (B) The Authority shall allocate the re-  
8 mainder of such funds to the Mayor at such in-  
9 tervals and in accordance with such terms and  
10 conditions as it considers appropriate, consist-  
11 ent with the financial plan and budget for the  
12 year and with any other withholding of funds  
13 by the Authority pursuant to this Act.

14           (2) OPTIONAL DEPOSIT DURING FISCAL YEAR  
15 1995.—

16           (A) DURING INITIAL PERIOD FOLLOWING  
17 APPOINTMENT.—If the Mayor requisitions  
18 funds described in paragraph (1) during the 45-  
19 day period which begins on the date of the ap-  
20 pointment of the members of the Authority, the  
21 Secretary of the Treasury shall notify the Au-  
22 thority, and at the request of the Authority  
23 shall deposit such funds into an escrow account  
24 held by the Authority in accordance with para-  
25 graph (1).



1           “(2) CONDITIONS TO MAKING ANY TRANSI-  
2           TIONAL SHORT-TERM ADVANCE BEFORE OCTOBER 1,  
3           1995.—The Secretary shall make an advance under  
4           this subsection if the following conditions are satis-  
5           fied:

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

8                   “(B) as of the date on which the  
9                   requisitioned advance is to be made, the Au-  
10                  thority has not approved a financial plan and  
11                  budget for the District government as meeting  
12                  the requirements of the District of Columbia  
13                  Financial Responsibility and Management As-  
14                  sistance Act of 1995;

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

18                  “(D) the District government has delivered  
19                  to the Secretary—

20                          “(i) a schedule setting forth the an-  
21                          ticipated timing and amounts of req-  
22                          uisitions for advances under this sub-  
23                          section; and

24                          “(ii) evidence demonstrating to the  
25                          satisfaction of the Secretary that the Dis-

1           trict government is effectively unable to ob-  
2           tain credit in the public credit markets or  
3           elsewhere in sufficient amounts and on suf-  
4           ficiently reasonable terms to meet the Dis-  
5           trict government’s financing needs;

6           “(E) the Secretary determines that there is  
7           reasonable assurance of reimbursement for the  
8           advance from the amount authorized to be ap-  
9           propriated as the annual Federal payment to  
10          the District of Columbia under title V of the  
11          District of Columbia Self-Government and Gov-  
12          ernmental Reorganization Act for the fiscal  
13          year ending September 30, 1996; and

14          “(F) except during the 45-day period be-  
15          ginning on the date of the appointment of the  
16          members of the Authority, the Authority makes  
17          the findings described in section 204(a)(4)(B)  
18          of the District of Columbia Financial Respon-  
19          sibility and Management Assistance Act of  
20          1995.

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

23                 “(A) IN GENERAL.—Except as provided in  
24                 subparagraph (C), if the conditions described in  
25                 subparagraph (B) are satisfied, each advance

1           made under this subsection shall be in the  
2           amount designated by the Mayor in the Mayor’s  
3           requisition for such advance (subject to the ap-  
4           proval of the Authority), except that—

5                   “(i) the total amount requisitioned  
6                   under this subsection during the 30-day  
7                   period which begins on the date of the first  
8                   requisition made under this subsection may  
9                   not exceed  $33\frac{1}{3}$  percent of the fiscal year  
10                  1995 limit;

11                   “(ii) the total amount requisitioned  
12                   under this subsection during the 60-day  
13                   period which begins on the date of the first  
14                   requisition made under this subsection may  
15                   not exceed  $66\frac{2}{3}$  percent of the fiscal year  
16                   1995 limit; and

17                   “(iii) the total amount requisitioned  
18                   under this subsection after the expiration  
19                   of 90-day period which begins on the date  
20                   of the first requisition made under this  
21                   subsection may not exceed 100 percent of  
22                   the fiscal year 1995 limit.

23                   “(B) CONDITIONS APPLICABLE TO DES-  
24                   IGNATED AMOUNT.—Subparagraph (A) applies  
25                   if the Mayor determines that the amount des-

1           ignated in the Mayor's requisition for such ad-  
2           vance is needed to accomplish the purpose de-  
3           scribed in paragraph (1).

4           “(C) AGGREGATE MAXIMUM AMOUNT OUT-  
5           STANDING.—The sum of the anticipated prin-  
6           cipal and interest requirements of all advances  
7           made under this subsection may not be greater  
8           than the fiscal year 1995 limit.

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

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

20                 “(A) IN GENERAL.—Except as provided in  
21                 subparagraph (B), each advance made under  
22                 this subsection shall mature on the date des-  
23                 ignated by the Mayor in the Mayor's requisition  
24                 for such advance.

1           “(B) LATEST PERMISSIBLE MATURITY  
2           DATE.—Notwithstanding subparagraph (A), the  
3           maturity date for any advance made under this  
4           subsection shall not be later than October 1,  
5           1995.

6           “(5) INTEREST RATE.—Each advance made  
7           under this subsection shall bear interest at an an-  
8           nual rate equal to the rate determined by the Sec-  
9           retary at the time that the Secretary makes such ad-  
10          vance taking into consideration the prevailing yield  
11          on outstanding marketable obligations of the United  
12          States with remaining periods to maturity com-  
13          parable to the maturity of such advance, plus  $\frac{1}{8}$  of  
14          1 percent.

15          “(6) DEPOSIT OF ADVANCES.—

16                 “(A) IN GENERAL.—Except as provided in  
17                 subparagraph (B), each advance made under  
18                 this subsection for the account of the District  
19                 government shall be deposited by the Secretary  
20                 into such account as is designated by the Mayor  
21                 in the Mayor’s requisition for such advance.

22                 “(B) EXCEPTION.—Notwithstanding sub-  
23                 paragraph (A), if (in accordance with section  
24                 204(b)(2) of the District of Columbia Financial  
25                 Responsibility and Management Assistance Act

1 of 1995) the Authority delivers a letter request-  
2 ing the Secretary to deposit all advances made  
3 under this subsection for the account of the  
4 District government in an escrow account held  
5 by the Authority, each advance made under this  
6 subsection for the account of the District gov-  
7 ernment after the date of such letter shall be  
8 deposited by the Secretary into the escrow ac-  
9 count specified by the Authority in such letter.

10 “(b) TRANSITIONAL SHORT-TERM ADVANCES MADE  
11 ON OR AFTER OCTOBER 1, 1995 AND BEFORE FEBRUARY  
12 1, 1996.—

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

19 “(2) TERMS AND CONDITIONS.—

20 “(A) IN GENERAL.—Except as provided in  
21 subparagraph (B), paragraphs (2), (4), and (5)  
22 of subsection (a) (other than subparagraph (F)  
23 of paragraph (2)) shall apply to any advance  
24 made under this subsection.

25 “(B) EXCEPTIONS.—

1           “(i) NEW CONDITIONS PRECEDENT TO  
2 MAKING ADVANCES.—The conditions de-  
3 scribed in subsection (a)(2) shall apply  
4 with respect to making advances on or  
5 after October 1, 1995, in the same manner  
6 as such conditions apply with respect to  
7 making advances before October 1, 1995,  
8 except that—

9                   “(I) subparagraph (C) (relating  
10 to the last day on which advances may  
11 be made) shall be applied as if the  
12 reference to ‘October 1, 1995’ were a  
13 reference to ‘February 1, 1996’;

14                   “(II) subparagraph (E) (relating  
15 to the Secretary’s determination of  
16 reasonable assurance of reimburse-  
17 ment from the annual Federal pay-  
18 ment appropriated to the District gov-  
19 ernment) shall be applied as if the ref-  
20 erence to ‘September 30, 1996’ were a  
21 reference to ‘September 30, 1997’;

22                   “(III) the Secretary may not  
23 make an advance under this sub-  
24 section unless all advances made  
25 under subsection (a) are fully reim-

1           bursed by withholding from the an-  
2           nual Federal payment appropriated to  
3           the District for the fiscal year ending  
4           September 30, 1996, under title V of  
5           the District of Columbia Self-Govern-  
6           ment and Governmental Reorganiza-  
7           tion Act, and applying toward reim-  
8           bursement for such advances an  
9           amount equal to the amount needed  
10          to fully reimburse the Treasury for  
11          such advances; and

12                   “(IV) the Secretary may not  
13                   make an advance under this sub-  
14                   section unless the Authority has pro-  
15                   vided the Secretary with the prior cer-  
16                   tification described in section  
17                   204(a)(1) of the District of Columbia  
18                   Financial Responsibility and Manage-  
19                   ment Assistance Act of 1995.

20                   “(ii) NEW LATEST PERMISSIBLE MA-  
21                   TURITY DATE.—The provisions of sub-  
22                   section (a)(4) shall apply with respect to  
23                   the maturity of advances made after Octo-  
24                   ber 1, 1995, in the same manner as such  
25                   provisions apply with respect to the matu-

1 rity of advances made before October 1,  
2 1995, except that subparagraph (B) of  
3 such subsection (relating to the latest per-  
4 missible maturity date) shall apply as if  
5 the reference to ‘October 1, 1995’ were a  
6 reference to ‘October 1, 1996’.

7 “(iii) AGGREGATE MAXIMUM AMOUNT  
8 OUTSTANDING.—The sum of the antici-  
9 pated principal and interest requirements  
10 of all advances made under this subsection  
11 may not be greater than the fiscal year  
12 1996 limit.

13 “(C) NEW MAXIMUM AMOUNT OUTSTAND-  
14 ING.—

15 “(i) IN GENERAL.—Except as pro-  
16 vided in clause (iii), if the conditions de-  
17 scribed in clause (ii) are satisfied, each ad-  
18 vance made under this subsection shall be  
19 in the amount designated by the Mayor in  
20 the Mayor’s requisition for such advance  
21 (subject to the approval of the Authority).

22 “(ii) CONDITIONS APPLICABLE TO  
23 DESIGNATED AMOUNT.— Clause (i) applies  
24 if the Mayor determines that the amount  
25 designated in the Mayor’s requisition for

1           such advance is needed to accomplish the  
2           purpose described in paragraph (1).

3           “(iii) AGGREGATE MAXIMUM AMOUNT  
4           OUTSTANDING.—The sum of the antici-  
5           pated principal and interest requirements  
6           of all advances made under this paragraph  
7           may not be greater than 60 percent of the  
8           fiscal year 1996 limit.

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

16          “(E) FISCAL YEAR 1996 LIMIT DE-  
17          SCRIBED.—In this paragraph, the ‘fiscal year  
18          1996 limit’ means the amount authorized to be  
19          appropriated to the District of Columbia as the  
20          annual Federal payment to the District of Co-  
21          lumbia under title V of the District of Columbia  
22          Self-Government and Governmental Reorga-  
23          nization Act for the fiscal year ending Septem-  
24          ber 30, 1996.

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

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), subsection (b)(2) shall apply  
13 to any advance made under this subsection.

14           “(B) EXCEPTIONS.—The conditions appli-  
15 cable under subsection (b)(2) shall apply with  
16 respect to making advances on or after Feb-  
17 ruary 1, 1996, and before October 1, 1996, in  
18 the same manner as such conditions apply to  
19 making advances under such subsection, except  
20 that—

21           “(i) in applying subparagraph (C) of  
22 subsection (a)(2) (as described in sub-  
23 section (b)(2)(B)(i)(I)), the reference to  
24 ‘October 1, 1995’ shall be deemed to be a  
25 reference to ‘September 30, 1996’;

1           “(ii) subparagraph (C)(iii) of sub-  
2           section (b)(2) shall apply as if the ref-  
3           erence to ‘60 percent’ were a reference to  
4           ‘40 percent’; and

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

9   **“SEC. 602. SHORT-TERM ADVANCES FOR SEASONAL CASH-**  
10           **FLOW MANAGEMENT.**

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

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

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

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

1           “(3) the Authority certifies to the Secretary  
2 that—

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

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

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

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

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

22           “(4) the Authority certifies to the Secretary, at  
23 the time of the Mayor’s requisition for an advance,  
24 the District government is effectively unable to ob-  
25 tain credit in the public credit markets or elsewhere

1 in sufficient amounts and on sufficiently reasonable  
2 terms to meet the District government’s financing  
3 needs;

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

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

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

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

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

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

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

12           “(B) the Authority—

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

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

21           “(3) MAXIMUM AMOUNT OUTSTANDING.—Not-  
22 withstanding paragraph (1), the unpaid principal  
23 balance of all advances made under this section in  
24 any fiscal year of the District government shall not  
25 at any time be greater than 150 percent of the

1 amount authorized under title V of the District of  
2 Columbia Self-Government and Governmental Reor-  
3 ganization Act for appropriation as the Federal pay-  
4 ment to the District government for the fiscal year  
5 following the fiscal year in which the advance is  
6 made.

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

8 “(1) IN GENERAL.—Except as provided in para-  
9 graph (3), if the condition in paragraph (2) is satis-  
10 fied, each advance made under this section shall ma-  
11 ture on the date designated by the Mayor in the  
12 Mayor’s requisition for such advance.

13 “(2) CONDITION APPLICABLE TO DESIGNATED  
14 MATURITY.—Paragraph (1) applies if the Authority  
15 determines that the reimbursement obligation of the  
16 District government for an advance made under this  
17 section having the maturity date designated in the  
18 Mayor’s requisition is consistent with the financial  
19 plan for the year.

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

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

9       “(f) 10 BUSINESS-DAY ZERO BALANCE REQUIRE-  
10 MENT.—After the expiration of the 12-month period be-  
11 ginning on the date on which the first advance is made  
12 under this section, the Secretary shall not make any new  
13 advance under this section unless the District government  
14 has—

15               “(1) reduced to zero at the same time the prin-  
16 cipal balance of all advances made under this section  
17 at least once during the previous 12-month period;  
18 and

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

22       “(g) DEPOSIT OF ADVANCES.—As provided in section  
23 204(b) of the District of Columbia Financial Responsibil-  
24 ity and Management Assistance Act of 1995, advances  
25 made under this section for the account of the District

1 government shall be deposited by the Secretary into an  
2 escrow account held by the Authority.

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

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

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

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

15 “(2) establish a debt service reserve fund  
16 pledged to the Secretary.

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

18 “(a) REIMBURSEMENT AMOUNT.—

19 “(1) IN GENERAL.—Except as provided in para-  
20 graph (2), on any date on which a reimbursement  
21 payment is due to the Treasury under the terms of  
22 any advance made under this title, the District shall  
23 pay to the Treasury the amount of such reimburse-  
24 ment payment out of taxes and revenue collected for  
25 the support of the District government.

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

3                   “(A) ADVANCES MADE BEFORE OCTOBER  
4                   1, 1995.—

5                           “(i) FINANCIAL PLAN AND BUDGET  
6                           APPROVED.—If the Authority approves a  
7                           financial plan for the District government  
8                           before October 1, 1995, the District gov-  
9                           ernment may use the proceeds of any ad-  
10                          vance made under section 602 to discharge  
11                          its obligation to reimburse the Treasury  
12                          for any advance made under section  
13                          601(a).

14                           “(ii) FINANCIAL PLAN AND BUDGET  
15                           NOT APPROVED.—If the Authority has not  
16                           approved a financial plan and budget for  
17                           the District government by October 1,  
18                           1995, the annual Federal payment appro-  
19                           priated to the District government for the  
20                           fiscal year ending September 30, 1996,  
21                           shall be withheld and applied to discharge  
22                           the District government’s obligation to re-  
23                           imburse the Treasury for any advance  
24                           made under section 601(a).

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

3                   “(i) FINANCIAL PLAN AND BUDGET  
4                   APPROVED.—If the Authority approves a  
5                   financial plan and budget for the District  
6                   government during fiscal year 1996, the  
7                   District may use the proceeds of any ad-  
8                   vance made under section 602 to discharge  
9                   its obligation to reimburse the Treasury  
10                  for any advance made under section  
11                  601(b).

12                  “(ii) FINANCIAL PLAN AND BUDGET  
13                  NOT APPROVED.—If the Authority has not  
14                  approved a financial plan and budget for  
15                  the District government by October 1,  
16                  1996, the annual Federal payment appro-  
17                  priated to the District government for the  
18                  fiscal year ending September 30, 1997,  
19                  shall be withheld and applied to discharge  
20                  the District government’s obligation to re-  
21                  imburse the Treasury for any advance  
22                  made under section 601(b).

23                  “(b) REMEDIES FOR FAILURE TO REIMBURSE.—If,  
24                  on any date on which a reimbursement payment is due  
25                  to the Treasury under the terms of any advance made

1 under this title, the District government does not make  
2 such reimbursement payment, the Secretary shall take the  
3 actions listed in this subsection.

4           “(1) WITHHOLD ANNUAL FEDERAL PAY-  
5           MENT.—Notwithstanding any other law, before turn-  
6           ing over to the Authority (on behalf of the District  
7           government under section 205 of the District of Co-  
8           lumbia Financial Responsibility and Management  
9           Assistance Act of 1995) any annual Federal pay-  
10          ment appropriated to the District government for  
11          any fiscal year under title V of the District of Co-  
12          lumbia Self-Government and Governmental Reorga-  
13          nization Act, the Secretary shall withhold from such  
14          annual Federal payment, and apply toward reim-  
15          bursement for the payment not made, an amount  
16          equal to the amount needed to fully reimburse the  
17          Treasury for the payment not made.

18           “(2) WITHHOLD OTHER FEDERAL PAY-  
19          MENTS.—If, after the Secretary takes the action de-  
20          scribed in paragraph (1), the Treasury is not fully  
21          reimbursed, the Secretary shall withhold from each  
22          grant, entitlement, loan, or other payment to the  
23          District government by the Federal Government not  
24          dedicated to making entitlement or benefit payments  
25          to individuals, and apply toward reimbursement for

1 the payment not made, an amount that, when added  
2 to the amount withheld from each other such grant,  
3 entitlement, loan, or other payment, will be equal to  
4 the amount needed to fully reimburse the Treasury  
5 for the payment not made.

6 “(3) ATTACH AVAILABLE DISTRICT REVE-  
7 NUES.—If, after the Secretary takes the actions de-  
8 scribed in paragraphs (1) and (2), the Treasury is  
9 not fully reimbursed, the Secretary shall attach any  
10 and all revenues of the District government which  
11 the Secretary may lawfully attach, and apply toward  
12 reimbursement for the payment not made, an  
13 amount equal to the amount needed to fully reim-  
14 burse the Treasury for the payment not made.

15 “(4) TAKE OTHER ACTIONS.—If, after the Sec-  
16 retary takes the actions described in paragraphs (1)  
17 through (3), the Treasury is not fully reimbursed,  
18 the Secretary shall take any and all other actions  
19 permitted by law to recover from the District gov-  
20 ernment the amount needed to fully reimburse the  
21 Treasury for the payment not made.

22 **“SEC. 605. DEFINITIONS.**

23 “For purposes of this title—

24 “(1) the term ‘Authority’ means the District of  
25 Columbia Financial Responsibility and Management

1 Assistance Authority established under section  
2 101(a) of the District of Columbia Financial Re-  
3 sponsibility and Management Assistance Act of  
4 1995;

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

7 “(3) the term ‘District government’ has the  
8 meaning given such term under section 305(5) of  
9 such Act;

10 “(4) the term ‘financial plan and budget’ has  
11 the meaning given such term under section 305(6)  
12 of such Act; and

13 “(5) the term ‘Secretary’ means the Secretary  
14 of the Treasury.”.

15 (d) EXPENDITURE OF FUNDS FROM ACCOUNT IN  
16 ACCORDANCE WITH AUTHORITY INSTRUCTIONS.—Any  
17 funds allocated by the Authority to the Mayor from the  
18 escrow account described in subsection (b)(1) may be ex-  
19 pended by the Mayor only in accordance with the terms  
20 and conditions established by the Authority at the time  
21 the funds are allocated.

22 (e) PROHIBITION AGAINST BORROWING WHILE SUIT  
23 PENDING.—The Mayor may not requisition advances from  
24 the Treasury pursuant to title VI of the District of Colum-  
25 bia Revenue Act of 1939 if there is an action filed by the

1 Mayor or the Council which is pending against the Author-  
2 ity challenging the establishment of or any action taken  
3 by the Authority.

4 **SEC. 205. DEPOSIT OF ANNUAL FEDERAL PAYMENT WITH**  
5 **AUTHORITY.**

6 (a) IN GENERAL.—

7 (1) DEPOSIT INTO ESCROW ACCOUNT.—In the  
8 case of a fiscal year which is a control year, the Sec-  
9 retary of the Treasury shall deposit the annual Fed-  
10 eral payment to the District of Columbia for the  
11 year authorized under title V of the District of Co-  
12 lumbia Self-Government and Governmental Reorga-  
13 nization Act into an escrow account held by the Au-  
14 thority, which shall allocate the funds to the Mayor  
15 at such intervals and in accordance with such terms  
16 and conditions as it considers appropriate to imple-  
17 ment the financial plan for the year. In establishing  
18 such terms and conditions, the Authority shall give  
19 priority to using the Federal payment for cash flow  
20 management and the payment of outstanding bills  
21 owed by the District government.

22 (2) EXCEPTION FOR AMOUNTS WITHHELD FOR  
23 ADVANCES.—Paragraph (1) shall not apply with re-  
24 spect to any portion of the Federal payment which  
25 is withheld by the Secretary of the Treasury in ac-

1 cordance with section 604 of title VI of the District  
2 of Columbia Revenue Act of 1939 to reimburse the  
3 Secretary for advances made under title VI of such  
4 Act.

5 (b) EXPENDITURE OF FUNDS FROM ACCOUNT IN AC-  
6 CORDANCE WITH AUTHORITY INSTRUCTIONS.—Any  
7 funds allocated by the Authority to the Mayor from the  
8 escrow account described in paragraph (1) may be ex-  
9 pended by the Mayor only in accordance with the terms  
10 and conditions established by the Authority at the time  
11 the funds are allocated.

12 **SEC. 206. EFFECT OF FINDING OF NON-COMPLIANCE WITH**  
13 **FINANCIAL PLAN AND BUDGET.**

14 (a) SUBMISSION OF REPORTS.—Not later than 30  
15 days after the expiration of each quarter of each fiscal  
16 year (beginning with fiscal year 1996), the Mayor shall  
17 submit reports to the Authority describing the actual reve-  
18 nues obtained and expenditures made by the District gov-  
19 ernment during the quarter with its cash flows during the  
20 quarter, and comparing such actual revenues, expendi-  
21 tures, and cash flows with the most recent projections for  
22 these items.

23 (b) DEMAND FOR ADDITIONAL INFORMATION.—If  
24 the Authority determines, based on reports submitted by  
25 the Mayor under subsection (a), independent audits, or

1 such other information as the Authority may obtain, that  
2 the revenues or expenditures of the District government  
3 during a control year are not consistent with the financial  
4 plan and budget for the year, the Authority shall require  
5 the Mayor to provide such additional information as the  
6 Authority determines to be necessary to explain the incon-  
7 sistency.

8 (c) CERTIFICATION OF VARIANCE.—

9 (1) IN GENERAL.—After requiring the Mayor to  
10 provide additional information under subsection (b),  
11 the Authority shall certify to the Council, the Presi-  
12 dent, the Secretary of the Treasury, and Congress  
13 that the District government is at variance with the  
14 financial plan and budget unless—

15 (A)(i) the additional information provides  
16 an explanation for the inconsistency which the  
17 Authority finds reasonable and appropriate, or

18 (ii) the District government adopts or im-  
19 plements remedial action (including revising the  
20 financial plan and budget pursuant to section  
21 202(e)) to correct the inconsistency which the  
22 Authority finds reasonable and appropriate,  
23 taking into account the terms of the financial  
24 plan and budget; and

1 (B) the Mayor agrees to submit the re-  
2 ports described in subsection (a) on a monthly  
3 basis for such period as the Authority may  
4 require.

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

7 (A) DETERMINATION BY AUTHORITY.—If  
8 the Authority determines that the revenues or  
9 expenditures of the District government during  
10 a control year are not consistent with the finan-  
11 cial plan and budget for the year as approved  
12 by the Authority under section 202 as a result  
13 of the terms and conditions of the budget of the  
14 District government for the year as enacted by  
15 Congress or as a result of any other law en-  
16 acted by Congress which affects the District of  
17 Columbia, the Authority shall so notify the  
18 Mayor.

19 (B) CERTIFICATION.—In the case of an in-  
20 consistency described in subparagraph (A), the  
21 Authority shall certify to the Council, the Presi-  
22 dent, the Secretary of the Treasury, and Con-  
23 gress that the District government is at vari-  
24 ance with the financial plan and budget unless  
25 the District government adopts or implements

1 remedial action (including revising the financial  
2 plan and budget pursuant to section 202(e)) to  
3 correct the inconsistency which the Authority  
4 finds reasonable and appropriate, taking into  
5 account the terms of the financial plan and  
6 budget.

7 (d) EFFECT OF CERTIFICATION.—If the Authority  
8 certifies to the Secretary of the Treasury that a variance  
9 exists—

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

14 (2) the Secretary shall withhold funds otherwise  
15 payable to the District of Columbia under such Fed-  
16 eral programs as the Authority may specify (other  
17 than funds dedicated to making entitlement or bene-  
18 fit payments to individuals), in such amounts and  
19 under such other conditions as the Authority may  
20 specify.

21 **SEC. 207. RECOMMENDATIONS ON FINANCIAL STABILITY**  
22 **AND MANAGEMENT RESPONSIBILITY.**

23 (a) IN GENERAL.—The Authority may at any time  
24 submit recommendations to the Mayor, the Council, the  
25 President, and Congress on actions the District govern-

1 ment or the Federal Government may take to ensure com-  
2 pliance with a financial plan and budget or to otherwise  
3 promote the financial stability, management responsibility,  
4 and service delivery efficiency of the District government,  
5 including recommendations relating to—

6           (1) the management of the District govern-  
7           ment’s financial affairs, including cash forecasting,  
8           information technology, placing controls on expendi-  
9           tures for personnel, reducing benefit costs, reforming  
10          procurement practices, and placing other controls on  
11          expenditures;

12          (2) the relationship between the District gov-  
13          ernment and the Federal Government;

14          (3) the structural relationship of departments,  
15          agencies, and independent agencies within the Dis-  
16          trict government;

17          (4) the modification of existing revenue struc-  
18          tures, or the establishment of additional revenue  
19          structures;

20          (5) the establishment of alternatives for meet-  
21          ing obligations to pay for the pensions of former  
22          District government employees;

23          (6) modifications or transfers of the types of  
24          services which are the responsibility of and are deliv-  
25          ered by the District government;

1           (7) modifications of the types of services which  
2           are delivered by entities other than the District gov-  
3           ernment under alternative service delivery mecha-  
4           nisms (including privatization and commercializa-  
5           tion);

6           (8) the effects of District of Columbia laws and  
7           court orders on the operations of the District gov-  
8           ernment;

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

12          (10) the improvement of personnel training and  
13          proficiency, the adjustment of staffing levels, and  
14          the improvement of training and performance of  
15          management and supervisory personnel.

16          (b) RESPONSE TO RECOMMENDATIONS FOR ACTIONS  
17          WITHIN AUTHORITY OF DISTRICT GOVERNMENT.—

18           (1) IN GENERAL.—In the case of any rec-  
19          ommendations submitted under subsection (a) dur-  
20          ing a control year which are within the authority of  
21          the District government to adopt, not later than 90  
22          days after receiving the recommendations, the Mayor  
23          or the Council (whichever has the authority to adopt  
24          the recommendation) shall submit a statement to the  
25          Authority, the President, and Congress which pro-

1 vides notice as to whether the District government  
2 will adopt the recommendations.

3 (2) IMPLEMENTATION PLAN REQUIRED FOR  
4 ADOPTED RECOMMENDATIONS.—If the Mayor or the  
5 Council (whichever is applicable) notifies the Author-  
6 ity and Congress under paragraph (1) that the Dis-  
7 trict government will adopt any of the recommenda-  
8 tions submitted under subsection (a), the Mayor or  
9 the Council (whichever is applicable) shall include in  
10 the statement a written plan to implement the rec-  
11 ommendation which includes—

12 (A) specific performance measures to de-  
13 termine the extent to which the District govern-  
14 ment has adopted the recommendation; and

15 (B) a schedule for auditing the District  
16 government’s compliance with the plan.

17 (3) EXPLANATIONS REQUIRED FOR REC-  
18 OMMENDATIONS NOT ADOPTED.—If the Mayor or  
19 the Council (whichever is applicable) notifies the Au-  
20 thority, the President, and Congress under para-  
21 graph (1) that the District government will not  
22 adopt any recommendation submitted under sub-  
23 section (a) which the District government has au-  
24 thority to adopt, the Mayor or the Council shall in-

1       clude in the statement explanations for the rejection  
2       of the recommendations.

3       (c) IMPLEMENTATION OF REJECTED RECOMMENDA-  
4       TIONS BY AUTHORITY.—

5           (1) IN GENERAL.—If the Mayor or the Council  
6       (whichever is applicable) notifies the Authority, the  
7       President, and Congress under subsection (b)(1)  
8       that the District government will not adopt any rec-  
9       ommendation submitted under subsection (a) which  
10      the District government has authority to adopt, the  
11      Authority may by a majority vote of its members  
12      take such action concerning the recommendation as  
13      it deems appropriate, after consulting with the Com-  
14      mittee on Government Reform and Oversight of the  
15      House of Representatives and the Committee on  
16      Governmental Affairs of the Senate.

17          (2) EFFECTIVE DATE.—This subsection shall  
18      apply with respect to recommendations of the Au-  
19      thority made after the expiration of the 6-month pe-  
20      riod which begins on the date of the enactment of  
21      this Act.

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

23      (a) ADOPTION OF TRANSITION BUDGET.—In the  
24      case of fiscal year 1996, the following rules shall apply:

1           (1) Not later than 45 days after the appoint-  
2           ment of its members, the Authority shall review the  
3           proposed budget for the District of Columbia for  
4           such fiscal year submitted to Congress under section  
5           446 of the District of Columbia Self-Government  
6           and Governmental Reorganization Act (taking into  
7           account any items or provisions disapproved by the  
8           Mayor or disapproved by the Mayor and reenacted  
9           by the Council under section 404(f) of the District  
10          of Columbia Self-Government and Governmental Re-  
11          organization Act, as amended by section 202(f)(3))  
12          and the multiyear plan for the District of Columbia  
13          prepared pursuant to section 443 of the District of  
14          Columbia Self-Government and Governmental Reor-  
15          ganization Act, and shall submit any recommenda-  
16          tions for modifications to such financial plan and  
17          budget to promote the financial stability of the Dis-  
18          trict government to the Mayor, the Council, the  
19          President, and Congress.

20          (2) Not later than 15 days after receiving the  
21          recommendations of the Authority submitted under  
22          paragraph (1), the Council (in consultation with the  
23          Mayor) shall promptly adopt a revised budget for  
24          the fiscal year (in this section referred to as the  
25          “transition budget”), and shall submit the transition

1 budget to the Authority, the President, and Con-  
2 gress.

3 (3) Not later than 15 days after receiving the  
4 transition budget from the Council under paragraph  
5 (2), the Authority shall submit a report to the  
6 Mayor, the Council, the President, and Congress  
7 analyzing the budget (taking into account any items  
8 or provisions disapproved by the Mayor or dis-  
9 approved by the Mayor and reenacted by the Council  
10 under section 404(f) of the District of Columbia  
11 Self-Government and Governmental Reorganization  
12 Act, as amended by section 202(f)(3)), and shall in-  
13 clude in the report such recommendations for revi-  
14 sions to the transition budget as the Authority con-  
15 siders appropriate to promote the financial stability  
16 of the District government during the fiscal year.

17 (b) FINANCIAL PLAN AND BUDGET.—

18 (1) DEADLINE FOR SUBMISSION.—For purposes  
19 of section 202, the Mayor shall submit the financial  
20 plan and budget for fiscal year 1996 as soon as  
21 practicable after the date of the enactment of this  
22 Act (in accordance with guidelines established by the  
23 Authority).

24 (2) ADOPTION BY COUNCIL.—In accordance  
25 with the procedures applicable under section 202

1 (including procedures providing for review by the  
2 Authority)—

3 (A) the Council shall adopt the financial  
4 plan and budget for the fiscal year (including  
5 the supplemental budget incorporated in the fi-  
6 nancial plan and budget) prior to the submis-  
7 sion by the Mayor of the financial plan and  
8 budget for fiscal year 1997 under section  
9 202(a); and

10 (B) the financial plan and budget adopted  
11 by the Council (and, in the case of a financial  
12 plan and budget disapproved by the Authority,  
13 together with the financial plan and budget ap-  
14 proved and recommended by the Authority)  
15 shall be submitted to Congress (in accordance  
16 with the procedures applicable under such sec-  
17 tion) as a supplemental budget request for fis-  
18 cal year 1996 (in accordance with section 446  
19 of the District of Columbia Self-Government  
20 and Governmental Reorganization Act).

21 (3) TRANSITION BUDGET AS TEMPORARY FI-  
22 NANCIAL PLAN AND BUDGET.—Until the approval of  
23 the financial plan and budget for fiscal year 1996 by  
24 the Authority under this subsection, the transition  
25 budget established under subsection (a) (as enacted

1 by Congress) shall serve as the financial plan and  
2 budget adopted under this subtitle for purposes of  
3 this Act (and any provision of law amended by this  
4 Act) for fiscal year 1996.

5 (c) RESTRICTIONS ON ADVANCES FROM TREAS-  
6 URY.—

7 (1) MONTHLY DETERMINATION OF PROGRESS  
8 TOWARD FINANCIAL PLAN AND BUDGET.—During  
9 each month of fiscal year 1996 prior to the adoption  
10 of the financial plan and budget, the Authority shall  
11 determine whether the District government is mak-  
12 ing appropriate progress in preparing and adopting  
13 a financial plan and budget for the fiscal year under  
14 this subtitle.

15 (2) CERTIFICATION.—The Authority shall pro-  
16 vide the President and Congress with a certification  
17 if the Authority finds that the District government  
18 is not making appropriate progress in developing the  
19 financial plan and budget for a month, and shall no-  
20 tify the President and Congress that the certification  
21 should be canceled if the Authority finds that the  
22 District government is making such progress after  
23 the certification is provided.

24 (3) PROHIBITION AGAINST ALLOCATION OF AD-  
25 VANCES IF CERTIFICATION IN EFFECT.—At any

1 time during which a certification under paragraph  
2 (2) is in effect, Authority may not allocate any funds  
3 obtained through advances to the Mayor under title  
4 VI of the District of Columbia Revenue Act of 1939  
5 from the escrow account in which the funds are held.

6 **SEC. 209. CONTROL PERIODS DESCRIBED.**

7 (a) INITIATION.—For purposes of this Act, a “control  
8 period” is initiated upon the occurrence of any of the fol-  
9 lowing events (as determined by the Authority based upon  
10 information obtained through the Mayor, the Inspector  
11 General of the District of Columbia, or such other sources  
12 as the Authority considers appropriate):

13 (1) The requisitioning by the Mayor of ad-  
14 vances from the Treasury of the United States for  
15 the support of the District government under title  
16 VI of the District of Columbia Revenue Act of 1939  
17 (sec. 47–3401, D.C. Code), or the existence of any  
18 unreimbursed amounts obtained pursuant to such  
19 authority.

20 (2) The failure of the District government to  
21 provide sufficient revenue to a debt service reserve  
22 fund of the Authority under subtitle B of title II.

23 (3) The default by the District government with  
24 respect to any loans, bonds, notes, or other form of  
25 borrowing.

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

3           (5) The existence of a cash deficit of the Dis-  
4 trict government at the end of any quarter of the  
5 fiscal year in excess of the difference between the es-  
6 timated revenues of the District government and the  
7 estimated expenditures of the District government  
8 (including repayments of temporary borrowings)  
9 during the remainder of the fiscal year or the re-  
10 mainder of the fiscal year together with the first 6  
11 months of the succeeding fiscal year (as determined  
12 by the Authority in consultation with the Chief Fi-  
13 nancial Officer of the District of Columbia).

14           (6) The failure of the District government to  
15 make required payments relating to pensions and  
16 benefits for current and former employees of the  
17 District government.

18           (7) The failure of the District government to  
19 make required payments to any entity established  
20 under an interstate compact to which the District of  
21 Columbia is a signatory.

22 (b) TERMINATION.—

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

1 (A) the District government has adequate  
2 access to both short-term and long-term credit  
3 markets at reasonable interest rates to meet its  
4 borrowing needs; and

5 (B) for 4 consecutive fiscal years (occur-  
6 ring after the date of the enactment of this Act)  
7 the expenditures made by the District govern-  
8 ment during each of the years did not exceed  
9 the revenues of the District government during  
10 such years (as determined in accordance with  
11 generally accepted accounting principles, as  
12 contained in the comprehensive annual financial  
13 report for the District of Columbia under sec-  
14 tion 448(a)(4) of the District of Columbia Self-  
15 Government and Governmental Reorganization  
16 Act).

17 (2) CONSULTATION WITH INSPECTOR GEN-  
18 ERAL.—In making the determination under this sub-  
19 section, the Authority shall consult with the Inspec-  
20 tor General of the District of Columbia.

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

1       **Subtitle B—Issuance of Bonds**

2       **SEC. 211. AUTHORITY TO ISSUE BONDS.**

3       (a) IN GENERAL.—

4           (1) REQUEST OF MAYOR.—Subject to the re-  
5       requirements of this subtitle, the Authority may at the  
6       request of the Mayor pursuant to an act of the  
7       Council issue bonds, notes, or other obligations to  
8       borrow funds to obtain funds for the use of the Dis-  
9       trict government, in such amounts and in such man-  
10      ner as the Authority considers appropriate.

11          (2) SPECIAL RULE FOR INSTRUMENTALITIES  
12      WITH INDEPENDENT BORROWING AUTHORITY.—In  
13      the case of an agency or instrumentality of the Dis-  
14      trict government which under law has the authority  
15      to issue bonds, notes, or obligations to borrow funds  
16      without the enactment of an act of the Council, the  
17      Authority may issue bonds, notes, or other obliga-  
18      tions to borrow funds for the use or functions of  
19      such agency or instrumentality at the request of the  
20      head of the agency or instrumentality.

21          (b) DEPOSIT OF FUNDS OBTAINED THROUGH BOR-  
22      ROWING WITH AUTHORITY.—Any funds obtained by the  
23      District government through borrowing by the Authority  
24      pursuant to this subtitle shall be deposited into an escrow  
25      account held by the Authority, which shall allocate such

1 funds to the District government in such amounts and at  
2 such times as the Authority considers appropriate, consist-  
3 ent with the specified purposes of such funds and the ap-  
4 plicable financial plan and budget under subtitle A.

5 (c) USES OF FUNDS OBTAINED THROUGH BONDS.—  
6 Any funds obtained through the issuance of bonds, notes,  
7 or other obligations pursuant to this subtitle may be used  
8 for any purpose (consistent with the applicable financial  
9 plan and budget) under subtitle A for which the District  
10 government may use borrowed funds under the District  
11 of Columbia Self-Government and Governmental Reorga-  
12 nization Act and for any other purpose which the Author-  
13 ity considers appropriate.

14 **SEC. 212. PLEDGE OF SECURITY INTEREST IN REVENUES**  
15 **OF DISTRICT GOVERNMENT.**

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

20 (b) DEDICATION OF REVENUE STREAM FROM DIS-  
21 TRICT GOVERNMENT.—The Authority shall require the  
22 Mayor—

23 (1) to pledge or direct taxes or other revenues  
24 otherwise payable to the District government (which  
25 are not otherwise pledged or committed), including

1 payments from the Federal Government, to the Au-  
2 thority for purposes of securing repayment of bonds,  
3 notes, or other obligations issued pursuant to this  
4 subtitle; and

5 (2) to transfer the proceeds of any tax levied  
6 for purposes of securing such bonds, notes, or other  
7 obligations to the Authority immediately upon collec-  
8 tion.

9 **SEC. 213. ESTABLISHMENT OF DEBT SERVICE RESERVE**  
10 **FUND.**

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

15 (b) REQUIREMENTS FOR FUND.—

16 (1) FUND DESCRIBED.—A debt service reserve  
17 fund established by the Authority pursuant to this  
18 subsection shall consist of such funds as the Author-  
19 ity may make available, and shall be a trust fund  
20 held for the benefit and security of the obligees of  
21 the Authority whose bonds, notes, or other obliga-  
22 tions are secured by such fund.

23 (2) USES OF FUNDS.—Amounts in a debt serv-  
24 ice reserve fund may be used solely for the payment  
25 of the principal of bonds secured in whole or in part

1 by such fund, the purchase or redemption of such  
2 bonds, the payment of interest on such bonds, or the  
3 payment of any redemption premium required to be  
4 paid when such bonds and notes are redeemed prior  
5 to maturity.

6 (3) RESTRICTIONS ON WITHDRAWALS.—

7 (A) IN GENERAL.—Amounts in a debt  
8 service reserve fund may not be withdrawn from  
9 the fund at any time in an amount that would  
10 reduce the amount of the fund to less than the  
11 minimum reserve fund requirement established  
12 for such fund in the resolution of the Authority  
13 creating such fund, except for withdrawals for  
14 the purpose of making payments when due of  
15 principal, interest, redemption premiums and  
16 sinking fund payments, if any, with respect to  
17 such bonds for the payment of which other  
18 moneys of the Authority are not available, and  
19 for the purpose of funding the operations of the  
20 Authority for a fiscal year (in such amounts  
21 and under such conditions as are established  
22 under the budget of the Authority for the fiscal  
23 year under section 106(a)).

24 (B) USE OF EXCESS FUNDS.—Nothing in  
25 subparagraph (A) may be construed to prohibit

1 the Authority from transferring any income or  
2 interest earned by, or increments to, any debt  
3 service reserve fund due to the investment  
4 thereof to other funds or accounts of the Au-  
5 thority (to the extent such transfer does not re-  
6 duce the amount of the debt service reserve  
7 fund below the minimum reserve fund require-  
8 ment established for such fund) for such pur-  
9 poses as the Authority considers appropriate to  
10 promote the financial stability and management  
11 efficiency of the District government.

12 **SEC. 214. OTHER REQUIREMENTS FOR ISSUANCE OF**  
13 **BONDS.**

14 (a) **MINIMUM DEBT SERVICE RESERVE FUND RE-**  
15 **QUIREMENT.**—The Authority may not at any time issue  
16 bonds, notes, or other obligations pursuant to this subtitle  
17 which are secured in whole or in part by a debt service  
18 reserve fund under section 213 if issuance of such bonds  
19 would cause the amount in the debt reserve fund to fall  
20 below the minimum reserve requirement for such fund, un-  
21 less the Authority at the time of issuance of such bonds  
22 shall deposit in the fund an amount (from the proceeds  
23 of the bonds to be issued or from other sources) which  
24 when added to the amount already in such fund will cause  
25 the total amount on deposit in such fund to equal or ex-

1 ceed the minimum reserve fund requirement established  
2 by the Authority at the time of the establishment of the  
3 fund.

4 (b) AMOUNTS INCLUDED IN AGGREGATE LIMIT ON  
5 DISTRICT BORROWING.—Any amounts provided to the  
6 District government through the issuance of bonds, notes,  
7 or other obligations to borrow funds pursuant to this sub-  
8 title shall be taken into account in determining whether  
9 the amount of funds borrowed by the District of Columbia  
10 during a fiscal year exceeds the limitation on such amount  
11 provided under section 603(b) of the District of Columbia  
12 Self-Government and Governmental Reorganization Act.

13 **SEC. 215. NO FULL FAITH AND CREDIT OF THE UNITED**  
14 **STATES.**

15 The full faith and credit of the United States is not  
16 pledged for the payment of any principal of or interest  
17 on any bond, note, or other obligation issued by the Au-  
18 thority pursuant to this subtitle. The United States is not  
19 responsible or liable for the payment of any principal of  
20 or interest on any bond, note, or other obligation issued  
21 by the Authority pursuant to this subtitle.

1                   **Subtitle C—Other Duties of**  
2                   **Authority**

3   **SEC. 221. DUTIES OF AUTHORITY DURING YEAR OTHER**  
4                   **THAN CONTROL YEAR.**

5           (a) IN GENERAL.—During the period beginning upon  
6 the termination of a control period pursuant to section  
7 209(b) and ending with the suspension of its activities  
8 pursuant to section 107(a), the Authority shall conduct  
9 the following activities:

10           (1) The Authority shall review the budgets of  
11 the District government adopted by the Council  
12 under section 446 of the District of Columbia Self-  
13 Government and Governmental Reorganization Act  
14 for each fiscal year occurring during such period.

15           (2) At such time prior to the enactment of such  
16 budget by Congress as the Authority considers ap-  
17 propriate, the Authority shall prepare a report ana-  
18 lyzing the budget and submit the report to the  
19 Mayor, the Council, the President, and Congress.

20           (3) The Authority shall monitor the financial  
21 status of the District government and shall submit  
22 reports to the Mayor, the Council, the President,  
23 and Congress if the Authority determines that a risk  
24 exists that a control period may be initiated pursu-  
25 ant to section 209(a).



1 and effectiveness of personnel of the District govern-  
2 ment, and the efficiency of management and super-  
3 vision; and

4 (3) making recommendations to the President  
5 for transmission to Congress on changes to this Act  
6 or other Federal laws, or other actions of the Fed-  
7 eral Government, which would assist the District  
8 government in complying with an approved financial  
9 plan and budget under subtitle A.

10 **SEC. 223. OBTAINING REPORTS.**

11 The Authority may require the Mayor, the Chair of  
12 the Council, the Chief Financial Officer of the District of  
13 Columbia, and the Inspector General of the District of Co-  
14 lumbia, to prepare and submit such reports as the Author-  
15 ity considers appropriate to assist it in carrying out its  
16 responsibilities under this Act, including submitting copies  
17 of any reports regarding revenues, expenditures, budgets,  
18 costs, plans, operations, estimates, and other financial or  
19 budgetary matters of the District government.

20 **SEC. 224. REPORTS AND COMMENTS.**

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

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

4           (2) the assistance provided by the Authority to  
5           the District government in meeting the purposes of  
6           this Act for the fiscal year; and

7           (3) any other activities of the Authority during  
8           the fiscal year.

9           (b) REVIEW AND ANALYSIS OF PERFORMANCE AND  
10          FINANCIAL ACCOUNTABILITY REPORTS.—

11           (1) IN GENERAL.—The Authority shall review  
12           each report prepared and submitted by the Mayor  
13           under section 456 of the District of Columbia Self-  
14           Government and Governmental Reorganization Act  
15           (as added by section 3(a) of the Federal Payment  
16           Reauthorization Act of 1994), and shall submit a re-  
17           port to Congress analyzing the completeness and ac-  
18           curacy of such reports.

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

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

13       (c) COMMENTS REGARDING ACTIVITIES OF DISTRICT  
14 GOVERNMENT.—At any time during a control year, the  
15 Authority may submit a report to Congress describing any  
16 action taken by the District government (or any failure  
17 to act by the District government) which the Authority  
18 determines will adversely affect the District government’s  
19 ability to comply with an approved financial plan and  
20 budget under subtitle A or will otherwise have a signifi-  
21 cant adverse impact on the best interests of the District  
22 of Columbia.

23       (d) REPORTS ON EFFECT OF FEDERAL LAWS ON  
24 DISTRICT GOVERNMENT.—At any time during any year,  
25 the Authority may submit a report to the Mayor, the

1 Council, the President, and Congress on the effect of laws  
2 enacted by Congress on the financial stability and man-  
3 agement efficiency on the financial plan and budget for  
4 the year and on the District government in general.

5 (e) MAKING REPORTS PUBLICLY AVAILABLE.—The  
6 Authority shall make any report submitted under this sec-  
7 tion available to the public, except to the extent that the  
8 Authority determines that the report contains confidential  
9 material.

## 10 **TITLE III—MISCELLANEOUS** 11 **PROVISIONS**

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

13 (a) INCLUSION OF ALL FUNDS OF DISTRICT IN  
14 BUDGET OF DISTRICT GOVERNMENT.—

15 (1) IN GENERAL.—Section 103 of such Act  
16 (sec. 1-202, D.C. Code) is amended—

17 (A) by amending paragraph (10) to read  
18 as follows:

19 “(10) The term ‘District revenues’ means all  
20 funds derived from taxes, fees, charges, miscellane-  
21 ous receipts, the annual Federal payment to the Dis-  
22 trict authorized under title V, grants and other  
23 forms of financial assistance, or the sale of bonds,  
24 notes, or other obligations, and any funds adminis-

1       tered by the District government under cost sharing  
2       arrangements.”;

3               (B) by amending paragraph (14) to read  
4       as follows:

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

8               (C) by amending paragraph (15) to read  
9       as follows:

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

16              (2) EFFECTIVE DATE.—The amendments made  
17       by paragraph (1) shall apply with respect to reve-  
18       nues, resources, and budgets of the District of Co-  
19       lumbia for fiscal years beginning with fiscal year  
20       1996.

21       (b) RESTRICTIONS ON REPROGRAMMING OF  
22       FUNDS.—

23              (1) IN GENERAL.—Section 446 of such Act  
24       (sec. 47–304, D.C. Code) is amended by adding at  
25       the end the following: “After the adoption of the an-

1       nual budget for a fiscal year (beginning with the an-  
2       nual budget for fiscal year 1995), no reprogramming  
3       of amounts in the budget may occur unless the  
4       Mayor submits to the Council a request for such  
5       reprogramming and the Council approves the re-  
6       quest, but only if any additional expenditures pro-  
7       vided under such request for an activity are offset  
8       by reductions in expenditures for another activity.”.

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

12       (c) PERMITTING COUNCIL TO REQUEST BUDGET AD-  
13       JUSTMENTS FROM MAYOR.—Section 442 of the District  
14       of Columbia Self-Government and Governmental Reorga-  
15       nization Act (sec. 47–301, D.C. Code), as amended by sec-  
16       tion 202(f), is amended by adding at the end the following  
17       new subsection:

18       “(e) The Mayor shall prepare and submit to the  
19       Council a proposed supplemental or deficiency budget rec-  
20       ommendation under subsection (c) if the Council by reso-  
21       lution requests the Mayor to submit such a recommenda-  
22       tion.”.

23       (d) REQUIRING BUDGETARY IMPACT STATEMENTS  
24       TO ACCOMPANY ACTS OF COUNCIL.—

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

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

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

15          (e) EXTENSION OF AUTHORIZATION OF ANNUAL  
16          FEDERAL PAYMENT.—Section 503(c) of the District of  
17          Columbia Self-Government and Governmental Reorganiza-  
18          tion Act (sec. 47-3406.1(c), D.C. Code), as added by sec-  
19          tion 2 of the Federal Payment Reauthorization Act of  
20          1994, is amended by striking “fiscal year 1996” and in-  
21          serting “each of the fiscal years 1996, 1997, 1998, and  
22          1999”.

1 **SEC. 302. ESTABLISHMENT OF CHIEF FINANCIAL OFFICER**  
2 **OF DISTRICT OF COLUMBIA.**

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

7 “CHIEF FINANCIAL OFFICER OF THE DISTRICT OF  
8 COLUMBIA

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

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

18 “(2) OFFICE OF THE TREASURER.—The Office  
19 shall include the Office of the Treasurer, which shall  
20 be headed by the Treasurer of the District of Colum-  
21 bia, who shall be appointed by the Chief Financial  
22 Officer and subject to the Chief Financial Officer’s  
23 direction and control.

24 “(3) TRANSFER OF OTHER OFFICES.—Effective  
25 with the appointment of the first Chief Financial Of-  
26 ficer under subsection (b), the functions and person-

1 nel of the following offices are transferred to the  
2 Office:

3 “(A) The Controller of the District of  
4 Columbia.

5 “(B) The Office of the Budget.

6 “(C) The Office of Financial Information  
7 Services.

8 “(D) The Department of Finance and  
9 Revenue.

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

11 “(A) OFFICE HEADS APPOINTED BY  
12 MAYOR.—With respect to the head of the Office  
13 of the Budget and the head of the Department  
14 of Finance and Revenue—

15 “(i) the Mayor shall appoint such in-  
16 dividuals with the advice and consent of  
17 the Council, subject to the approval of the  
18 Authority during a control year; and

19 “(ii) during a control year, the Au-  
20 thority may remove such individuals from  
21 office for cause, after consultation with the  
22 Mayor.

23 “(B) OFFICE HEADS APPOINTED BY CHIEF  
24 FINANCIAL OFFICER.—With respect to the  
25 Controller of the District of Columbia and the

1 head of the Office of Financial Information  
2 Services—

3 “(i) the Chief Financial Officer shall  
4 appoint such individuals subject to the ap-  
5 proval of the Mayor; and

6 “(ii) the Chief Financial Officer may  
7 remove such individuals from office for  
8 cause, after consultation with the Mayor.

9 “(b) APPOINTMENT.—

10 “(1) IN GENERAL.—

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

14 “(i) Prior to the appointment of the  
15 Chief Financial Officer, the Authority may  
16 submit recommendations for the appoint-  
17 ment to the Mayor.

18 “(ii) In consultation with the Author-  
19 ity and the Council, the Mayor shall nomi-  
20 nate an individual for appointment and no-  
21 tify the Council of the nomination.

22 “(iii) After the expiration of the 7-day  
23 period which begins on the date the Mayor  
24 notifies the Council of the nomination

1 under clause (ii), the Mayor shall notify  
2 the Authority of the nomination.

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

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

12 “(2) REMOVAL.—

13 “(A) CONTROL YEAR.—During a control  
14 year, the Chief Financial Officer may be re-  
15 moved for cause by the Authority or by the  
16 Mayor with the approval of the Authority.

17 “(B) OTHER YEARS.—During a year other  
18 than a control year, the Chief Financial Officer  
19 shall serve at the pleasure of the Mayor, except  
20 that the Chief Financial Officer may only be re-  
21 moved for cause.

22 “(3) SALARY.—The Chief Financial Officer  
23 shall be paid at an annual rate determined by the  
24 Mayor, except that such rate may not exceed the

1 rate of basic pay payable for level IV of the Execu-  
2 tive Schedule.

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

6 “(1) Preparing the financial plan and budget  
7 for the use of the Mayor for purposes of subtitle A  
8 of title II of the District of Columbia Financial Re-  
9 sponsibility and Management Assistance Act of  
10 1995.

11 “(2) Preparing the budgets of the District of  
12 Columbia for the year for the use of the Mayor for  
13 purposes of part D.

14 “(3) Assuring that all financial information pre-  
15 sented by the Mayor is presented in a manner, and  
16 is otherwise consistent with, the requirements of the  
17 District of Columbia Financial Responsibility and  
18 Management Assistance Act of 1995.

19 “(4) Implementing appropriate procedures and  
20 instituting such programs, systems, and personnel  
21 policies within the Officer’s authority, to ensure that  
22 budget, accounting and personnel control systems  
23 and structures are synchronized for budgeting and  
24 control purposes on a continuing basis.

1           “(5) With the approval of the Authority,  
2           preparing and submitting to the Mayor and the  
3           Council—

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

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

17           “(6) Supervising and assuming responsibility  
18           for financial transactions to ensure adequate control  
19           of revenues and resources, and to ensure that appro-  
20           priations are not exceeded.

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

23                   “(A) full disclosure of the financial impact  
24                   of the activities of the District government;

1           “(B) adequate financial information need-  
2           ed by the District government for management  
3           purposes;

4           “(C) effective control over, and account-  
5           ability for, all funds, property, and other assets  
6           of the District of Columbia; and

7           “(D) reliable accounting results to serve as  
8           the basis for preparing and supporting agency  
9           budget requests and controlling the execution of  
10          the budget.

11          “(8) Submitting to the Council a financial  
12          statement of the District government, containing  
13          such details and at such times as the Council may  
14          specify.

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

22          “(10) Supervising and assuming responsibility  
23          for the levying and collection of all taxes, special as-  
24          sessments, licensing fees, and other revenues of the  
25          District of Columbia (as may be required by law),

1 and receiving all amounts paid to the District of Co-  
2 lumbia from any source (including the Authority).

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

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

17 “(13) Apportioning the total of all appropria-  
18 tions and funds made available during the year for  
19 obligation so as to prevent obligation or expenditure  
20 in a manner which would result in a deficiency or a  
21 need for supplemental appropriations during the  
22 year, and (with respect to appropriations and funds  
23 available for an indefinite period and all authoriza-  
24 tions to create obligations by contract in advance of  
25 appropriations) apportioning the total of such appro-

1        priations, funds, or authorizations in the most effec-  
2        tive and economical manner.

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

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

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

18           “(17) In coordination with the Inspector Gen-  
19       eral of the District of Columbia, performing internal  
20       audits of accounts and operations and records of the  
21       District government, including the examination of  
22       any accounts or records of financial transactions,  
23       giving due consideration to the effectiveness of ac-  
24       counting systems, internal control, and related ad-

1       ministrative practices of the departments and agen-  
2       cies of the District government.

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

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

11              “(2) Administering all borrowing programs of  
12      the District government for the issuance of long-  
13      term and short-term indebtedness.

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

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

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

23              “(6) Preparing appropriate annual, quarterly,  
24      and monthly financial reports of the accounting and  
25      financial operations of the District government.

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

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

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

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

23           “(B) Statements of the cash flow of the  
24 District government for the preceding quarter  
25 or year, including receipts, disbursements, net

1 changes in cash inclusive of the beginning bal-  
2 ance, cash and investment, and the ending bal-  
3 ance, inclusive of cash and investment. Such  
4 statements shall reflect the actual, planned, bet-  
5 ter or worse dollar amounts and the percentage  
6 change with respect to the current quarter,  
7 year-to-date, and fiscal year.

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

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

20 “(i) the total of long-term and short-  
21 term investments;

22 “(ii) a detailed summary analysis of  
23 investments by type and amount, including  
24 purchases, sales (maturities), and interest;

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

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

11           “(v) an analysis of cash utilization, in-  
12 cluding—

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

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

23               “(III) comparisons of estimated  
24 dollar return against actual dollar  
25 yield.

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

8                   “(i) the amount of debt outstanding  
9 by type of instrument;

10                   “(ii) the amount of authorized and  
11 unissued debt, including availability of  
12 short-term lines of credit, United States  
13 Treasury borrowings, and similar informa-  
14 tion;

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

16                   “(iv) the rate of interest payable upon  
17 the debt; and

18                   “(v) the amount of debt service re-  
19 quirements and related debt service re-  
20 serves.

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

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

1           “(1) the term ‘Authority’ means the District of  
2           Columbia Financial Responsibility and Management  
3           Assistance Authority established under section  
4           101(a) of the District of Columbia Financial Re-  
5           sponsibility and Management Assistance Act of  
6           1995;

7           “(2) the term ‘control year’ has the meaning  
8           given such term under section 305(4) of such Act;  
9           and

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

13           (b) PROHIBITING DELEGATION OF CHIEF FINANCIAL  
14           OFFICER’S AUTHORITY.—Section 422(6) of the District  
15           of Columbia Self-Government and Governmental Reorga-  
16           nization Act (sec. 1–242(6), D.C. Code) is amended by  
17           adding at the end the following: “Nothing in the previous  
18           sentence may be construed to permit the Mayor to dele-  
19           gate any functions assigned to the Chief Financial Officer  
20           of the District of Columbia under section 424, without re-  
21           gard to whether such functions are assigned to the Chief  
22           Financial Officer under such section during a control year  
23           (as defined in section 305(4) of the District of Columbia  
24           Financial Responsibility and Management Assistance Act  
25           of 1995) or during any other year.”.

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

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

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

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

13 (a) APPOINTMENT AND TERM OF SERVICE; INDE-  
14 PENDENCE OF BUDGET.—Section 208(a) of the District  
15 of Columbia Procurement Practices Act of 1985 (sec. 1–  
16 1182.8(a), D.C. Code) is amended by striking paragraphs  
17 (1) and (2) and inserting the following:

18 “(1)(A) There is created within the executive branch  
19 of the government of the District of Columbia the Office  
20 of the Inspector General. The Office shall be headed by  
21 an Inspector General appointed pursuant to subparagraph  
22 (B), who shall serve for a term of 6 years and shall be  
23 subject to removal only for cause by the Mayor (with the  
24 approval of the District of Columbia Financial Respon-

1 sibility and Management Assistance Authority in a control  
2 year) or (in the case of a control year) by the Authority.  
3 The Inspector General may be reappointed for additional  
4 terms.

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

7 “(i) Prior to the appointment of the Inspector  
8 General, the Authority may submit recommendations  
9 for the appointment to the Mayor.

10 “(ii) In consultation with the Authority and the  
11 Council, the Mayor shall nominate an individual for  
12 appointment and notify the Council of the nomina-  
13 tion.

14 “(iii) After the expiration of the 7-day period  
15 which begins on the date the Mayor notifies the  
16 Council of the nomination under clause (ii), the  
17 Mayor shall notify the Authority of the nomination.

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

20 “(C) During a year which is not a control year, the  
21 Inspector General shall be appointed by the Mayor with  
22 the advice and consent of the Council. Prior to appoint-  
23 ment, the Authority may submit recommendations for the  
24 appointment.

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

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

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

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

1 ommendations concerning such estimates, but shall  
2 have no authority to revise such estimates.

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

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

18 (b) ADDITIONAL POWERS AND DUTIES.—

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

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

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

4 (C) by adding at the end the following new  
5 subparagraphs:

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

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

17 “(I) Not later than 30 days before the begin-  
18 ning of each fiscal year (beginning with fiscal year  
19 1996) and in consultation with the Mayor, the  
20 Council, and the Authority, establish an annual plan  
21 for audits to be conducted under this paragraph dur-  
22 ing the fiscal year under which the Inspector Gen-  
23 eral shall report only those variances which are in an  
24 amount equal to or greater than \$1,000,000 or 1  
25 percent of the applicable annual budget for the pro-

1       gram in which the variance is found (whichever is  
2       lesser).”.

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

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

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

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

18              (3) SUBPOENA POWER.—Section 208(c) of such  
19       Act (sec. 1–1182.8(c), D.C. Code) is amended—

20              (A) by striking “(c)” and inserting  
21              “(c)(1)”; and

22              (B) by adding at the end the following new  
23       paragraph:

24       “(2)(A) The Inspector General may issue subpoenas  
25       requiring the attendance and testimony of witnesses and

1 the production of any evidence relating to any matter  
2 under investigation by the Inspector General.

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

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

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

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

21 (1) LIAISON REPRESENTATIVE FOR ALL EXTER-  
22 NAL AUDITS OF DISTRICT GOVERNMENT.—Section  
23 208(a)(3)(B) of such Act (sec. 1–1182.8(a)(3)(B),  
24 D.C. Code) is amended by striking “executive  
25 branch”.

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

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

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

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

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

21           (5) MAKING REPORTS PUBLICLY AVAILABLE.—  
22 Section 208(d) of such Act (sec. 1–1182.8(d), D.C.  
23 Code) is amended by adding at the end the following  
24 new paragraph:

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

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

9           (d) DEFINITIONS.—Section 208 of such Act (sec. 1-  
10 1182.8, D.C. Code), as amended by subsection (b)(4), is  
11 amended by adding at the end the following new sub-  
12 section:

13       “(g) In this section—

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

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

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

1 (e) DEADLINE FOR APPOINTMENT.—

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

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

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

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

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

21 “SPECIAL RULES REGARDING CERTAIN CONTRACTS”;

22 (2) by striking “No contract” and inserting

23 “(a) CONTRACTS EXTENDING BEYOND ONE

24 YEAR.—No contract”; and

1           (3) by adding at the end the following new sub-  
2 section:

3           “(b) CONTRACTS EXCEEDING CERTAIN AMOUNT.—

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

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

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

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

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

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

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

4 **SEC. 305. DEFINITIONS.**

5 In this Act, the following definitions apply:

6 (1) The term “Authority” means the District of  
7 Columbia Financial Responsibility and Management  
8 Assistance Authority established under section  
9 101(a).

10 (2) The term “Council” means the Council of  
11 the District of Columbia.

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

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

18 (5) The term “District government” means the  
19 government of the District of Columbia, including  
20 any department, agency or instrumentality of the  
21 government of the District of Columbia; any inde-  
22 pendent agency of the District of Columbia estab-  
23 lished under part F of title IV of the District of Co-  
24 lumbia Self-Government and Governmental Reorga-  
25 nization Act or any other agency, board, or commis-

1 sion established by the Mayor or the Council; the  
 2 courts of the District of Columbia; the Council of  
 3 the District of Columbia; and any other agency, pub-  
 4 lic authority, or public benefit corporation which has  
 5 the authority to receive monies directly or indirectly  
 6 from the District of Columbia (other than monies re-  
 7 ceived from the sale of goods, the provision of serv-  
 8 ices, or the loaning of funds to the District of Co-  
 9 lumbia), except that such term does not include the  
 10 Authority.

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

17 (7) The term “Mayor” means the Mayor of the  
 18 District of Columbia.

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