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District of Columbia Appropriations



Fiscal Year 1977

94th CONGRESS, SECOND SESSION

H.R. 15193

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DISTRICT OF COLUMBIA APPROPRIATIONS FOR FISCAL YEAR 1977

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS UNITED STATES SENATE

NINETY-FOURTH CONGRESS

SECOND SESSION

ON

H.R. 15193

AN ACT MAKING APPROPRIATIONS FOR THE DISTRICT OF COLUMBIA FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1977, AND FOR OTHER PURPOSES

Printed for the use of the Committee on Appropriations



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DISTRICT OF COLUMBIA APPROPRIATIONS FOR FISCAL YEAR 1977

WEDNESDAY, APRIL 7, 1976

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 10:08 a.m., in room S–126, the Capitol, Hon. Lawton Chiles (chairman) presiding.

Present: Senator Chiles.

DISTRICT OF COLUMBIA

GENERAL STATEMENT

STATEMENT OF HON. WALTER E. WASHINGTON, MAYOR

ACCOMPANIED BY:

STERLING TUCKER, CHAIRMAN, DISTRICT OF COLUMBIA COUNCIL

COMER S. COPPIE, SPECIAL ASSISTANT TO THE MAYOR FOR BUDGET AND MANAGEMENT SYSTEMS

OPENING STATEMENT OF SENATOR CHILES

Senator CHILES. Good morning. This morning the subcommittee begins consideration of the fiscal year 1977 budget of the District of Columbia.

It is perhaps somewhat unusual or unorthodox to hold the hearings before the subcommittee receives the city's budget, but I am sure you are all aware of the statutory timetable included in the Budget Act of 1974.

We intend to meet that timetable, and to do so we need to collapse the old timetable and move ahead. This one-time catchup effort requires us to start these hearings without a budget. This is clearly not the way we prefer to have it.

Unlike recent years, the city will be able to start fiscal year 1977 with an approved budget.

This subcommittee very much appreciates the Mayor and Mr. Coppie's very cooperative efforts to move this process along.

Next year I am asking that the subcommittee receive the city's completed fiscal year 1978 budget estimate no later than the date when the Congress receives the President's budget.

We did not receive the city's 1976 budget until November of 1975. The 1977 budget is still with the city and has not been transmitted to OMB.

The city can no longer afford the luxury of submitting its budget on a date uncertain, especially so late in the process. I understand you all have been in budget sessions for the 1976 amendment, and now I am asking you to go through the next year ahead of completing fiscal year 1976. You will have some more budget sessions for 1978 before you are even through with 1977. But sometime we have got to get this process straight so that the city knows what its budget is going to be.

We have changed the budget process by the new Budget Act. I think if we can make one more step. Then we will all be in line and we will be able to do our work in a proper sequence and you all in the future will be able to do your work in proper sequence, and also have some understanding of what kind of revenues you are actually going to receive and not be working on a continuing resolution.

These hearings will permit us to look at some general issues facing the District government. We want to look at the overall financial plans and the estimates that support that plan, and a number of other matters.

We are also interested in having a complete budget briefing on each of the eight functional categories that were selected for the purpose of these hearings.

After we receive the city's budget, the estimates of each agency will be reviewed and we will have some more questions for you.

INTRODUCTION OF WITNESSES

This morning we have the Mayor, Hon. Walter E. Washington, and Chairman of the City Council, Hon. Sterling Tucker, here to discuss these matters with us.

It is always a pleasure, Mr. Mayor and Mr. Tucker, to have you before us. Mayor Washington, we will be pleased to hear your statement, and then we will hear Chairman Tucker's statement before we go into the questions.

Mayor WASHINGTON. Very well, Mr. Chairman. I am delighted to be here with you this morning and to say that we are very much interested in the manner in which you have taken the leadership to construct the new format. I am hopeful that we cooperated fully and provided the information for you.

Senator CHILES. You certainly have. Comer Coppie has been of tremendous help to us. This is, as you say, sort of a new format. We are trying to have the information presented to us in a functional manner so that it is easier to understand, rather than trying to fight through line items and pick out some item we want to ask questions about.

Mayor WASHINGTON. Yes, sir.

OPENING STATEMENT OF MAYOR WASHINGTON

I am pleased to present the District of Columbia's request for appropriations for fiscal year 1977.

The budget which I present to you today is a minimum one. It is barely enough to permit the city to operate the complex array of services that must be provided as a result of Federal, regional, and local requirements and commitments.

COMPETING PRIORITIES

The general wage and price inflation in the economy, regional commitments for such cooperative efforts as Metro and waste water treatment, court ordered improvements in certain human resources and correctional programs, and the city's own legislative program for regulation and improvement of city services—such as rental accommodations and advisory neighborhood commissions—all represent competing priorities which must be addressed by the city.

Mr. Chairman, the appropriation request before you is about $40 million less than the budget I submitted to the D.C. Council in January. It was my position that the higher appropriation total was needed to maintain essential community services and I proposed a revenue package to balance that budget.

However, in the budgetary process called for under our home rule charter, the view of the Council prevailed and I am here today to support our city government's budget submission as it has come to you and as it has cleared the Council.

I make a point of that because though the executive and legislative branch differed at one point in the budget process, in the full spirit of the home rule charter and of my responsibility to carry a budget forward, I am bringing the budget that was finally approved by the Council with an effort to fully justify it before this committee.

I must say parenthetically that I have instructed my department heads that this is the manner in which I expect to proceed.

I suppose I should say, Mr. Chairman, I know that in some instances you have submitted questions to some of the department heads which are designed to elicit from them responses that may not exactly fit the situation which I have prescribed.

I have seen some already, and I wanted the Chairman of the Council to realize that in your functional statements, there are some questions that have been submitted to the members of the staff and department heads which are going to require an answer other than perhaps the one that I have indicated that they should justify.

I have no control over that. It is in the effort to fully respond to your request. I think you should be aware of this.

Senator CHILES. Yes, sir, I am. I think that we do want to have the right to ask any witnesses questions. We expect them to be responsive to our questions, regardless of how that fits into the particular plan that you all have designed.

If we are going to be in on the landing, we have got to have some information of what is happening on take-off.

Mayor WASHINGTON. I wasn't sure that the Chairman fully realized that. But I have duly instructed my department heads that they are to justify the budget.

After reviewing some of the questions that you have submitted, I realize that they would be giving you some information that was perhaps beyond what their budget marks were.

I am just trying to clear the air, Mr. Chairman, because I want the department heads, and I have so instructed them, to not only in all candor but in the fullest degree possible, provide you with the information that you want, which is the official position I take.

THE FISCAL CRISIS

The fiscal crisis in which we find ourselves today is by no means unique to the District government. In recent weeks our local news media have carried numerous stories of the financial problems facing the municipal, county, and State governments in our immediate area, as well as the problems of cities and States around the Nation.

The difficulty of closing the gap between available revenues and required expenditures has left many governments with no alternatives but to cut back or eliminate services.

It is my belief that the ultimate level of services that cities and other governmental entities can continue to provide will greatly depend on the nature and extent of the remedies and resources made available by the Federal Government to help us deal with the fiscal crisis.

While we support and look for such needed remedial action, we have not elected to sit back and wait for it.

We are calling for continued support from the Federal Government through revenue sharing and the Federal payment. In addition, we have stated our commitment to seek appropriate contribution from our suburban neighbors who work in the city, to share the burden of increased taxation with those who live within its boundaries.

Mr. Chairman, if I might parenthetically, say, I would just like to point out that yesterday in a hearing before the House District Committee on this matter, it was a little shocking I think to some of the members to find out what we adduced in sort of a coordinated fashion.

We are talking about 59 percent of the income earned in this city is earned by nonresidents. You take that with the 55 percent of the property that is outside of our taxing authority, either in Federal or institutions, and it seemed impossible to some yesterday that we are able to stay afloat and maintain viability.

In other words, that is a 45 percent property tax base and about a 40 percent personal income tax base within our own residency which represents total potential from two sources which are available for the city total.

It is a staggering figure, and it gives you reason to think about what our problems are in just those two areas alone; along with some other limitations as another factor. But those figures are rather staggering.

I put them together yesterday simply to let the people know that we weren't just coming in on a jaunt to balance the budget. This is a substantive factor in our total economy, that 59 percent of that income is nonresident and we are dealing with a relatively small tax base in terms of our real estate. This means we are placing an inordinate amount of our taxes on our own citizens.

What we were trying to say is we think this is a fair effort to be balanced by some authority on the part of the city to equalize the tax burden.

PROPOSED EXPENDITURES

The District is requesting an operating budget of $1.091 billion and a capital improvements program of $35.8 million. The operating

budget increase for fiscal year 1977 represents a net increase of $44.7 million over the amended fiscal year 1976 request—an increase of 4.3 percent.

This rate of increase is the smallest in more than 20 years and will require changes in service delivery and some outright loss of service. We have been able to predict that at this juncture.

The capital improvements request is the smallest since 1959; essentially, it provides funding for street and building improvements and the city's payment for Metrobus and rail.

AUSTERITY MEASURES

The austerity measures projected in this budget reflect the fierce competition between increased demand for services across the board, the continuing financial pinch brought on by spiraling costs, and the slower revenue growth in the city's tax base.

In recent years we have been able to move with assurance that the foundation of public service would remain intact despite the austerity measures that have been taken. The budget for fiscal year 1977 is distinctive in that it represents the first time in recent memory that our proposals project adverse impact on gains made in previous years.

In fiscal year 1976 the city established a goal to capitalize on attrition losses and reduce its employment level of more than 36,700 full-time permanent employees to a level of 35,000.

In order to achieve this goal, a freeze was placed on all full-time permanent appointments. Although the city will not reach the goal, primarily due to the need to add personnel because of court-ordered and other mandatory programs, the program of attrition did prove successful. A savings of $5 million is projected for fiscal year 1976.

In fiscal year 1977 the city plans to continue the current freeze on hiring and will establish the level of 35,000 full-time permanent employees as a mandatory ceiling.

A base budget savings of $12 million in personnel funding has been projected. In addition, nearly $16 million has been trimmed from the base budget of other operating expenses, including a projected $2 million savings in energy costs.

The city's request for expenditure increases in fiscal year 1977 also reflects the budget austerity. Full funding for many of the programs and services requested in fiscal year 1976 is not being requested in fiscal year 1977.

These include funding for financial management improvements, tax administration, insurance and industrial safety programs, law revision, and others.

Modifications to the general public assistance program have been projected. Additional funding requests for staffing and maintenance of new facilities have been scaled down and in some cases delayed.

A base reduction of more than $11 million is projected for public schools. Funding for some capital improvements projects under design is being delayed.

These are just a few of the cost-cutting initiatives reflected in the fiscal year 1977 budget.

POTENTIAL LAYOFFS

In past years, while building a strong foundation for service delivery, the city has also been able to provide stable employment for its employees. We have not heretofore been faced with serious layoffs of city employees.

However, in fiscal years 1976 and 1977, as the capital improvements program tapers off from its peak years of 1969 to 1975, cutbacks in certain city employment will be a factor.

In other program areas, layoffs in selected agencies will be necessary as the city begins to operate within its budget levels for fiscal year 1977.

In addition, the budget for nearly every D.C. agency is planned around projected attrition. The extent of further layoffs cannot be precisely defined at this time, but will depend on the rate at which projected employment reductions are achieved through attrition.

OPERATING BUDGET

Increases requested in the operating budget for the last several years have resulted primarily from problems created by the impact of the economy and the urban crisis. Fiscal year 1977 is no exception.

The budget contains no major new program initiatives. Instead, increases are dominated by general wage and price inflation in the economy as reflected in higher salaries and the increased cost of goods and services the city must buy and other factors already enumerated.

As an example, gross increases in the budget total $122.5 million. And of this, 34.5 percent or $42.3 million is required for pay and other inflation.

More than $34.6 million is required for statutory programs, including nearly $9 million for increased retirement benefits.

PUBLIC SAFETY

In the area of public safety and justice, a net increase of only $2.5 million is requested. This is true despite sizable increases required in the Corrections Department to provide full-year funding for the opening of the new detention center and in retirement contributions for police officers and firefighters.

I might say parenthetically, Mr. Chairman, the new detention center was opened the week before last. It received, I think, high commendations, not only for its planning but for its elements of security that are very sophisticated.

I am hopeful that at an early opportunity you will be able to take a look at it. It is not too far from here.

I think it adds so many of the modern techniques in control and in movement and is a far cry from the 103-year-old building that we have been functioning in.

Unfortunately, because of certain limitations, we are going to have to continue to maintain some portions of the old building, at least two cellblocks, because of the overcrowding that will continue.

Unfortunately, it is a facility unlike the Hilton where we can't take reservations. We take them as they come. They are coming in great numbers.

In general, agencies in this area are faced with decreasing manpower and resource availability in the face of constant, and in some cases increasing, workload demands.

Despite this fact, I believe we will be able to carry forward the momentum of successes we have achieved. Our level of serious crime is down. We have avoided serious breaches of prison and jail security, and we have improved our physical plant as a base for program operations.

HUMAN SUPPORT SERVICES

Human support services represent nearly 27 percent of the city's budget. The size of this budget is one of the greatest indicators of the problems faced by cities and the urban crisis in that so many of its programs address the needs of the low and moderate income urban dwellers in the provision of physical and mental health treatment, public assistance, drug and alcohol treatment, and programs and facilities for juveniles and the elderly.

At the same time, the budget request provides a striking example of the austere nature of the budget you have before you.

In this area, the average funding growth of 8 percent over the last five years has given way in fiscal year 1977 to a 0.8 percent growth over the fiscal year 1976 budget.

Base reductions in the Department of Human Resources will affect service delivery in the areas of alcoholism, medicaid, narcotics treatment and general public assistance during fiscal year 1977.

On the positive side, funds will be available for maintaining food stamp certifications, to annualize the cost of the proposed increases in public assistance, and D.C. General Hospital, and to improve supplemental food, foster care and community mental health programs.

The city will also provide funding for the operation of a new forensic psychiatric facility where the courts can remand defendants for pretrial psychiatric examinations; and a residential psychiatric treatment facility for children at area B.

ENVIRONMENTAL SERVICES

In environmental services, grants have been obtained for food inspections during the Bicentennial period. The new regional waste water treatment plant at Blue Plains will begin operations. Even though the funding for operation of the new plant will permit only the minimal staffing level, we are optimistic that an acceptable level of water treatment will be maintained without the need for supplemental funding during the fiscal year.

In water services in general, preventive maintenance will be at a reduced level; however, emergency services will remain the same. In the area of solid waste, there is the possibility that route adjustments to once a week may be necessary as a cost-saving measure.

CITY MANAGEMENT

In other program areas, austerity will require base reductions delays in service implementation, and service redesign. For example, adequate resources may not be available for improving tax administration. Much needed improvements in financial management must be postponed.

EDUCATION

In education, public schools will modify programs and service delivery to accommodate more than an $11 million base reduction.

Higher education programs will remain virtually static despite the continuing high demand for their programs and the legislative mandate to create a quality university in the District of Columbia.

HOUSING AND ECONOMIC DEVELOPMENT

In housing and economic development, the budget level remains the same. Increases for full implementation of the rental accommodations program have been offset by reductions in housing and economic development with the real possibility of job layoffs in the housing area.

TRANSPORTATION

In transportation, the fiscal year 1977 budget includes interest on Metrorail revenue bonds and continued funding of the Metrobus and school transit subsidies at a level lower than the fiscal year 1976 request.

CAPITAL IMPROVEMENTS

The fiscal year 1977 capital improvements program of $35.8 million includes funding for 28 projects. This level of capital funding is the lowest since 1959. The proposed budget has two important features, in our opinion:

(1) It reflects the progress the city has made in completing the comprehensive $1.6 billion building program begun in the late 1960's under the reorganized Mayor-Council government that preceded home rule, and

(2) It recognizes that the time has come to shift the emphasis from the building of new facilities to replace outworn and antiquated ones, to add emphasis on the maintenance and modernization of existing structures.

This, Mr. Chairman, is a major shift in the capital program which I think will tend to have an effect of balancing off in the years ahead our total capital improvements program.

As you know, only $5.2 million, or slightly less than 15 percent, of the requested funding is for new projects included in the budget. The new projects as well as the continuing projects essentially address permanent improvement needs such as facilities and road repair.

The five new projects will permit renovations and improvements to the Children's Center at Laurel, renovation of condensate return systems used by several District facilities, and purchase of additional pumps for the Potomac pumping station.

Two public schools projects will provide preliminary survey funds for a vocational school for the handicapped and the purchase of a bus storage yard.

Continuing projects include $7 million in capital payments for Metrobus and rail, $9 million for street, bridge, and freeway improvements, $8 million for permanent improvement of District-owned facilities, and nearly $7 million for repair and improvements of water and sewer services.

PERFORMANCE MONITORING

Continuation of adequate levels of service delivery requires increasing attention to the use of improved performance in delivering these services as a resource to aid in solving the fiscal crisis.

To this end, we have begun a comprehensive performance monitoring system to increase productivity. I believe, Mr. Chairman, we sent you some of the results of that just the other day in a rather comprehensive document.

This system provides a means for measuring the results with performance goals, and identifying and carrying out needed improvements.

MISSION ORIENTED BUDGET REVIEW

Finally, Mr. Chairman, I would like to emphasize my endorsement, as well as that of my staff and agency directors, of the approach you and your committee members are taking in reviewing the District's budget this year.

Your examination of our budget within the context of broad functional areas, together with the specific issues, will permit all of us to discuss more fully the programmatic thrust of our policies and priorities for the coming year. This overview also provides a sound framework and a greater opportunity for us to address and focus directly on critical issues and emerging trends.

We welcome this opportunity to review, with you, the implications of our budget request in terms of program operations and service results. We strongly support your approach and firmly hope that you have set a precedent that will be extended and continued as the city moves forward in the home rule period.

Comer S. Coppie, my Special Assistant for Budget and Management Systems, will present details of our financing proposals for 1977, if you wish, unless you wish to go to the Chairman.

OPENING STATEMENT OF CHAIRMAN TUCKER

Senator CHILES. I think we will hear now from the Chairman and then we will go back to Mr. Coppie.

Chairman Tucker, we are delighted to hear from you.

Mr. TUCKER. Thank you very much, Mr. Chairman.

If you will forgive my scratchy voice, but it is all a part of doing the city's business; being everywhere, riding a bus and occasionally having a pool car.

Mr. Chairman, I am very pleased to join with Mayor Washington in presenting to you the District of Columbia's appropriation request for fiscal 1977.

I think the Mayor and I are together—I am not sure from some of his informal initial comments with reference to how some department heads testify—but in any event——

Mayor WASHINGTON. I think we ought to clarify it. The Chairman has asked and sent to each department a set of questions. I had a chance to see some of them.

They troubled me in the sense they went beyond where I had instructed them to go in the responses to the Chairman's request, I think particularly in the human resources area.

We are together. The Chairman is, in his oversight, asking some questions which we are required to answer. That is all.

Mr. TUCKER. I will continue.

As we began the second year of home rule, the Council was confronted with its most difficult and challenging task thus far: deciding the city's fiscal course of action for the next 18 months, in a compressed time period—less than 2 months—because of the new congressional budget review process.

In the face of expenditures once again rising at a greater rate than revenues, we found ourselves in a dilemma familiar to most legislatures: We did not want to reduce essential services; we did not want to lay off anyone; and we did not want to increase taxes.

Presented with these conflicting desires, ard the reality of the current urban crisis, the Council acted to stabilize Government programs and services while maintaining the fiscal integrity of the city. There is no doubt that these actions will challenge the city's ability to manage, to insure that every task is performed in the most efficient manner, that every program is run in the most effective way.

The Council's fiscal year 1977 budget deliberations were predicated on a very simple fact of life: There is only so much revenue available to this city. Our task then was to determine how much money could be generated and how it could be most effectively spent to avoid reducing essential services to the community we must serve.

Putting this philosophy to practical use, the Council established a "limited growth" budget policy. First, we addressed ourselves to the primary budget review responsibility of a legislature: the setting of a citywide spending level. That is the level you have before you, $1.09 billion, requiring a tax increase of $80 million.

PRUDENT STEPS TAKEN IN SETTING FUNDING LEVEL OF BUDGET

The Council took a number of very prudent steps to establish that mark, each taken during oftentimes painful hours of deliberation. Principal among them was to set, for the second consecutive year—a personnel ceiling of 35,000 city government employees. The District's budget includes over one-half billion dollars for salaries. The Council believes that the 35,000 employee ceiling is achievable without reductions in force.

There may be some difference of opinion here, and we know it is going to be difficult, but as of March 17, we had a work force of 35,748 persons. We are experiencing a net attrition rate of about 200 per month.

The Council also realizes that this will be no easy task. However, we are convinced that the city cannot afford to ignore the necessity for achieving this goal.

Another step the Council took to underscore its budget philosophy was to set spending priorities. For instance, we indicated that public education is a principal concern of this Council by adding $2 million to the figure proposed by the executive.

We have redistributed and reduced funds in an attempt to achieve better services and more efficiency in specific agencies. We have mandated the implementation of a governmentwide energy conservation program.

In a city like ours, Mr. Chairman, which cannot afford all the services we would like to provide, we took such priority-setting steps to ensure that only the most expendable programs would suffer; to ensure, in other words, that our citizens would not suffer.

To further make certain that this be the case, the Council has invited requests for reprogramings during fiscal year 1977, and we have pledged speedy and prudent consideration of such requests.

I think our record in the past in consideration of reprogramings bears out the Council's concern and cooperation in that regard.

It is our belief that the Council has acted, in the areas over which it has control, with more prudence and maturity than many legislatures with decades of experience.

Yet there are areas in which we are handicapped and will continue to be handicapped to a substantial degree because a major element of our budget each year is directly tied to expenditures negotiated for us in the past: RFK Stadium; the police, fire, teacher and judicial pensions; police, fire and teacher pay raises; and the D.C. Armory.

As I mentioned earlier, Mr. Chairman, this budget was predicated on the resources available to us. Again this year, I feel constrained to point out that we are several cities in one, that we must provide services to the 750,000 residents of our "local" city and to a quarter of a million persons from the surrounding jurisdictions who work in our "federal" city and to the 15 to 20 million persons who visit us each year.

TAXING NONRESIDENTS

Again, this year, I urge that some method be found to pay for the services required by nonresidents. We cannot deny them services, nor do we want to. Neither can we continue to increase the burden on our residents, or we will be a city of the very rich and the very poor.

In my view, we can no longer draw more and more and more blood from the same turnip: the paychecks of the people who live in this city. Studies indicate, Mr. Chairman, that our residents bear a tax burden greater than those in the surrounding jurisdictions.

We are losing close to 8,000 persons every year to the suburbs. The suburbs, on the other hand, are gaining 47,000 new residents each year. Business is also discouraged from coming to the District, and some are leaving, because of the necessity to impose heavy taxation on them.

We have taken some steps designed to help focus our attention effectively on our problem. The District's entire tax policy is now being examined by a Tax Revision Commission.

Recognizing that economic development can stimulate additional revenues, legislation has been introduced to establish an Office of Business and Economic Development, responsible directly to the Mayor.

In the past week we have seen that the opening of Metro may well revitalize the business community in some areas of the city. However, because of the limitations of the Home Rule Charter, local efforts will never be enough to support the service demands of our government.

Therefore, whether it is the nonresident income tax, a metropolitan-wide transportation tax, or some other revenue source, or combination of sources, some kind of relief is necessary. It must be forthcoming.

In closing, Mr. Chairman, let me say that I believe the Council has, within the limits imposed on us, dealt with the budget in a straightfoward, prudent manner.

In other words, I feel that we have done much of the work that you would want to do: that the appropriation request before you represents the minimum with which we can be expected to operate an efficient, stable government.

THE DISTRICT'S BUDGET PROCESS

Mr. Chairman, I would simply remind you that our budget process in the District is an extensive one. We hear from the same government witnesses from whom you will hear. We hear from several hundred citizen witnesses and representatives of many organizations.

We have a process of considerable integrity and citizen confidence and citizen support. We hold many hearings and many meetings and many conferences and many roundtables to consider these budget questions and these budget issues.

We think the budget before you reflects the minimum of what we need, what we must have. We hope that your deliberations will take into consideration the deliberations we have already undergone.

Thank you very much, Mr. Chairman.

Senator CHILES. Thank you, Chairman Tucker.

Mr. Comer Coppie, do you have any statement you want to give?

PREPARED STATEMENT OF COMER COPPIE

Mr. COPPIE. Mr. Chairman, I have a prepared statement which I would like to have inserted in the record.

Senator CHILES. We will insert that in full in the record.

[The statement follows:]

Dear Mr. Chairman and Members of the Committee

The District Government's financial plan for Fiscal Year 1977 is in balance with respect to both the level of budget authority requested and the amount of expected expenditures. The city's budget request is for $1,091 million. Expected expenditures, including net repayment of advances of $20 million, total $1,093 million.

Estimated resources , on the other hand, exceed requirements measured by either budget request or expenditures. The city's resources for Fiscal Year 1977, net of advances to be borrowed and repaid within the year, total $1,098 million. That is $7 million more than requested budget authority and $5 million more than expected expenditures.

The city plans to borrow and to pay back $40 million within the fiscal year to compensate for the timing of tax collections. In addition, expenditures include repayment of $20 million of the $30 million in Treasury advances expected to be outstanding at the beginning of the year. Every effort will be made to repay the entire $30 million.

The city plans to borrow $185.1 million from the U. S. Treasury to finance capital improvements in Fiscal Year 1977. Of the total, $44.1 million requires new legislative authority for the city to borrow from the U.S. Treasury for projects authorized after January 2, 1975. Because of the problems that have been encountered in developing the city's first general obligation bond issue, the District is requesting authority to borrow for its full 1977 cash requirements for capital outlay projects. If the city is able to issue bonds during Fiscal Year 1977, the requirement will be reduced.

Request for Federal Payment

The District Government is requesting the appropriation of $280 million as the Federal payment to the General Fund for Fiscal Year 1977. This is the amount authorized by the District of Columbia Self-

Government and Governmental Reorganization Act of 1973 (Public Law 93-198; December 24, 1973), as amended.

The proposed Federal payment equals 40 percent of anticipated General Fund revenues from local sources, which is considered by the District Government to be an equitable Federal share of District financing for Fiscal Year 1977.

As you are aware, the authorized Federal payment for FY 1976 is $254 million. The city has requested appropriation of the full amount.

The District expects to receive Federal payments of $1,500 to the Water Fund and $1,210 to the Sanitary Sewage Works Fund in lieu of charges of water and sewer services provided by the city to Federal buildings. Those amounts will provide payment for services received by the U. S. Government for the year ending June 30, 1975.

Revenues from Local Collections.

The financial plan includes $783.1 million of estimated revenues from local taxes and charges during Fiscal 1977. Additional revenues of $73 million are expected from proposed increases in local tax rates for Fiscal 1977. The city will also receive additional resources from local sources as a result of natural growth of revenues.

The primary sources of additional revenue are increases of $25.5 million in sales and use tax revenues, $14.5 million in individual income tax revenues, and $11.5 million in water and sewer service charges.

The District proposes to use $25 million in general revenue sharing in Fiscal Year 1977. The availability of those funds depends on the extension of the Revenue Sharing Act beyond its present expiration date.

Nonresident Income Tax

The District has also requested authority to tax the income earned by nonresidents working in the city. If this authority is

granted, the city plans initially to tax nonresident income at rates sufficient to raise $56.6 million for Fiscal Year 1977. To raise that amount of required revenue, the city intends to tax nonresidents for the first year at less than half the liability thay would incure under the individual income tax if they were residents.

Of the $56.6 million, $6.6 million would be used to finance Metrorail operating subsidies and $50 million would be used for anticipated pay raises for all city employees. No funds are included in the Fiscal Year 1977 budget request for pay raises or the Metrorail operating subsidy.

If the District's request for authority to tax nonresident income is not approved, the city would have to raise taxes or to cut other expenditures if it is to pay for these two items. Action taken in reviewing the Fiscal Year 1977 budget request has revealed that either tax increases or further budget reductions are likely to result in serious adverse consequences for the city.

I will be pleased to answer your questions on these finahcing proposals.

OPERATING BUDGET

Mr. COPPIE. There are several points I would make very quickly that should be on the record at this time.

First on the operating budget. This is a balanced budget in our judgment. You have identified for topical discussion this afternoon this issue of a balanced budget. I think that can be addressed at that time.

CAPITAL BUDGET

On the capital budget, as you know, the Home Rule Charter requires all new projects authorized after January 1, 1975, be financed from bonding.

Because of uncertainty associated with our proposed bond program, the city has proposed legislation which will give us the authority to continue to fund all projects from the present and the capital projects in the 1976 budget, and the new projects that are projected for 1977, contingent upon either our authority to go forward with the bond program or the authority to continue to fund all projects from the present structure.

There will be a clarification on that as we go forward with the hearings.

FINANCING FISCAL YEAR 1977 BUDGET

Financing the budget for 1977 is contingent upon a revenue act which is now in the process of clearing the city. The Council took its final action on that yesterday. It is before the Mayor for his approval.

Assuming timely approval by the Mayor, it will go forward to the Congress for the 30-day review period. We project that the revenue act will clear the Congress, assuming that it is not rejected, sometime about mid-June to the end of June.

Mr. Chairman, the financial plan for 1977 is premised on the continuation of the revenue sharing Federal law. As you know, that is an issue that is currently before the Congress.

It is our hope and our commitment that the revenue sharing program will be extended. If it is not, approximately $12.5 million of our financing for 1977 would be lost, or approximately two payments associated with revenue sharing.

AUTHORITY TO TAX NONRESIDENT INCOME

Finally, as has been pointed out here, the budget does not provide for pay increases that are to take effect in the 1977 fiscal year and for the city's first incremental costs associated with Metrorail subsidy.

Those costs are tied to the city's commitment to get the authority to tax nonresident income. The projected cost is better than $50 million in the 1977 fiscal year.

If we are successful in getting the authority to tax nonresident income as proposed by the city, there is no problem. If not, that is an issue that will have to be addressed at the appropriate time.

With those observations, Mr. Chairman, we can go to questions.

Senator CHILES. Thank you.

I think these questions could be addressed really jointly to the Mayor and Mr. Tucker.

OVEROBLIGATION OF FUNDS

As you recall, during the fiscal year 1976 hearings, we heard testimony from GAO regarding the overobligation of funds by the Office of Youth Opportunity Services.

A recent article in the Star noted the results of an audit performed by Mr. Coppie's office reporting that the D.C. Board of Elections and Ethics had overobligated its budget by nearly $262,000 in the last 2 fiscal years.

This overobligation of funds is both illegal under the Anti-Deficiency Act and renders the budget process meaningless. What steps are being taken to help insure that this does not reoccur in the future, and when will the subcommittee receive reports regarding this recent overobligation of funds?

Mayor WASHINGTON. Mr. Chairman, I think we have moved aggressively in this area. As you know, once again this is a matter we are going to have to deal with seriously because we have another one brought to my attention: the creation of independent agencies, without strong ability internally to control the affairs.

Mr. Coppie has assigned, at the request of the Board, a person from his office to work with this whole process. I would like to have him outline it for you, Mr. Chairman, in some detail, because I think it is a clear example of what we are able to do with the resources we have.

OVER-EXPENDITURE BY BOARD OF ELECTIONS AND ETHICS

Mr. COPPIE. Mr. Chairman, in regard to the Board of Elections and Ethics the audit that was done, as you correctly pointed out, was an audit done by the Internal Audit Office of the Office of Budget and Management Systems. The result of that audit clearly indicates that the Board of Elections and Ethics has overextended its appropriation authority for the 1975 and 1974 fiscal years.

We are moving forward now to properly address that both in terms of the additional budget authority they are going to need and in terms of the legal requirements that the city has to report violations of public law in the context of the Anti-Deficiency Act. That reporting procedure will be bound.

As we pointed out to you, Mr. Chairman, these violations occurred under the prior Board. The current Board, under the chairmanship of Dr. Shari Kharasch, has been most sensitive to the needs of financial management improvement in the Board of Elections and Ethics Operation. They specifically asked me to delegate a member of my staff to work with them in addressing the financial management needs of the Board of Elections and Ethics. That program is going forward.

We will provide to the committee a copy of the internal audit and all the steps that are being taken to implement the recommendations of the board. We will also be moving forward to report to the Congress under the requirements of the Anti-Deficiency Act the violations of law which have taken place.

[The information follows:]

OFFICE OF BUDGET AND MANAGEMENT SYSTEMS
Office of Municipal Audit and Inspection

Audit No. 602-5

Managerial Digest

Review of the Financial Management of the Board of Elections and Ethics.

Introduction

We audited the records and reviewed the procedures of the Board of Elections and Ethics (BE) for the period July 1, 1974, through June 30, 1975.

Accounting and Budgetary Procedures

The accounting and budgetary procedures of BE were inadequate and ineffective in the management of authorized funds. As a result, BE overobligated its apportioned funds in fiscal years 1974 and 1975 by $81,968 and $179,733 respectively.

Procurement and Personal Property Procedures

Our examination of procurement practices and personal property acquisitions made by BE disclosed a number of instances of non-compliance with provisions of the Materiel Management Manual.

Lack of compliance with these provisions resulted in the District's financial statements being understated by more than $53,337 for obligations not processed into the system; inability to account for certain personal property; over $2,630 being used for questionable purposes; and in excess of $41,000 in services acquired without competition.

Dual Compensation

Two full-time employees of other District agencies were also paid by the District to perform services for BE. This was a violation of the dual compensation statute which prohibits most Federal and District Government employees from receiving pay from more than one position for more than an aggregate of 40 hours of work in any one week.

Consultant and Professional Services

Our examination of payments made for consultant and professional services by BE disclosed that the requests for such services were improperly processed. This resulted in the lack of competition for services, payments made in excess of the maximum limitation, and the absence of formal negotiated services agreements in some instances.

Payroll, Time, and Leave

Our examination of Payroll, Time, and Leave disclosed that District procedures applicable to these activities were not followed. This resulted in numerous inaccurate leave balances for classified employees and the failure to implement a proper payroll system for BE's intermittent employees.

Prohibited Use of Revenue Sharing Funds

Prohibited expenditures totaling $32,046 were made from Revenue Sharing Funds apportioned to BE in fiscal year 1975. These expenditures are subject to question and disallowance and may result in a direct loss of these funds to BE and the District Government.

Recommendation

We recommended the Chairperson, Board of Elections and Ethics, addressing the problems cited in this report, implement the policies and procedures required by District regulations to strengthen the internal controls applicable to the operations of the Board of Elections and Ethics.

Conclusion

Implementation of the recommendations contained in this report would assist in providing BE with a complete and reliable accounting system which would include the areas of procurement, personal property, and time and attendance.

We have supplied a schedule of adjustments to the Executive Secretary of the Board of Elections and Ethics.

BE Comments

In a letter to this office dated January 14, 1976, the Chairperson and the members of BE stated that action has been taken to strengthen the internal controls in the specific areas cited in this report. BE also requested that someone with intimate knowledge of the intricacies of District Government fiscal operations be assigned immediately to BE on a temporary basis. (See Exhibit B for copy of the letter.)

Office of Budget and Management Systems' Comments

We were informed by OBMS that action is being taken to resolve any funding problems associated with the excess obligations chargeable to fiscal years 1974 and 1975. In addition, an OBMS staff member has already been temporarily assigned to BE in response to their request.

Review of the Financial Management of the Board of Elections and Ethics.

Introduction

We audited the records and reviewed the procedures of the Board of Elections and Ethics (BE) for the period July 1, 1974, through June 30, 1975. This audit was requested by the Special Assistant to the Mayor for Budget and Management System in order to develop a more effective fiscal management system for BE.

Scope of Audit

Our examination was made in accordance with the Standards for Audit of Governmental Organizations, Programs, Activities and Functions issued by the Comptroller General of the United States. The scope of our review was limited to financial matters and compliance with applicable laws, regulations, and procedures for funds available to BE.

Background

The Board of Elections was originally established by Public Law 84-376 dated August 12, 1955 (69 Stat. 699, ch. 862) and was reorganized in accordance with Public Law 93-198, District of Columbia Self-Government and Governmental Reorganization Act, December 24, 1973. The Board became the District of Columbia Board of Elections and Ethics under the July 1974 District of Columbia Campaign Finance Reform and Conflict of Interest Act. The Board is responsible for monitoring all aspects of political activity applicable to the District of Columbia Government. This includes registering voters, maintaining the voter registry, preparing for and conducting elections, gathering campaign financial data, regulating lobbying, and identifying conflicts of interest.

Financial

The financial status of funds received by BE for fiscal years 1974 and 1975 is shown in Exhibit "A" attached. We compiled this information by analyzing obligations incurred by BE during the period July 1, 1974, through June 30, 1975. In the instance of unrecorded obligations we relied upon those presented to us by BE.

Our audit results, in Exhibit "A", show that BE did not have sufficient funds to meet its obligations for fiscal years 1974 and 1975. In addition, we noted several other areas that need strengthening and require the immediate attention of the Board.

Accounting and Budgetary Procedures

Proper accounting and budgetary procedures were not being followed. A few of the deficiencies which we noted were as follows:

a) Accounting records were not reconciled on a periodic basis.

b) We could not locate about seventy percent of the payment vouchers processed against the fiscal year 1975 appropriation at the agency. It was necessary to obtain those documents from the District Accounting Office.

c) Bills were not processed on a current basis. Some were over a year old.

d) Obligations were applied against improper fiscal year appropriations.

e) Invalid obligations totaling $7,651 were not liquidated in the Central Accounting System.

f) The Board did not follow up to see that $181,855 in obligations for properly processed negotiated service contracts were recorded in the Central Accounting System. As a result, the fact that these obligations had not been recorded went undetected and when the time came for payment, adequate funds were not available.

g) Seven hundred fifty thousand dollars was made available to the District Government under Public Law 93-198 for transition expenses applicable to Home Rule. Of this, $688,000 was apportioned to BE. Part of those funds were used to finance normal operating expenses. This circumvented internal budgetary controls established in the Central Accounting System for the purpose of keeping obligations within budgeted expenditure categories.

h) BE incurred obligations in fiscal years 1974 and 1975 totaling $81,968 and $179,733 in excess of all available funds. A reduction of $34,150 was not identifiable as to the fiscal year of applicability.

i) Financial statements produced by the District Accounting Office which set forth the financial status of BE were not retained at the agency.

Commissioner's Memorandum 72-96, dated June 12, 1972 (Reissued 7/1/75, as Mayor's Memorandum 75-90), provides respectively in sections 12.4, 22.1, and 71.1:

"12.4 Responsibilities of agencies.

Agencies are responsible for maintaining control procedures to insure the integrity of their central system accounts to facilitate effective management of D.C. programs and to avoid violations of section 3679 of the Revised Statutes, as amended (see Part III). Federal law prohibits obligations in excess of apportionments or reapportionments. Agencies will also be responsible for initiating requests for apportionments and reapportionments utilitizing OBFM 1 and OBFM 5 in accordance with Part IV.

"In cases where violations of Federal law occur, agencies are responsible for preparing reports to the Mayor-Commissioner, in accordance with Part VII, and for making necessary improvements in their internal procedures in order to prevent future violations.

"22.1 The Supplemental Appropriations Act, 1955 (31. U.S.C. 200) prescribes that no amount shall be reported as an obligation unless supported by documentary evidence of transactions authorized by law such as: a binding agreement in writing, a valid loan agreement, an order, a grant or subsidy, a liability, employment, expenses of travel, or any other legal liability of the District of Columbia. It further states that '... certification and records shall be retained in the agency in such form as to facilitate audit and reconciliation ...'.

"71.1 Type of violations to be reported.

Each agency head will furnish to the Mayor-Commissioner, through the Director of OBFM, information on violations of the following character:

(a) Any case where an officer or employee of the District of Columbia Government has made or authorized a disbursement from or created or authorized an obligation under any appropriation or fund, including revolving funds, in excess of the amount available therein. (For expired accounts, the "amount available therein" includes amounts available for restoration to the account.)"

Adherence to proper accounting and budgetary procedures is necessary to insure adequate internal control and the availability of reliable financial information. Failure to follow these established procedures results in a loss of financial control and the inability to forecast reliable budgetary cost estimates.

We believe that BE should take the following administrative action to correct the deficiencies noted in this area:

a) Issue specific instructions requiring its employees to follow the procedures contained in the District Accounting Manual and other administrative directives issued by the Mayor and the Office of Budget and Management Systems.

b) Review Part VII of Mayor's Memorandum 75-90, dated July 1975, and take appropriate action to comply with the provisions thereof.

Procurement and Personal Property Procedures

Certain District procurement and personal property regulations were not being followed.

We noted deficiencies such as:

a) The Director did not designate an Accountable Property Officer to be responsible for acquisitions of accountable property. Property cards were not implemented to record important information necessary to properly identify accountable property, and annual physical inventories were not taken to verify the existence of the items at the agency.

The Materiel Management Manual, Part II, Chapter 2632.1, Sections E.1, I.1, and M.1 respectively provide in part:

"E.1. Designation: The head of each department will designate in writing to the Chief, Equipment Management Branch a supervisory or administrative employee appointed as accountable property officer for the purpose of receipting for and having custody and supervision of all property assigned to them. Accountable property officers will be designated as necessary to provide complete coverage for all property in the custody of each department.

"I. Item Control

1. Records: Each department will prescribe and maintain a record system for accountable property. The system will be uniform through the department. Mechanized property recording is desirable. Records may be maintained on property record cards (DC 2630-11, Exhibit C) or ADP printouts must reflect as a minimum the following information:

a. Description of the article
b. Commodity class or group
c. Location of property
d. Date of transaction (acquisition or disposition)
e. Quantity (received, disposed and on hand)
f. Unit cost
g. Number of supporting documents (purchase order, transfer document, etc.)
h. Manufacturer's serial numbers if appropriate.

"M. Physical Inventories

1. Annual inventories: Except as provided in M-2, physical inventories of all accountable personal property will be made at least annually by each department. Physical inventories of small items of high value, such articles of a precious nature should be made as warranted by frequency of use or other circumstances. Such inventories will be retained by the departments and will be subject to review and verification by the Equipment Management Branch, and by other agencies of the District in the performance of their official functions."

As a result of the failure to account for personal property, we could not verify that acquisitions were on hand at the agency.

b) Individuals not employed by BE were authorized to purchase and charge items to BE accounts. BE employees did not ascertain if these items were used for the agency. In one instance an employee of another District agency charged $1,606 in photographic supplies to BE. BE processed the payments without knowledge of the use of the supplies.

As a result, we did not verify the validity of those acquisitions.

c) There were two negotiated service contracts totaling $53,387 between BE and Control Data Corporation which had not been approved by the District. The contractor had performed all or part of the agreements.

d) Numerous transactions were conducted between BE and commercial vendors which aggregated in excess of $2,500. There was no indication that BE advertised for the needed goods or services in order to obtain competition and thereby assure quality and economy. In one series of transactions BE processed thirty-two payments to Authorization Systems, Incorporated totaling $41,415. Each payment voucher was less than $2,500 and there were no formal contracts involved.

The Material Management Manual, Part III, Section 2641.6, states in part as follows:

"C. Purchases not in excess of $2500

Purchases and contracts may be negotiated without formal advertising if "the aggregate amount involved does not exceed $2500." In the "aggregate amount involved", there must be included all property and services which would properly be grouped together in a single transaction and which would be included in a single advertisement for bids if the procurement were being effected by formal advertising. Procurements aggregating more than $2500 shall not be broken down into separate procurements of less than $2500."

This situation resulted in the District Accounting's financial statements being understated by more than $53,387 for obligations not processed into the system; inability to account for personal property; over $2,630 being used for questionable purposes; and in excess of $41,000 in services acquired without competition.

Procurement and personal property regulations and the District Accounting Manual were established to insure standards for the acquisition and control of property and to record obligations for purchase orders in the Central Accounting System. Adherence to these procedures would assist BE to justify obligations, safeguard personal property, and account for all financial transactions in the accounting statements.

We believe that BE should require its employees to adhere to the District Materiel Management and Accounting Manuals to avoid any future problems in this area. If assistance is needed in connection with procurement and personal property matters, it should be requested from the Department of General Services.

Dual Compensation

Two full-time employees of other District agencies were paid by the District to provide certain services for BE. These individuals, one employed by the Office of Housing Programs (OHP) as a Photographic Information Specialist, the other employed by Public Schools as a Research Assistant, performed photographic and court reporting services for BE. They received payments for these services totaling $2,010 in addition to their regular salaries.

The United States Code, Title 5, Section 5533(a), provides that an employee should not be entitled to receive pay from more than one position for more than an aggregate of 40 hours of work in any one week.

In addition, we noted that on September 10, 1974, the employee of OHP stated in her invoice to BE that she worked from 8:15 a.m. September 10, 1974, through 2:00 a.m. September 11, 1974. Our examination of the employee's time and attendance report disclosed that she was in duty status at OHP for eight hours on September 10, 1974, between 6:00 a.m. and 6:00 p.m. This was certified as correct by OHP.

As a result, BE was in violation of Section 5533(a), Title 5, of the United States Code. Furthermore, we question the certification of the employee's time and attendance report by OHP.

We believe that the District Accounting Officer should require the employees involved to refund to the District those payments which they received from BE in violation of Section 5533(a), Title 5, United States Code, and take administrative action to require OHP to review their certification procedures for time and attendance records.

Consultant and Professional Services

Our examination of payments made for consultant and professional services by BE disclosed the following deficiencies:

--- In seven out of eight instances, no formal negotiated service contracts were approved by the District.

--- Dual compensation was found in 25 percent of the transactions. See our caption entitled Dual Compensation.

--- Requests for consultant and professional employment were not processed through the District Personnel Office in accordance with Chapter 7, Section C, of the District Personnel Manual.

--- There was no advertisement of the services needed to generate competition and thereby assure quality and economy.

--- Consultants were paid in excess of the maximum allowed, e.g., in one instance a consultant received $300 daily when the established maximum was $145.

Payroll, Time, and Leave

Procedures prescribing time and attendance regulations were not being followed. A few of the discrepancies which we noted were as follows:

--- Employee sick and annual leave usage recorded on Time and Attendance reports (D.C. Forms 251) was not supported by Applications for Leave (S.F. Form 71) in many instances, and employees did not initial D.C. Form 251 to verify leave usage. As a result, we could not certify that leave usage was correct. However, our examination disclosed that 44 percent of the leave balances tested were inaccurate. The errors ranged from two to fifty hours.

--- Paragraph 1-1105(e) of the District of Columbia Code authorizes BE to hire intermittent employees when necessary. Our examination of the system used by BE to effect payment to those employees disclosed the following discrepancies:

a) No written procedures have been developed and issued to standardize the time and pay system for intermittent employees.

b) Payroll taxes are not withheld from the pay of intermittent employees. The Internal Revenue Service requires the withholding of Federal Insurance Contribution Act deductions (Social Security) and Federal income taxes from earned income. The District of Columbia Government requires the withholding of District income taxes from the wages of its residents.

c) Total time was accumulated without a reduction for lunch or dinner breaks.

d) Overtime was not computed at time and one-half. Employees received regular pay for overtime work.

"Time, Leave, and Pay" regulations are prescribed in Chapter 12, District Personnel Manual. Also the District's Pay and Retirement Division, has issued "Time and Attendance Instructions" to enable District agencies to meet time, leave, and pay requirements. Failure to follow these procedures may result in errors affecting employees' pay and leave which are costly to correct and may create financial problems for employees.

It is our opinion that these discrepancies resulted because the employee assigned to prepare time and leave records was not trained or knowledgeable of regulations governing their preparation.

Prohibited Use of Revenue Sharing Funds

In fiscal year 1975 the Board of Elections and Ethics was entirely financed with Revenue Sharing funds apportioned to the District Government under Public Law 92-512, Title I - Fiscal Assistance to State and Local Governments.

The Revenue Sharing Handbook, which prescribes the rules and regulations established by the Office of Revenue Sharing, Department of Treasury, in Section 400, Paragraph 485, provides in part:

"11(e) 485 Compliance with State and Local Law

Recipient governments may expend revenue sharing funds only in accordance with state and local laws and procedures that are applicable to the expenditure of their own revenues (31 C. F. R. 51.40(e)."

Our examination of fiscal year 1975 obligations and disbursements disclosed that the following expenditures were prohibited under the rules and regulations applicable to Revenue Sharing funds, and are subject to question and disallowance.

Authorization Systems, Inc. (Payments made from Revenue Sharing funds)	$27,164
Overpayments to consultants	620
Payments representing dual compensation	1,631
Unsupported photographic payments	2,631
Total subject to disallowance	$32,046

In addition, Revenue Sharing funds cannot be used to legally finance the net deficit of $227,551 referred to in item H, page 2 of this report.

This situation resulted because BE did not comply with District administrative issuances (procedures) which are also applicable to the expenditure of Revenue Sharing funds.

The expenditures referred to in this finding are also referred to elsewhere in this audit report. However, the items enumerated here may result in a direct loss of funds to BE and the District Government as these expenditures may be deducted from future Revenue Sharing entitlements by the Office of Revenue Sharing, Department of the Treasury, United States Government.

Recommendation

We recommend the Chairperson, Board of Elections and Ethics, addressing the problems cited in this report, implement the policies and procedures required by District regulations to strengthen the internal controls applicable to the operation of the Board of Elections and Ethics.

Discrepancies Found at the District Accounting Office

In the course of our examination of the Board of Elections and Ethics we noted two primary areas of noncompliance with accounting procedures in the Central Accounting System. The deficiencies which we noted were as follows:

a) Two negotiated service contracts (Nos. 2083-AA-NS-N-4-DL and 2084-AA-NS-N-4-DL) totaling $181,855 between BE and Control Data Corporation were not recorded in the Central Accounting System. The contracts were on file at the District Accounting Office but had not been recorded in the accounting records.

As a result, BE did not have sufficient funds available to pay the contractual obligations on June 30, 1975.

b) We noted numerous instances where miscellaneous payment vouchers (Form No. DC-106) had been processed by the District Accounting Office which did not have invoices attached containing signature(s) certifying receipt of the items by BE employees. For example, thirty-two miscellaneous payment vouchers were processed to Authorization Systems, Inc., totaling $42,142. None of the vouchers contained signatures certifying that BE had received the invoiced items.

c) The intermittent payroll was processed on miscellaneous payment vouchers. We believe District Accounting should have rejected these vouchers and required these payments to be processed through the central payroll system.

Controls should be strengthened in the District Accounting Office to prevent recurrences of the discrepancies previously mentioned. This would assist in ensuring and maintaining integrity in the accounting system.

Recommendation

We recommend that the Director, Office of Budget and Management Systems, take administrative action to strengthen the controls over the processing and recordation of contracts and vouchers.

Conclusion

Implementation of the recommendations contained in this report would assist in providing BE with a complete and reliable accounting system which would include the areas of procurement, personal property, and time and attendance.

We believe that the basic cause for these problems is the lack of knowledgeable and trained personnel to handle the functional areas cited.

We have supplied a schedule of adjustments to the Executive Secretary of the Board of Elections and Ethics.

BE Comments

We discussed this report with the Board of Elections and Ethics who concurred in the recommendations. In a letter dated January 14, 1976, the Chairperson and the members of BE advised us that action has been taken to strengthen the controls in the areas cited in the report. BE stated that a new position for a Management Specialist, included in their FY 1976 budget request, would, if authorized, provide necessary additional assistance in improving these areas. Since the position could not be filled for at least several months BE requested that someone with intimate knowledge of the intricacies of D.C. Government fiscal operations be assigned immediately to BE on a temporary basis to assist in bringing the agency to the required level of efficiency. (See Exhibit B for a complete copy of the letter.)

OBMS Comments

We were informed by OBMS that action is being taken to resolve any funding problems associated with excess obligations chargeable to fiscal years 1974 and 1975. Action already has been taken to temporarily assign an OBMS staff member to BE in response to their request.

Discussion with Agency

We discussed this report with the Board of Elections and Ethics who concurred in the recommendations and initiated appropriate action.

Audit No. 602-5
Exhibit "A"

BOARD OF ELECTIONS AND ETHICS

STATEMENT OF FISCAL YEAR 1974 AND 1975 FUNDS
JUNE 30, 1975

	Fiscal Year 1974	Fiscal Year 1975
Funds Apportioned	$550,520	$750,100
Advanced for Home Rule Transition Under Public Law 93-198	-	688,000
Total Available Apportionments	$550,520	$1,438,100
Recorded Obligations June 30, 1975	549,501	1,344,157
Unobligated Apportionments June 30, 1975	1/ $ 1,019	$ 93,943
Audit Adjustments		
Deobligations	6,608	1,043
Unrecorded Obligations	(89,595)	(274,719)
Audited Unobligated Apportionments 2/	$(81,968)	$(179,733)

1/ Fiscal year 1974 unaudited

2/ This computation does not include a reduction in negotiated service contractual obligations totaling $34,150 to Control Data Corporation. At the time of our examination the reduction was not identifiable as to fiscal year of applicability.

Exhibit "B"

GOVERNMENT OF THE DISTRICT OF COLUMBIA
BOARD OF ELECTIONS AND ETHICS
DISTRICT BUILDING
WASHINGTON, D. C. 20004

CHAIRPERSON
SHARI BARTON KHARASCH
MEMBERS
ROBERT GRAYSON McGUIRE
SALLIE A. JOHNSTON

January 14, 1976

Mr. David Legge, Director
Office of Municipal Audit and Inspection
499 Pennsylvania Avenue, N. W.
Washington, D.C. 20001

Dear Mr. Legge:

We, the present members of the Board of Elections and Ethics, having been sworn in on August 11, 1975, were not serving during that period covered by the audit report July 1, 1974 - June 30, 1975. However, we had become aware, of course, of many deficiences in the financial operations of the Board and welcomed the audit report and your subsequent briefings. They provided us with information helpful to our strengthening the Board's financial system.

Major emphasis was placed in the audit report on "lack of knowledgeable and trained personnel" in the area of accounting, contracting, procurement, payroll and time and leave. Our FY 76 budget request includes a slot for a Management Specialist. That slot, even if it is approved, cannot be realistically filled until late spring or early summer.

We believe that the revamping of our financial system to be so important that we have requested someone with the intimate knowledge of the intracacies of D. C. Government Fiscal Operations come on Board immediately to bring the agency to the required level of efficiency.

Prior to the meeting with the auditor we had already taken action to strengthen internal control:

a. contracting and procurement
b. recordkeeping

As a direct result of the report, we have had conferences with our Division heads, emphasizing the necessity of compliance. Specifically, we are issuing instructions to them on:

a. reconciling records periodically
b. maintaining proper attachments to records
c. paying bills at the earliest opportunity
d. making checks on central accounting system
e. designating an Accountable Property Officer and advise such in writing to the Chief, Equipment Management Branch

f. keeping property record cards current (D.C. 2620-11) and conduct an annual fiscal inventory of Board property

g. following the District's Pay and Retirement Time and Attendance instructions and be aware of the U. S. Code

Please be assured that the current Board is devoting its time and attention to the correction of the specific problem areas cited in the audit report and in general to achievement of financial integrity for the agency.

Sincerely,

Shari B. Kharasch
Chairperson

Robert G. McGuire, Jr.
Member

Sallie A. Johnston
Member

Mayor WASHINGTON. Mr. Chairman, I would point out for the record that the matter pertaining to the Office of Youth Opportunity Services was not in the category of antideficiency. It was another problem of the GAO reporting what I think related to whether or not those funds were properly allocated.

I think the issues are different. I think the record will show that. I am just simply indicating that this is not in the same category as the Board of Elections and Ethics.

INADEQUATE BOOKKEEPING

Senator CHILES. Many of the city's problems, including overobligation of the funds and confusion of the procurement system which have resulted in the school systems having 100-year supply of red oil paint and cotton-tip applicators all seem to have a common denominator: an inadequate bookkeeping system. The Nelson Commission reported this problem several years ago and several recent GAO audits have underscored the problem.

What priority do you assign overall to the D.C. bookkeeping system? When will that task be completed? What progress has the city made towards that goal in recent months?

Mayor WASHINGTON. I think Mr. Coppie would be a little put out if I didn't let him answer that, Mr. Chairman. He has great pride in this.

I would like to have someone from the D.C. public schools to speak on that warehousing problem.

I understand that the rest of the story was never printed. For instance, we were supposed to have a great number of light bulbs. When they went out there, they found that they had been declared surplus and the warehouse was virtually empty. I think someone from the public schools, I don't know who is here——

Senator CHILES. Is anybody here? I thought they were all on their way to San Francisco. [Laughter.]

Mayor WASHINGTON. Somebody has the impression that those were medical swabs. But weren't those for finger paintings? What were they?

Mr. WINNER. They were used for art projects. They used an enormous quantity. A child can go through several cotton-tip applicators in an afternoon of finger painting. The remarks concerning those items were made at a press conference with the General Accounting Office, not in the report itself.

So, we weren't able to deal with them until after the press release had been made. But we took exception to that because those items had, in fact, been reported and they had been dealt with by the auditor.

They were picked up as a newspaper story.

Mayor WASHINGTON. Mr. Chairman, I am just trying to get a little clarification of some of these. They don't always appropriately reflect, in my opinion, what the true situation is, but this is a problem.

In the spirit of the question, I wanted Mr. Coppie to direct himself to the improvements and to the forecast.

FINANCIAL MANAGEMENT IMPROVEMENTS

Mr. COPPIE. Mr. Chairman, you asked what priorities this was receiving from the city. I think it is fair to say it is receiving the highest priority, perhaps not in the area of resource allocation to do the job, but in terms of commitment of the priorities.

Senator CHILES. I don't understand that.

Mr. COPPIE. I am saying in terms of commitment of the priority, it is there.

Senator CHILES. You have a commitment, but you have no resources for allocation.

Mr. COPPIE. We have some resources. In order to shorten the time to complete the job that is on the drawing boards, we would need additional resources. Within existing resources, it is still receiving the priority commitment of the city.

Let me say, Mr. Chairman, that the complete financial management information system should and will include inventory control. But I want to distinguish between the type of problem that you identify with the public schools and central accounting, which are different. Obviously, inventory controls of the public schools are serious and we have a responsibility to see that the inventory controls are maintained.

But that is more a problem for the school officials and the school administration than it is for the central financial management program responsibilities of the city, particularly in the area of central accounting.

We are in the process of completing this year the design for our year-end reports, the detailed design for an obligation authority system and our personnel management information system.

In order to fully implement the design, we are talking about, with the current commitment of resources of the city, a process that will probably take 5 to 6 years. That could be shortened with a commitment of substantial additional resources of about $2 million a year.

The Mayor proposed that to the City Council. It was denied. It was denied without prejudice of need. But in the context of this budget, it was the judgment of the city that we simply could not afford it.

But we are making progress. We have made progress and will continue to.

Senator CHILES. I want to follow this line of questions. If you will excuse me for about 30 seconds, they say I will make a quorum if I go to the full appropriations meeting across the hall.

[Brief recess.]

Senator CHILES. I think if we could continue, Chairman Tucker, I will understand the plight that you find yourself in and that it is your desire not to cut essential services and not to raise taxes on the people and not to fire people.

CUT BACK OF FUNDS FOR FINANCIAL MANAGEMENT AND REVENUE COLLECTION

The items, though, that I am concerned about are the cut back on the money for the financial management improvement and the cut back on funds for revenue collection. It appears to me that any

time that you are in a financial plight, that is the time that those services become even more essential and when you are cutting everything else, those would be areas that you almost would necessarily need to be adding to.

I would like to know what the Council's reasoning was in regards to cutting funds for the financial management improvements. That has been something that we in the Congress have been pushing on as hard as we possibly can.

Mr. TUCKER. Mr. Chairman, I would have several comments. It is always difficult to do any cutting in Mr. Coppie's department because we know how valuable that work is and how dedicated he is to carrying out that task. We did have to do some overall percentage cutting.

Each department had to find a way to accept some of this, to absorb some of this. When I say cutting, I don't mean cutting back from our fiscal year 1976 budget, but cutting back from the fiscal year 1977 request.

We felt there were still a couple of problems in the plan. GAO had some question as to length of the plan as proposed and had some questions with reference to the technique as proposed.

Our view was that we ought to wait and see how things get finalized and see if in the course of the year there might be some reprogramings that might take care of a plan that can meet the city's need, approval of the Mayor and Council and that could meet with some approval from the GAO.

I might note, Mr. Chairman, that we have been kind in our considerations of this department. This office has grown 187 percent in the past three years. So that we believe that we have not shortchanged the department in its work.

But by the same time, we are prepared to look at two programs in the course of the year as some of the bugs, as we see them now, are worked out.

ENERGY CONSERVATION PROGRAM

Senator CHILES. One of the economy measures the city has proposed is $2 million reduction in the amount of funds to be used for energy. Who in the city is charged with developing and implementing the energy conservation program and what specifically is the plan?

Mayor WASHINGTON. Sonny, would you speak to it? Actually, the program is developed and implemented out of the District's Department of General Services, Mr. Chairman. Mr. Caputo is here and can speak to it.

Mr. CAPUTO. Mr. Chairman, there are a number of procedures, a number of efforts which the District is undertaking in order to affect this energy saving. One of them is to control the operation of energy plants within buildings, particularly to effect savings in the use of electricity.

The other is the modification of the operating hours that many of our institutions and our facilities are operating now in order to assure that the optimum operating conditions within those plants is achieved.

Senator CHILES. What is the total energy budget for fiscal year 1977?

Mr. CAPUTO. $30.5 million.

Senator CHILES. So what percentage of this is the $2 million of that?

Mr. CAPUTO. About 7 percent.

COPY OF ENERGY BUDGET PLAN

Senator CHILES. I wish you would submit to the subcommittee a copy of your plan?

Mr. CAPUTO. Yes, sir. We will do that.

[The information follows:]

DEPARTMENT OF GENERAL SERVICES
ENERGY CONSERVATION PLAN

Commissioner's Order 74-6 dated January 7, 1974 assigned specific Energy Conservation responsibilities to certain agency heads. The Director, Department of General Services was assigned the mission of developing and supplementing energy conservation measures in D. C. owned facilities. Upon receipt of the Order Commissioner's Memorandum 74-20 dated January 28, 1974 was published which required each Agency/Department to appoint a Facilities Energy Conservation Officer, (FECO) to monitor their conservation program. Since the Mayor's order of January 7, 1974, several steps have been taken by the Department of General Services to implement an Energy Conservation Program/Plan as it was directed to do. These include the following:

A. Technical Guidance

The Department of General Services has published five technical guides containing instructions for each Facilities Energy Conservation Officer (FECO) to follow in monitoring conservation in his agency. These guides have addressed the following areas and issues:

1. Facilities Standards (dated March 1, 1974)

-Sets maximum temperature levels

-Recommends heating equipment repairs

-Sets temperature levels for cooling District work areas

-Permits variances

-Etc.

2. Ventilation (dated April 2, 1974)

-Recommends that FECO'S monitor agency efforts to assure compliance with technical guide measures

-Suggests major reductions in air conditioning use

-Gives detailed instructions on the maintenance that should be performed on ventilation equipment and noted the large savings that would result

3. Lighting (dated June 4, 1974)

-Recommends that FECO'S evaluate their lighting needs, and suggests reductions in overall lighting

-Establishes foot-candle standards that agencies should adhere to when changing current work area lighting fixtures

4. Electrical Usage (dated June 4, 1974)

-Recommends that FECO'S collect data on meter locations, meter readings, types of installations, current bills, and historical costs to effectively manage electrical energy conservation

-Urges that peak load demand be reduced where possible

5. Heating (dated August 16, 1974)

-Recommends that temperatures be set to heat as restricted a work area as possible

-Establishes maximum temperature levels for District work area types

In all matters, the District Facilities Energy Office serves as the focal point for conservation measure evaluation, suggestions, and information dissemination.

B. FECO Meetings

Under the auspices of the District Facilities Energy Conservation Officer, starting on February 14, 1974, regular quarterly meetings are held with agency FECO's to discuss the progress of the conservation effort. Reports of agency usage are prepared and discussed. Speakers are invited to talk on the impact of energy costs to the District financial position. Ideas for savings are shared among the FECO'S and progress on conservation projects are reported.

C. Performance Report

A performance reporting system has been established by which each agency collects and reports its energy usage and cost. THis form provides data on current and past fiscal usage by energy cost and type. The data is used to determine usage and provides a base from which realistic energy reduction goals can be established.

D. Peak Load Monitoring Project

The Department of General Services has contracted with the IBM Corporation to install on a trial basis a System-7 Remote Power Management System to monitor the electrical energy consumption in three District facilities: D. C. General Hospital, The East Administration Building, and The District Criminal Court Building. This system will prevent the electrical demand in any of these buildings from going above a present level by cutting off selected power devices until their restored use will again allow the total demand to fall within the present target. Funds for installation have been received from the Department of Human Resources ($25,000) and F.E.A. Grant ($55,000). This system is scheduled to begin operation in April 1976. Significant savings are expected in the electrical and fuel bills for these buildings due to the reduction of peak demand loads and less consumption, with their concomitant higher billing cost.

E. Mayor's Memorandum 75-51 Subject Energy Conservation Objective and Goals, dated April 4, 1975, requested the Departments/Agencies to submit their Energy Conservation Program stating goals in quantitative terms for FY-75 and FY-76 to the Department of General Services. The reports have been reviewed and discussed with each Department/Agency FECO's.

Since implementation of all of the above the following results have been acheived:

a. Reference chart 1 attached.
In comparing Electric (Cooling) Usage for FY '73 against FY '74 there was an overall reduction of 8%, where as in other Fuels (Heating) Usage there was a .01% reduction.

b. Reference chart 2 attached.
In comparing Electric (Cooling) Usage for FY'74 against FY'75 there was an overall reduction of 8.8%, where as in other Fuels (Heating) Usage there was a 4.7% reduction.

D. C. FACILITIES ENERGY USAGE ADJUSTED

* ADJUSTED FOR DEGREE DAYS

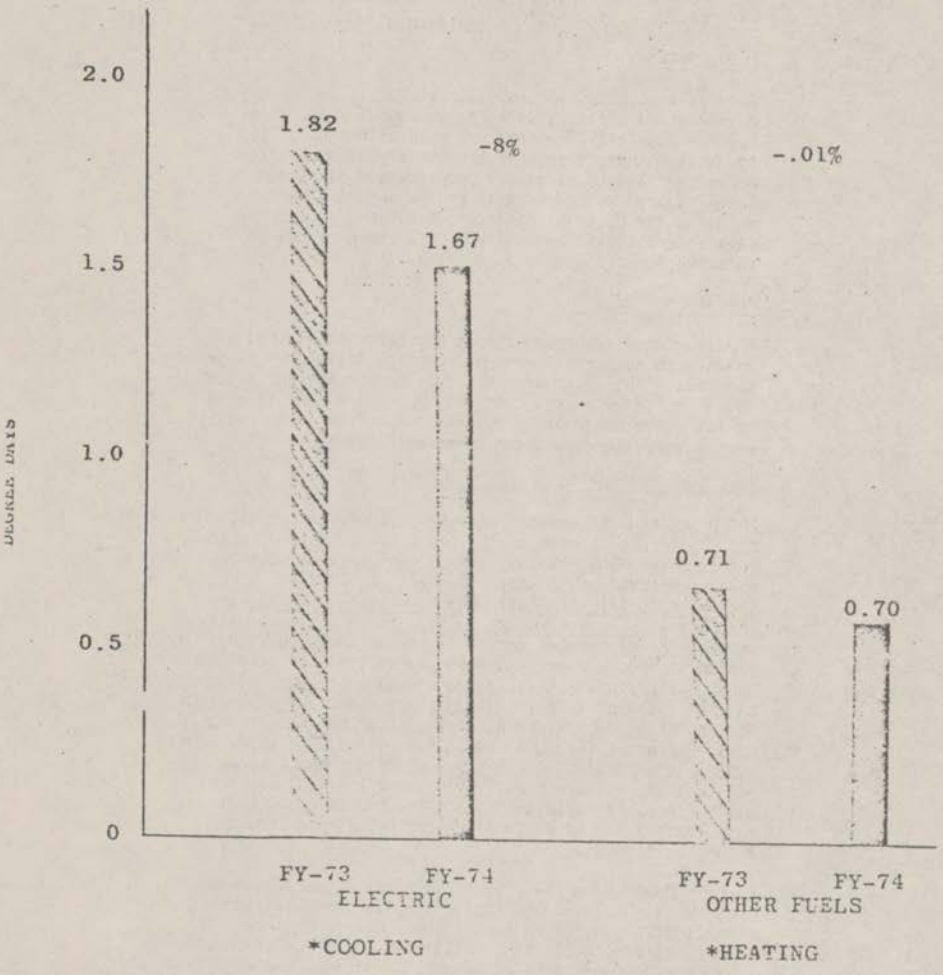


CHART 1

ESTIMATE OF VISITORS DURING BICENTENNIAL

Senator CHILES. During the hearings of the 1976 budget, the subcommittee heard testimony that a White House task force projected 17.2 million visitors during the Bicentennial year while the District Bicentennial Office projected 35 million visitors. What is the current estimate of the number of visitors?

Mayor WASHINGTON. Mr. Chairman, I am using the figure of about 30 to 35 million, based on our current projections. We are in very close touch with the Park Service and even at this juncture, March 31, the figures are still in question, although they are increasing considerably week after week.

I would rather operate in the area of overplanning rather than underplanning. I don't think we could catch up with that situation.

Senator CHILES. Is the city well prepared to handle this?

Mayor WASHINGTON. The city is well prepared. We are hoping, Mr. Chairman, you will help us get the remaining dollars that are to come forward, particularly in the area of $2 million to $3 million for public safety expenditures but there is very close coordination between Mr. Back and the White House staff and with the suburban area, in just about every area that is of concern. We do have a schedule which we will provide for you of events but in the area of security, Chief Cullinane has worked with the committee very long and hard.

[The information follows:]

CALENDAR OF EVENTS
BICENTENNIAL CELEBRATION
METROPOLITAN WASHINGTON AREA

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPACT
1976	All Exhibits on American Revolution	Great Hall Library of Congress	Library of Congress Elizabeth Kegan 202/426-5218	
1976	Arts of Asia at the Time of American Independence	Freer Gallery of Art	Smithsonian Institution Susan Hamilton 202/381-6228	
1/1/76	"The American Adventure" Film Presentation *--A 40-minute multi-media shown on the story of America to be presented throughout the City.*	Restaurants, 13th & E St.,N.W., Visitor Center, etc.	National Heritage Theater Patricia Bray 202/628-2030	
1/1/76 - 10/31/76	"The Disappointment" - Opera *--Reconstruction and performance of the earliest American opera, by Andrew Barton*		Eastman School of Music Jerald C. Grave 716/275-3032	
1/1/76 - 12/30/76	American Design Bicentennial - *Celebrating past achievements in American design in all fields of media visual designs.*	Nationwide	National Endowment for the Arts Bill Lacy 2202/382-5765	
1/1/76 - 1/1/77	Jewish Contributions to American Democracy -- *The role of Jews in the Revolution.*		B'nai B'rith Yale Goldberg 202/393-5284	
1/1/76 - 12/31/77	The Language of African Art --*A traveling exhibit of 500 works of traditional African sculptures and elisofon color photos,tours & lectures on African culture using Library Archives extension programs.*	Museum of African Art 318 A St, N.E. Wash., D.C.	Museum of African Art WArren Roberts 202/547-7424	500,000

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPACT
1/1/76 - 12/31/76	*Cultural Exhibits of Italian American Contributions* -- Exhibits, films and folk festivals portraying Italian contributions in America.		American Italian Bicen. Comm. Nicholas R. Beltrante P.O. Box 780,Wash.,D.C.20044 202/628-5555	100,000
1/1/76	*Naval Observatory Exhibit* -- Bicen. exhibit. Museum and tour depicting the history of astronomy in the U.S. Navy & movie highlighting mission of Naval Observatory.	Naval Observatory	Naval Observatory Wash.,D.C. 20390 202/254-4569	
1/5/76	*Bicentennial Parade of Music honors Vermont*	J.F.Kennedy Center for the Performing Arts	National Music Council & National Federation of Music Clubs Dr. Merle Montgomery 222 E. 80th St. New York,New York 10021	
1/11/76 - 2/7/76	*"Working in America" - The American Issues Forum* Topics: Jan.11-17 "The American Work Ethic"; Jan.18-24 "Organization of the Labour Force"; Jan.25-31 "The Welfare State:Providing a Livelihood"; Feb.1-7 "Enjoying the Fruits of Labour"	Nationwide television and radio	National Endowment for the Humanities 806 15th Street,N.W. Wash., D.C. 20506 202/382-4278	50,000,000
1/12/76	*Wreath-laying Ceremony*	Benjamin Franklin Statue	Hennage Creative Printers	
1/15/76 - 12/31/76	BI-CENT-EX -- Exhibition center depicting HEW's activities as they touch the citizens of this nation.	South Portal Building 3rd & Indep.Ave.,S.W. Wash.,D.C. 20201	Dept.of Health,Education & Welfare Anne Russell 202/245-7187	1,000,000
1/15/76 - 12/31/77	*19th Century Afro-American Artist-Traveling Exhib.* --by Edward Bannister	Museum of African Art 318 A Street, N.E. Wash.,D.C. 20002	Museum of African Art Warren M. Robbins 202/547-7424	500,000

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPACT
1/18/76 - 3/28/76	*Multi-Arts Exhibition in Washington* -- Painting exhibition, significant events & personages, past and present. Several exhibitions of different art forms.	Smith Mason Gallery of Art, Inc. 1207 Rhode Island Ave., N.W. Wash., D.C. 20005	James C. Mason, President 202/462-6323	100,000
1/19/76	*Bicentennial Parade of American Music Honors Kentucky*	J.F. Kennedy Center for the Performing Arts Washington, D.C. 20566	Mrs. Garland Clark, Dir. Bicen. Parade of Am. Music 606/744-6913	
1/20/76	*Salute to the States - KENTUCKY*		D.C. Office of Bicen. Programs, Jan Eichhorn 202/727-3096	300
1/26/76 - 2/21/76	*"Rip Van Winkle" Theater Production* -- By the Clarence Brown Professional Theatre Co., Knoxville, Tennessee.	Kennedy Center for the Performing Arts	Greater Knoxville ARBC Dr. Ralph Allen 615/974-5037	
1/30/76-1/31/76	*Midwinter Convention and Show of Spebsqsa* -- Live performance; conference; competition; shows tracing barbershop idiom from early days to present.	Kennedy Center, Concert Hall Washington, D.C. 20566	Society for Preservation & Encouragement of Barbershop Quartet Singing Hugh Ingraham, Director 414/654-9111	
1/31/76; 2/21/76; 3/6/76	*Model rocket launching*	The Mall (in front of SMI Castle Building)	Smithsonian Resident Associate Program	
2/2/76	*Bicentennial Parade of American Music Honors Tennessee*	Kennedy Center for the Performing Arts Washington, D.C. 20566	Bicen. Parade of American Music Miss Martha McCrory, Director 615/598-5931	
2/3/76	*Salute to the States - TENNESSEE*		D.C. Office of Bicen. Programs, Jan Eichhorn 202/727-3096	

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPACT
2/6/76	*"Signs of Life: Symbols in the City" Exhibit* -- Examination of symbols & signs in the domestic, commercial & civic sectors of our culture.	Renwick Gallery Washington,D.C. 20560	Smithsonian Institution National Coll.of Fine Arts 202/381-5811	
2/8/76 - 3/6/76	*"The Business of America" - The American Issues Forum*-- Feb.8-14,"Private Enterprise in the Marketplace"; Feb.15-21,"Empire Building: Cornering the Market"; Feb.22-28,"Subsidising & Regulation:Controlling the Economy"; Feb.29-Mar.6,"Selling the Consumer:	Nationwide television and radio	National Endowment for the Humanities 202/382-4278	50,000,000
2/13/76	*Bicentennial Parade of American Music Honors Ohio*	Kennedy Center for the Performing Arts	Bicen.Parade of Am.Music Mrs.Robert Casey, Dir. 513/293-3696	
2/19/76	*Bicentennial Celebration*	White House Sidewalk, Wash. Monument Grounds	Commander-in-Chief's Guard 1777	
2/20/76	*Salute to the States - VERMONT*		D.C. Office of Bicen. Programs - Jan Eichhorn 202/727-3096	
2/22/76	*Federal City: Plans and Realities* --Wash.,D.C. planning history.	Smithsonian Institution Bldg. Washington, D.C.	Smithsonian Institution Wilcomb Washburn 202/381-5223	
2/22/76 - 2/28/76	*National Engineers Week* -- Observance to familiarize public with work of engineers and their contributions to the growth of America. Film/slides.		Nat'l Society of Professional Engineers Leonard J. Arzt 202/331-7020	100,000
2/23/76	*Bicen. Parade of American Music Honors Washington,D.C.*	Kennedy Center for the Performing Arts	Bicen.Parade of Am.Music Mrs. Iva Loughlen Guy,Dir. 202/966-0880	

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPACT
3/ /76	World Forestry Day Celebration-- Participation by Federal officials and private businesses in ceremonies celebrating World Forestry Day.	Various Locations	U.S. Dept. of Agriculture U.S. Forest Service 202/447-3789	
3/1/76 - 3/2/76	D.C. High School Basketball Tournament--	D.C. Armory	Info: 202/547-9077	
3/1/76 - 3/31/76	Performance of Original Irish Music American Irish Month-- Continuted activities	Kennedy Center for the Performing Arts	Am.Irish Bicen. Committee Joseph F. O'Conner 703/354-4721	
3/3/76	D.C. Jr. & Sr. High School Basketball Championships	D.C. Armory	Info:202/547-9077	10,000
3/4/76	Bicen.Parade of American Music Honors Louisiana	Kennedy Center for the Performing Arts	Bicen. Parade of Am. Music Mrs. Clifton Seale,Dir. 504/288-8176	
3/5/76	Salute to the States - LOUISIANA		D.C. Office of Bicen. Programs - Jan Eichhorn 202/727-3096	
3/5/76	D.C. Recreation Department Cabaret	D.C. Armory	Info:202/547-9077	3,000
3/6/76 - 3/7/76	Dance Event	Lincoln Memorial & Wash. Monument Grounds	The Dance Alliance Co.	
3/7/76 - 4/3/76	"America in the World" - The American Issues Forum Mar.7-13 -- "The American 'Dream' Among Nations"; Mar.14-20--"The Economic Dimension"; Mar.21-27-- "A Power in the World"; Mar.28-Apr.3-"A Nation Among Nations".	Nationwide television and radio	Nat'l Endow.for the Humanities 806 15th St.,N.W. Wash.,D.C. 20506 202/382-4278	
3/9/76	Project Open College Day	D.C. Armory	Info: 202/547-9077	

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPACT
3/11/76 - 3/31/76	*A Nation of Nations* -- An exhibit of the contributions a world of people made in creating a new nation with a new identity. Largest ever produced by SMI.	Museum of History & Tech. (West Second Floor) Wash., D.C.	Smithsonian Institution Mrs. Susan Hamilton 202/381-6228	200,000
3/12 or 31	*Presentation of Bicentennial Inventory of American Paintings Executed before 1914*	National Collection of Fine Arts	Smithsonian Institution Mrs. Susan Hamilton 202/381-6228	
3/12/76	*Salute to the States* -- MAINE		D.C. Office of Bicen. Programs - Jan Eichhorn 202/727-3096	
3/12/76 - 3/14/76	*World of Wheels*	D.C. Armory	Info: 202/547-9077	45,000
3/13/76 - 3/17/76	*Camelback High School Band & Chior* --Concert performances and participation in St. Patrick's Day Parade.	St.Matthews Church, Kennedy Center, Capitol Rotunda	Camelback HS Parent Music Assoc. Mary Hertzke, President 602/266-6710	
3/15/76	*Bicentennial Parade of American Music Honors Indiana*	J.F.Kennedy Center for the Performing Arts	Bicen. Parade of Am. Music Mrs. Harley Edington 317/257-5091	
3/15/76	*Opening of Bicentennial Information Center* -- A joint Bicen. exhibit by U.S. Federal Agencies	Great Hall Dept. of Commerce	Federal Government	
3/15/76	*Opening of Bicentennial Information Center*	Nassif Building Washington, D.C.	U.S. Dept. of Transportation Paul Rasmussen 202/426-4132	
3/17/76	*1976 St. Patrick's Day Parade* --	Constitution Ave., Mall & Ellipse	Irish-American Bicen. Committee Sean D. Coakley 301/942-6254	

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPACT
3/18/76 - 3/28/76	*"Dreams on Rue Street"* -- Musical drama depicting the "small Black man's" contribution to the building of America. Community participation emphasized,as well as famed performers,local groups.	Paul Jr. High Community School 8th & Oglethorpe Sts.,N.W. Washington, D.C. 20011	Dorothy E. Gassaway 202/882-5388	
3/19/76	*Salute to the States - NEW YORK*		D.C. Office of Bicen. Programs - Jan Eichhorn 202/727-3096	
3/20/76 - 3/21/76	*"The British Are Coming"* --British military band performance tour of U.S. by 2 British Revolutionary War Regiments: The Black Watch, and the Royal Marines. Approximately 140 officers and men.	D.C. National Guard Armory	Columbia Artists Festival Corp.,Chas. K. Jones, Pres. 165 W. 57th St.,N.Y.,N.Y.10019 212/397-6900	
3/20/76 - 3/21/76	*Black Watch - Royal Marines*	D.C. Armory	Info. 202/547-9077	10,000
3/26/76	*Salute to the States -- OHIO*		D.C. Office of Bicen. Programs - Jan Eichhorn 202/727-3096	
3/26/76 - 3/27/76	*Training Overnighter for Adults*	Fort Washington	Boy Scouts of America	
3/26/76	*Great Organ Renovation Concert* -- Part of the Bicentennial program of the Washington Cathedral.	Washington Cathedral	Washington Cathedral	5,000
3/29/76	*Bicentennial Parade of American Music Honors Mississippi*	J.F.Kennedy Center for the Performing Arts	Bicen.Parade of Am. Music Miss Ernestine Ferrell 601/353-4826	

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPACT
3/30/76	*Opening of Kodak Washington Monument Visitors Orientation Center*	Washington Monument Grounds	Dept. of the Interior	
3/30/76	*Salute to the States* - MISSISSIPPI		D.C. Office of Bicen. Programs - Jan Eichhorn 202/727-3096	
4/ 76	*Opening of Highway of History Paintings*	Washington, D.C.	U.S. Dept. of Transportation Paul Rasmussen 202/426-4132	
4/1/76 - 4/21/76	*Bicentennial Religious Celebration*	Sylvan Theater Washington, D.C.	"Bicentennial Witness"	
4/1/76 - 9/12/76	*Louisiana Territory or Lewis & Clark, Lost and Found* - Performance	J.F.Kennedy Center for the Performing Arts	J.F.Kennedy for the Performing Arts & Wesleya Jack McQuiggan,Exec. Dor. 212/221-6818	1,000
4/2/76 - 4/5/76	*OMEGA PSI PHI Fraternity Bicentennial Meeting* -- D.C. first Black fraternity founded at Howard Univ. Will include social and business sessions.		Wash.Area Chapters Omega PSI PHI Fraternity,Inc. Edward A. Clement 301/322-1684	1,000

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPACT
4/2/76 - 4/4/76	Home Show	D.C. Armory	Info: 202/547-9077	
4/3/76 (rain date 4/4/76)	Kite Day	Wash. Monument Grounds	Smithsonian Resident Associate Program/ D.C. Recreation	
4/3/76 - 4/10/76	Annual Cherry Blossom Festival		Wash.Jr.Chamber of Commerce & Wash. Area Convention & Visitors Bureau Charles Ferguson 202/526-0900	
4/3/76 - 4/10/76	Hugh O'Brian Youth Foundation Leadership Seminar Seminar for high school sophomores providing in depth humanized appreciation of the social,economic and technological devel. of the Nation.		Hugh O'Brian Foundation 132 S. Rodeo Drive Beverly Hills, Calif. 90212	125
4/3/76	Bicen. Golf & Bowling Tournaments & Business Sessions		Wash. Area Chapters Omega Psi Phi Fraternity, Inc. 301/322-1684	1,000
4/3/76	Talent Hunt Winners Program (undergrad activities at Howard Univ.)		Wash. Area Chapters Omega Psi Phi Fraternity, Inc.	1,000
4/3/76	Quette Activities, Card Party,Fashion Show, Etc.		Wash. Area Chapters Omega Psi Phi Fraternity, Inc.	1,000
4/4/76	Business Session, Memorial Services, Tour, etc.		Wash. Area Chapters Omega Psi Phi Fraternity, Inc.	1,000
4/4/76 - 5/1/76	"Growing Up in America" - The American Issues Forum-- Apr.4-10 - The American Family Apr. 12-17 - Education for Work and Life Apr. 18-24 - In God We Trust Apr. 25-May 1 - A sense of Belonging	Nationwide television and radio	Nat'l Endowment for the Humanities 806 15th Street, N.W. Wash.,D.C. 20506 202/382-4278	

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPACT
4/5/76	Bicen. Parade of American Music Honors Illinois	Kennedy Center for the Performing Arts	P. George Prescott,Dir. Bicen.Parade of Am. Music 312/328-8975	
4/5/76 - 4/7/76	International Conference on Noise Control Engineering	Shoreham-Americana Hotel Washington, D.C.	Int'l Noise 76 ARL/PSU Dr.Michael J. Oslac,Chmn 814/863-0276	400
4/6/76 - 4/26/76	The Greatest Show On Earth -- Circus	D.C. Armory	Tele.Charge 202/543-8720 Group Sales 202/333-2811	
4/6/76	Salute to the States -- ILLINOIS		D.C. Office of Bicen. Programs - Jan Eichhorn 202/727-3096	
4/8/76	Dedication/Exhibit of 38 Foot Memorial to all America's Veterans -- Only memorial in D.C. to all veterans of all wars.Sculptor same as Iwo Jima Flag Raising Statue.	VFW Memorial Building 200 Maryland Ave.,N.E. Washington, D.C. 20002	T.H.Marlow,Director 202/543-2239	
4/9/76	Abroad in America: Visitors to the New Nation, 1776-1914	National Portrait Gallery	Smithsonian Institution Susan Hamilton 202/381-6228	
4/9/76	High School Orchestra Concert	Lincoln Memorial	Theodore Roosevelt High School	
4/10/76	Cherry Blossom Parade	Pennsylvania & Constitution Avenues	Downtown Jaycees 202/347-2100	100,000

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPACT
4/10/76	*African Contemporary Art Exhibition 1976* -- Seminars, workshops, lectures.	Art Dept. of Howard Univ.	Nat'l Endowment for the Arts/Howard Univ. 202/636-7047	
4/10/76	*Cathedral Choral Society Concerts* --Featuring music of American composer John Corigliano. Part of Bicen. program of Wash. Cathedral	Washington Cathedral	Washington Cathedral R.Wayne Dirksen 202/966-3500	
4/10/76	*Festival Theater Workshop* -- A forum in which local professional and amateur performing groups and individuals can be given an opportunity to develop and practice their crafts.		D.C. Office of Bicen. Programs -Regina Saxton 202/727-3093	
4/10/76	*Jazz Festival* --One-day festival of performances by various groups featuring role of Edward Kennedy (Duke) Ellington in American Jazz.		D.C. Office of Bicen. Programs - Regina Saxton 202/727-3093	
4/11/75	*Wreath-Laying Ceremony* -	Lincoln Memorial (Reflecting Pool Steps)	Minisink Valley Central Schools	
4/12/75	*Bicentennial Parade of American Music Honors Alabama*	J.F.Kennedy Center for the Performing Arts	Nat'l Fed. of Music Clubs, Nat'l Music Council Mrs. O.R. Grimes 205/546-2643	3,000
4/12/76	*ASIS Bicentennial Conference-America in the Information Age* -- Syncon on information & national decision-making, mock congressional hearings, exhibits and artifacts.	Sheraton Park Hotel	Am.Society for Info Science James W. Morentz,Jr. 202/659-3644	
4/13/76	*Salute to the States - ALABAMA*		D.C. Office of Bicen. Programs - Jan Eichhorn 202/727-3096	

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPAC
4/14/76	*The Student National Medical Assoc., Inc. (SNMA) Education Center* -- 12th annual medical education conference	Washington Hilton	Ms. Avril Madison Assoc.Adm., SNMA 202/337-4550	
4/17/76	*Dedication of Washington Cathedral Nave and West Rose Window*-- Liturgy for holy Saturday and special music. Processing and unveiling of window.	Washington Cathedral	R. Wayne Dirksen 202/966-3500	5,000
4/18/76	*Easter Sunrise Service* --	Circle at entrance to Mt. Vernon	Alexandria Rotary Club	30,000
4/18/76	*The Spring Festival* -- Continuous music festivals.	J.F. Kennedy Center	McDonald's Restaurant Wayne Shilkret, J.F. Kennedy Publicity Dept. 202/254-3696	
4/19/76	*Bicen. Parade of American Music Honors Maine*	J.F. Kennedy Center for the Performing Arts	Bicen. Parade of Am. Music Mrs. Lewis H. Kriger, Dir. 207/774-2445	
4/19/76	*Shakespeare in America Exhibit* -- Shakespeare in America project. Scholarly meetings, lectures, debates, etc.	Folger Library 201 E. Capitol St., S.E. Washington, D.C. 20003	O.B. Hardison 202/546-4800	

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPACT
4/20/76	*Major Lectures on Shakespeare & USA*	Folger Shakespeare Library 201 E.Capitol St.,S.E.	O.B. Hardison 202/546-4800	1,000
4/20/76	*Shakespearian Theatre Performances*	Folger Shakespeare Library	O.B. Hardison	10,000
4/20/76	*Festival Theater Workshop* --		D.C. Office of Bicen. Programs - Regina Saxton 202/727-3093	
4/22/76 - 4/23/76	*Scholarly Conferences of the National Archives* --Themes include a conference on research in American Revol. History exploring "meaning" of that era. Conference on 200 years of American women.	Nat'l Archives Building 8th St. & Penn.Ave.,N.W.	Dr. Mabel Deutrich 202/962-5706	200
4/23/76 - 10/15/76	*Display of Shakespeare Exhibit*-- 200 years of Shakespeare productions,costumes and art.	Folger Shakespeare Library 201 E.Capitol St.,S.E.	Betty Ann Kane 202/546-4800	100,000
4/23/76	*High School Band Performance*	Lincoln Memorial (Reflecting Pool)	Prospect Band Boosters Assoc.,Inc.	
4/25/76	*Elizabethan Liturgy* --Part of Int'l Shakespeare festival; Liturgy from 1559 prayer book,English speaking union, American Shakespeare Soc., Int'l. Shakespeare Soc., & Stratford-on-Avon Trust represented.	Washington Cathedral Mt. St. Alban Washington, D.C.	Wash. Cathedral & Folger Shakespeare Library R. Wayne Dirksen 202/966-3500	5,000
4/25/76	*Assoc. of Anglican Musicians Concert*--Bicen. program of Wash. Cathedral. Opening & dedication of the nave.	Washington Cathedral Washington,D.C. 20016	R. Wayne Dirksen 202/966-3500	
4/25/76	*Market Day Street Fair*	Friendship House Assoc.,Inc. 619 D Street, S.E.	Ronald E. Cooper 202/547-8880	7,000
4/25/76	*Musical Concert*	Lincoln Memorial (Reflecting Pool Steps)	Missouri Federated Music Clubs	

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPACT
4/26/76	*Bicen. Parade of American Music Honors Missouri*	J.F.Kennedy Center for the Performing Arts	Bicen.Parade of Am. Music,Mrs.Robt. Menees 816/561-5214	
4/27/76 - 6/13/76	*Bicen. Art Exhibition Celebrating the Land*-- Paintings by 45 artists depicting activities of Dept. of Interior in conservation of natural resources.	Corcoran Gallery of Art	Dept.of the Interior Nat'l Endowment for the Arts Mrs.Jean Hawkins 202/343-8331	
4/27/76	*Salute to the States -- MISSOURI*			
4/28/76 - 4/29/76	*Opening of "The Written Word Endures: Milestone Documents in American History" Exhibition*		National Archives Dr. Frank Burke 202/962-0602	
4/28/76 - 5/10/76	*Memorial Tree Planting & Bicen. Excursion*-- Nebraska State tree planting on Capitol grounds & tour of D.C.	Capitol Grounds Washington, D.C.	Otoe County Bicen. Committee Everett N. Reimers,Dir. 402/873-6236	
4/30/76	*America as Art*	National Collection of Fine Arts	Smithsonian Institution Susan Hamilton 202/381-6228	
4/30/76	*Founders' Day*	Washington Monument Grounds	Wash.Nat'l Monument Society/ MDW/NCP	
4/30/76	*Pentworth Business Assoc. & D.C. Schools* (TENTATIVE)	D.C. Armory	Info: 202/547-9077	

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPACT
Spring	*Opening of Solar Exhibit*	Washington Mall	Energy Research & Devel. Administration	
Spring	*Opening of remaining Bi-Cent-Ex*-- Theater and history room.	South Portal Bldg 3rd & Indep. Ave.,S.W. Wash.,D.C. 20201	Dept. of HEW Anne Russell 202/245-7187	
May 1976	*Visit by Queen Margrethe II and Prince Henrick of Denmark*		Danish Embassy Bent Skou,Press Office 202/234-4300	
	Extension of Marriott Corporation's "Great American Theme"		Marriott Corp. & National Capital Park Arthur Lamb, NCP 202/426-4132	
May 1976	*SAC Festival*		D.C. Office of Bicen. Programs-Regina Saxton 202/727-3093	
5/1/76	*Shriner's Spring Ball*	D.C. Armory	Info: 202/547-9077	5,000

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPACT
5/1/76	*Law Day in the USA* -- Nationwide celebration by members of the American Bar Association	Great Hall of the Justice Dept.	Dept. of Justice Ms. Charleen Murphy 202/739-3236	1,000,000
5/1/76 - 5/5/76	*American Mothers Committee Annual Convention* Historic Mother from each State announced and Am.mother-1976 named.	Shoreham Hotel	Mrs. Dorothy Lewis,Chrmn Am.Mothers Committee,Inc. 212/755-2539	1,000
5/1/76- 5/2/76	*National Institutes of Health*-- Open to general public. Appropriate exhibits/tours available on NIH campus.	National Institute of Health	National Institute of Health Huly Bray 301/496-4713	50,000
5/1/76 - 5/9/76	*New York City Opera* -- Part of Bicen. Program of the J.F.Kennedy Center for the Performing Arts	Opera House Kennedy Center	J.F.Kennedy Center for the Performing Arts Washington,D.C. 20566	
5/1/76 - 5/22/76	*American Bicentennial Theatre*	Eisenhower Theater	J.F.Kennedy Center for the Performing Arts Wash., D.C. 20566	
5/1/76 - 5/31/76	*Symposium on the Incomplete or Imperfect Revolution*-- A series of annual symposia to be held each spring thru 1976 on topics re the Am. Revolution.	Library of Congress 10 First St., S.E.	Dr. James Hutson 202/426-5000	
5/1/76 - 5/21/76	*Religious Meetings*	Dupont Circle	D.C. Bicen.Christian Heritage Celebration	
5/1/76 - 8/31/76	*Religious Meetings*	McPherson Square	D.C. Bicen. Christian Heritage Celebration	
5/1/76 - 5/21/76	*Religious Meetings*	23rd & French Drive	D.C. Bicen. Christian Heritage Celebration	

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPACT
5/1/76 - 5/21/76	Religious Meetings	Farragut Square	D.C. Bicen. Christian Heritage Celebration	
5/1/76 - 5/21/76	Religious Meetings	Wash.Monument Grounds	D.C. Bicen. Christian Heritage Celebration	
5/2/76	Walk-a-Thon to raise money for birth defects	Sylvan Theater	Nat'l Foundation- March of Dimes	
5/2/76 - 5/29/76	"Life, Liberty, & The Pursuit of Happiness"- Am. Issues Forum May 2-8- The Rugged Individualist May 9-15- The Dream of Success May 16-22- The Pursuit of Pleasure May 23-29- The Fruits of Wisdom	Nationwide television and radio	Nat'l Endowment for the Humanities 202/382-4278	
5/2/76	Arkansas' Bicen. Parade of American Music	J.F. Kennedy Center for the Performing Arts	Arkansas Federation of Music Clubs, Inc. Mrs. Clifton Bond 501/367-3359	
5/3/76	Arkansas Day at the Kennedy Center of Arts			
5/4/76	Salute to the States - ARKANSAS		D.C.Office of Bicen. Programs -Jan Eichhorn 202/727-3096	

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPACT
5/5/76	Theater Festival Workshop		D.C. Office of Bicen. Programs - Regina Saxton 202/727-3093	
5/6/76 - 5/8/76	Caribbean Festival		D.C. Office of Bicen. Programs - Regina Saxton 202/727-3093	
5/6/76	Opening of Constitution Gardens	Const. Ave. at 17th St.N.W.	Dept. of the Interior	
5/6/76	Fraternal Order of Police Variety Show	D.C. Armory	Info:202/547-9077	3,000-4,000
5/6/76 - 5/7/76	Final Series on American Revolution Symposia	Library of Congress	Library of Congress Elizabeth Kegan 202/426-5218	500
5/7/76	Salute to the States -- MICHIGAN		D.C.Office of Bicen.Programs Jan Eichhorn-202/727-3096	
5/7/76	Mecca Temple #10 Spring Dance	D.C. Armory	Info:202/547-9077	
5/8/76	School Safety Patrol Parade	Mall, Ellipse & Constitution Avenue	MPDC	
5/8/76 - 5/15/76	Armed Forces Week - Theme: "Honor America" Demonstrations and exhibits by Army,Navy, Air Force & Marine Corps. Band concerts at Jefferson Memorial 2 PM & 8 PM weekdays.	Wash. Monument & Jefferson Memorial	Department of Defense Marc Huet 202/695-7826	
5/8/76 & 5/15/76	Boomerang Festival --	West Potomac Park (Polo Field)	Smithsonain Resident Association	
5/8/76 - 5/9/76	10th Annual Cherry Blossom Rugby Football Tournament	West Potomac Park (Oval Athletic Field)	Wash. Rugby Football Club	
5/8/76	Premier Showing - Burning of Atlanta	D.C. Armory	Info: 202/547-9077	

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPACT
5/9/76 - 5/15/76	*Bicen. Salute to Small Business* --Each day of conference will highlight a salute by different segments of American society.	Hyatt Regency Hotel New Jersey Ave. & P St.,N.W.	Small Business Admin. Anthony Parker 202/382-3537	500
5/10/76 - 5/12/76	*Emergency Medicine in the 3rd Century* --		Dept. of Health, Edu., & Welfare Dr. William Gemma 301/443-2460	
5/10/76 - 5/16/76	*Royal Danish Ballet Performances at Kennedy Center*--	J.F.Kennedy Center for the Performing Arts	Embassy of Denmark Niels Toft 202/234-4300	
5/11/76 - 9/30/76	*Christian Gullager -- Portrait Painter to Federal America* - Exhibit will be opened by Her Majesty Queen Margrethe II of Denmark. Exhibit of 50 portraits.	National Portrait Gallery	Smithsonian Institution Susan Hamilton 202/381-6228 Emb. of Denmark Niels Toft 202/234-4300	
5/11/76 - 5/11/78	*1876 - A Centennial Exhibition* --Recreation of late 19th century along with international exhibition of 1876 in Philadelphia & the Smithsonian's first national museum which opened in 1881.	Arts & Industries Bldg.	Smithsonian Institution Mrs. Susan Hamilton 202/381-6228	
5/12/76	*Bicen. Parade of American Music honors West Virginia*	Kennedy Center for the Performing Arts	Bicen.Parade of Am. Music Mrs. John McKenzie 304/253-9526	
5/12/76	*Opening of Exhibit of Danish Architect,Arne Jacobsen* --Exhibit will be opened by Her Majesty Queen Margrethe II of Denmark.		Embassy of Denmark Niels Toft 202/234-4300	
5/12/76 - 9/15/76	*A Navy Bicentennial Summer Ceremony* -- A blend of music and pageantry in honor of American and the Navy that serves her.		Commandant Naval District of Wash., D.C. Public Affairs Office 202/433-2217	

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPAC
5/12/76	*Salute to the States - WEST VIRGINIA*		D.C. Office of Bicen. Programs -Jan Eichhorn 202/727-3096	
5/12/76 - 5/16/76	*Washington International Art Fair -Wash-Art '76*	D.C.National Guard Armory 2001 E.Capitol Street	Felluss Gallery Group Carol Supplee,Dir. 202/ 296-1900	
5/13/76 - 5/14/76	*High School Band Concert*	Farragut Square, Lincoln Memorial	J.S. Morton High School Band	
5/14/76 - 5/16/76	*American Music Theatre*--	Lisner Auditorium	Opera Society of Wash. Ian Strasfogez 202/296-8660	1,600
5/14/76 - 5/16/76	*Smithsonian's 5th Annual Musical Weekend*	Smithsonian Institution	Susanne Roschwalb 202/381-6525	
5/16/76	*Lafayette Square Sunday* --	Lafayette Square	Dept. of the Treasury Edward Storey 202/964-2333	50,000
5/17/76	*Salute to the States - MICHIGAN*		D.C. Office of Bicen. Programs - Jan Eichhorn 202/727-3096	
5/20/76 - 5/20/77	*Artists-Immigrants of America:1876-1976* Exhibition exploring contributions made by immigrants and refugee artists to the development of American art of international stature.		Smithsonian Institution Susan Hamilton 202/381-6228	1,000,000
5/21/76 - 5/23/76	*D.C. City Celebration*--3-day festival featuring performing arts activities,exhibits,craft demonstrations and ethnic foods and international music and dance groups.		D.C. Office of Bicen. Programs - Regina Saxton 202/727-3093	
5/23/76	*Federal City College Graduation*	D.C. Armory	Info: 202/547-9099	6,000

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPACT
5/24/76	Bicen. Parade of American Music honors Florida	Kennedy Center for the Performing Arts	Bicen. Parade of Am. Music Mrs. W.A. Saunders, Dir. 904/397-2101	
5/24/76	Salute to the States -- FLORIDA		D.C. Office of Bicen. Programs- Jan Eichhorn 202/727-3096	
5/24/76 - 9/10/76	Hospitality Services, Films, Demonstrations	West Potomac Park	Boy Scouts of America	
5/26/76	Theater Festival Workshop		D.C. Office of Bicen. Programs - Regina Saxton 202/727-3093	
5/26/76	Bicen. Parade of American Music Honors Texas	Kennedy Center for the Performing Arts	Bicen. Parade of Am. Music Dr. Kenneth Cuthbert, Dir. 817/362-2049	
5/26/76	Concert by "The New Creation"	Lincoln Memorial (Reflecting Pool Steps)	First Christian Church of Edmond, Oklahoma	
5/27/76	Salute to the States -- TEXAS		D.C. Office of Bicen. Programs - Jan Eichhorn 202/727-3096	
5/27/76- 5/29/76	Cathedral Foundation Convocation/Open House Exhibits Crafts, stone carving, stained glass, needlepoint, architecture -- lectures, exhibits, folk & classical music.	Washington Cathedral Wash., D.C. 20016	R. Wayne Dirksen 202/966-3500	4,000
5/27/76	Evening Choral Society Concert--Music of American composers, John La Montaine, Richard Dirksen & Leo Sowerby	Washington Cathedral Wash., D.C. 20016	R. Wayne Dirksen 202/966-3500	2,000
5/28/76 - 5/30/76	International Congress of Foreign Exchange & Money Market Dealers--	Shoreham Hotel	FOREX Assoc. of No. America Robert F. LeClerc 212/379-6300	3,000

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPACT
5/29/76	*American Paintings from the Phillips Collection 1900-1950* In addition to the paintings above, there will be the American paintings permanently on view.	Phillips Collection 1600 21st St., N.W. Wash.,D.C.20009	Phillips Collection 202/387-2151	
5/29/76 - 6/13/76	*Outdoor Art Fair*	The Ellipse	D.C.Dept.of Recreation & Sears-Robuck & Co.	
5/30/76 - 5/31/76	*Cellar Door Production* (TENTATIVE)	R.F.K. Stadium	Info:202/547-9077	
5/31/76	*Bicen.Parade of American Music Honors Iowa*	Kennedy Center for the Performing Arts	Bicen.Parade of Am. Music Mrs.Dorothy Lowell 515/472-5059	
6/ /76	*Porterville Panther Band Performance* - involving 200 students, one for every year of America's history. Band will travel to different cities.		Porterville Pantherville Band, Ruck Shaffer 209/784-7000	
6/ 76	*Ethnic Mini-Festivals*-- Noon hour performances featuring amateur performing groups,ethnic food and art displays.		D.C.Office of Bicen Programs- Regina Saxton 202/727-3093	
6/1/76	*Salute to the States - IOWA*		D.C.Office of Bicen. Programs - Jan Eichhorn 202/727-3096	
6/1/76 - 8/31/76	*Promotion of Physical Fitness*	West Potomac Park (17th Street)	Am.Bicen. Physical Fitness Program	
6/1/76 - 6/4/76	*Bicen. Youth Debates*- National program of competitive and community debates on topics of historical and humanistic concern.		Nat'l Endowment for the Humanities Richard C. Huseman 202/265-1070	
6/1/76 - 8/31/76	*1976 Boy Scouts Eagle Scout Guides & Aids on Mall*-- Will provide visitor services in D.C. area. Participation by approx. 760 eagle scouts.	Mall	Nat'l Council Boy Scouts of America 201/249-6000	

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPACT
6/1/76 - 6/1/77	*Masterpieces of African Art* --Exhibition of 500 works of traditional African sculptures and Elisofon color photos, tours & lectures on African culture.	Museum of African Art 318 A Street, N.E. Wash., D.C. 20002	Warren M. Robbins 202/547-7424	500,000
6/3/76 - 6/4/76	*Musical Bicen. Celebration by Elementary Children*	Jefferson Memorial	Club Heights Elementary School	
6/3/76	*Ceremony honoring Charles Bonaparte*	Auditorium, Dept. of Justice	Italian Historical Society of America 212/680-1166	
6/3/76 - 9/6/76	*"The Eye of Thomas Jefferson" Exhibit* --	National Gallery of Art 6th & E Const.Ave., N.W.	Ross Watson 202/737-4215	1,500,000
6/4/76 - 1/2/77	*Americas: The Decorative Arts in Latin America in the Era of the Revol.*	Renwick Gallery	Smithsonian Institution 202/381-5811	
6/5/76 - 6/6/77	*Dedication of Nave -Services/Concerts/Open House* --	Washington Cathedral Wash., D.C. 20016	R.Wayne Dirksen 202/966-3500	5,000
6/5 or 7/76	*Bicentennial Concert*	Lincoln Memorial or Washington Monument	Washington Senior High School	
6/7/76 - 6/11/76	*Danville High School Band Concert*	Jefferson & Lincoln Memorials - Rawlins Park	Danville High School Boosters Assoc.	
6/8/76 - 6/10/76	*Pahlavi Symposium on Iran-U.S. Relationships: Past and Future*		Dr.W.Gibson, Exec.V.Pres. Stanford Research Inst. 415/326-6200	200
6/11/76	*Salute to the States* -- INDIANA		D.C. Office of Bicen. Programs- Jan Eichhorn 202/727-3096	
6/12/76 - 6/13/76	*Electric Factory* (TENTATIVE)	R.F.Kennedy Stadium	Info:202/547-9077	

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPA
6/12/76	Baptist Praising '76 Bicen.Music Festival-- Conference, performance, five guest groups sing,congregation participation.	Washington Cathedral	Baptist Convention of Md. & Church Music Dept., Sou. Baptist Conv.	5,000
6/13/76 - 6/17/76	Advancing the Humane Society-National Conference on Social Welfare--103rd annual forum of the NCSW	Sheraton Park Hotel & Shoreham-Americana Hotel	Nat'l Conf. on Social Welfare Margaret Berry-614/221-4469	
6/13/76	Catvinade Beauty Academy Commencement	D.C. Armory	Info: 202/547-9077	5,000
6/14/76- 6/16/76	Kin & Communities - The Peopling of America -Workshop Coinciding with opening of American Folklife Festival and "A Nation of Nation" project.	Smithsonian Institution	Susan Hamilton 202/381-6228	
6/14/76 - 9/6/76	"Great America" Performances -- Festival of music 6 evenings a week on stage at Sylvan Theater.	Washington Monument	Marriott Corp. in coop. with National Park Serv. Louis V. Priebe 301/986-5121	
6/15/76	Bicen. Parade of American Music honors Wisconsin	Kennedy Center for the Performing Arts	Bicen.Parade of Am. Music Miss Alice Walter, Dir. 414/763-2206	
6/15/76	Salute to the States -- WISCONSIN		D.C. Office of Bicen. Programs- Jan Eichhorn 202/727-3096	
6/15/76	Musical Composition Competition-Strings,Chorus,Solo Voice --	Kennedy Center	Friday Morning Music Club,Inc. Catherine Stewart 301/530-5898	
6/16/76 - 9/6/76	Festival of American Folklife --Old ways in the New World; Native Americans; Working America;Regional America; Children's area and Family Folklore; Featuring 30 countries & 50 States.	National Mall between Washington Monument and Lincoln Memorial	Smithsonian Institution Co-sponsors:Nat'l Park Service, American Airlines,General Foods	1,000,000
6/16/76 - 6/18/76	Theater Festival Performance		D.C. Office of Bicen. Programs- Regina Saxton 202/727-3093	

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DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPACT
6/16/76 - 6/17/76	*Drill Team Performance*	Lincoln Memorial, Jefferson Memorial, Rawlins Park	Angel Drill Team	
6/17/76 - 6/25/76	*Gian Carlo Menotti Commissioned Opera*-- Opening event in summer festival '76. Two operas for children: "Martin's Lie" and a new, as yet untitled, work. Part of Wash. Cathedral Bicen. program.	Washington Cathedral Wash., D.C.	R. Wayne Dirksen 202/966-3500	
6/18/76	*Salute to the States -- OREGON*		D.C. Office of Bicen. Programs- Jan Eichhorn 202/727-3096	
6/20/76	*New England Conservatory Ragtime Ensemble*-- Swinging classics of popular American music of the 19th & 20th centuries. Directed by Gunther Schuller	Wolf Trap for the Performing Arts 1624 Trap Road Vienna, Virginia 22180	Wolf Trap for the Performing Arts 703/938-3810	
6/20/76 - 6/26/76	*Evangelizing*	Washington Monument Grounds	Eternal Hope Church of God of the Abrahamic Faith	
6/21/76	*Ukrainian Week* -- Youth encampment lectures, folk dance, sports events, cultural programs, tours		Ukrainian Bicen. Comm. of America Ivan Bazarko 212/924-5617	25,000
6/21/76	*Bicen. Parade of American Music Honors Minnesota*	Kennedy Center for the Performing Arts	Bicen. Parade of Am. Music Mrs. Philip Eckman, Dir. 218/525-3198	
6/21/76 - 6/25/76	*Economic Council of Europe Seminar & Tour*		Dept. of Transportation Paul Rasmussen 202/426-4132	
6/22/76	*Salute to the States -- MINNESOTA*		D.C. Office of Bicen. Programs - Jan Eichhorn 202/727-3096	
6/22/76 - 6/26/76	*Shenandoah*-- Country folk musical celebrating America's past	Wolf Trap for the Performing Arts 1624 Trap Road Vienna, Virginia 22180	Wolf Trap for the Performing Arts 703/938-3810	

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPAC
6/24-25/76 & 7/1-2/76	*Musical presentation of Spirit and Meaning of 1976*	Wash.Monument Grounds	Dept. of Baptist Women	
6/26/76	*Wreath-laying Ceremony*	Taras Shevchenko Monument & Wash. Monument Grounds	Ukrainian Congress Committee of America, Inc.	
6/27/76 - 7/3/76	*Church Youth Musical Groups,Speakers,etc.*	Mall (10th & Madison)	Wade Akens New Life Ministries Internationa	
6/27/76 - 8/31/76	*Mixed Media for Educational & Historical Interests*-- Multi-arts exhibition in Wash.,D.C.	Smith Mason Gallery of Art,Inc. 1207 Rhode Island Ave.,N.W. Wash.D.C. 20005	James C. Mason President 202/462-6323	
6/28/76	*Bicen. Parade of American Music Honors OREGON*	Kennedy Center for the Performing Arts	Bicen. Parade of Am. Music Mrs.Thurston Lindvall 503/639-5500	
6/28/76 - 6/30/76	*Parade & Concert Opening Aerospace Smithsonian*-- 1,976 musicians and drill team marchers from 115 Calif. high schools will perform in Washington, D.C.		Orange Glen High School "Patriot" Band David Harrison 714/746-1540	100,000
6/29/76	*Salute to the States -- CALIFORNIA*		D.C. Office of Bicen. Programs- Jan Eichhorn 202/727-3096	
6/29/76	*Choral Performance*	Lincoln Memorial	First Baptist Church	
6/29/76	*Opening Concert of Freedom Week Tour of English Handbell Ringers* -- Part of the Bicen. celebration program of the Washington National Cathedral	Washington Cathedral	The American Guild of English Handbell Ringers Nancy P. Tufts 301/292-1665	5,000

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPACT
6/30/76 - 12/31/76	*Multiphased Exhibit of Greek Antiquities, Performing Arts & Crafts--*		Embassy of Greece John Perdikis 202/667-3168	
6/30/76	*Religious Activity*	Lincoln Memorial (Reflecting Pool Steps)	Wade Akins New Life Ministries	
7/ /76	*Wedgwood Revolutionary Period Portraits--*	National Portrait Gallery	Smithsonian Institution Susan Hamilton 202/381-6228	
7/ /76	*Ethnic Mini Festival* - Noon hour festival featuring performing arts, food, art displays.		D.C. Office of Bicen. Programs- Regina Saxton 202/727-3093	
7/ /76	*SAC Festival* - One day festival featuring community organizations, craftsmen, schools, and business groups.		D.C. Office of Bicen. Programs - Regina Saxton 202/727-3093	
7/1/76 - 7/5/76	*Antique Show*	D.C. Armory	Info: 202/547-9077	
7/1/76	*Opening of the National Guard Heritage Gallery--* The Gallery will relate the story of the minutemen who bore arms in defense of their homes and communities to establish this nation's freedom. The growth of the National Guard is also traced.		Historical Soc. of the Militia & National Guard James B. Derrin 1 Mass. Ave., N.W., D.C. 202/347-0341	300
7/1/76 - 7/4/76	*A Seminar on Christian Citizenship for High School Boys--* Christian citizenship '76 project of Memphis. An Ambassador service seminar for Southern Baptist Boys, ages 15-18.	Quality Inn on Capitol Hill Wash., D.C.	Southern Baptist Brotherhood Convention Charles Doggett 901/272-2461	50,000
7/1/76 - 7/22/76	*Bicentennial Religious Exhibit*	Ellipse (Eastern Quadrant)	American Christian Heritage Association	

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPACT
7/1/76 - 7/2/76	*Band Concert/March*	Capitol Reflecting Pool	California Cavalcade of Bands	
7/2/76 - 7/5/76	*July 4th, 1976 Holiday Weekend in Washington,D.C.* Festival,parade, radio/television *July 2*- Metropolitan area local Bicentennial celebrations; *July 3* Special program at Kennedy Center *July 4* Pageant of Freedom	Washington Monument, Mall & Constitution Avenue & Kennedy Center	Happy Birthday, USA Lawrence Stinchcomb 202/382-1876	1,000,000
7/3/76	*Elton John* (TENTATIVE)	R.F.K. Stadium		
7/3/76	*National Symphony Orchestra with Andre Kostalanetz and Yehudi Menuhin*--A salute to the Bicen. program; Bruch's Violin Concerto in G minor and a newly commissioned work by Alan Hovhaness	Wolf Trap for the Performing Arts 1624 Trap Road Vienna,Virginia 22180	Wolf Trap for the Performing Arts 703/938-3810	
7/3/76 - 7/5/76	*Nation Day Observance - Liturgy/Festival Concerts/ Open House*--Suitable celebration for the Nation's 200th Birthday.	Washington Cathedral	Washington Cathedral R. Wayne Dirksen 202/966-3500	
7/4/76	*July 4th Gala*-- A Bicentennial celebration featuring U.S. Air Force Band conducted by Col.Arnold D. Gabriel, with special performances by the Singing Sergeants and the Airmen of Note.	Wolf Trap for the Performing Arts 1624 Trap Road Vienna,Virginia 22180	Wolf Trap for the Performing Arts 703/938-3810	
7/4/76	*Opening of Air and Space Museum*-- Also see the Armed Forces History Hall at the Smithsonian's National Museum of History and Technology at 14th & Const.Ave.N.W.	Air and Space Museum on Independence Ave.,S.W.	Smithsonian Institution Susan Hamilton 202/381-6228	
7/4/76	*Viking Space Vehicle Landing on Mars - 1976* - Soft landing of unmanned spacecraft on mars on July 4,1976, (Viking) expected to tie in with SMI July 4 observance on opening of new Air and Space Museum.		Nat'l Aeronautics & Space Administration John P. Donnelly 202/755-3828	

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPACT
7/4/76	*Formal Opening of Centennial Safe in Custody of U.S. Congress*-- Presented to Congress in 1876 by Mrs. Charles F. Dethm.	U.S. Capitol	Office of the Architect U.S. Congress 202/225-1200	
7/4/76	*"Our Capitol - Freedom Speaks"* - 3 shows nightly. Sound and light Historama.	U.S. Capitol	U.S. Capitol Historical 202/543-8919	
7/4/76	*Independence Day Celebration at Washington Monument*-- Throughout the Nation, the National Park Service Areas are cooperating with local communities in preparing festive events for the Bicen. celebration with fireworks at dusk, speeches and music.	Washington Monument	National Capital Parks/ National Park Service Public Affairs Office 202/426-6700	
7/4/76	*Nationwide Bicentennial Information Center*--Nationwide "Discover the USA" Exhibit of the NCP/NPS & ARBA, provide info on and motivate visits to sites and activities of visitor interest throughout country.	National Visitor Center	Bicen. Coordinator: National Park Service 202/426-6646	
7/4/76 (Pending Permit)	*Bicentennial Celebration*--	Mall (between 1st and 7th)	People's Bicen. Commission	
7/4/76	*National Visitor Center Development Opening*-- Included will be welcome area, theater & audio-visual equipment on ongoing project.	National Visitor Center at Union Station	General Manager: National Park Service 202/523-5300	
7/4/76	*Religious Service*	Lincoln Memorial(Reflecting Pool steps)	D.C. Downtown Cluster of Churches	
7/4/76	*John Denver* (TENTATIVE)	R.F.K. Stadium	Info:202/547-9077	

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPAC
7/6/76	*Bicentennial Inventory of American Paintings*-- Directory to be published and resources opened.	National Collection of Fine Arts	Smithsonian Institution Susan Hamilton 202/381-6228	
7/7/76 - 7/9/76	*National Finnish American Bicen. Meeting & Festival* Bicen. festivals to be held in Finnish-American centers located in several cities during 1976.		Suomi College Ralph J. Jalkanen,Pres. 906/482-5300	
7/7/76 - 7/11/76	*International Convention of Bonsai Clubs*-- 1976 Annual Membership Meeting, plus educational programs & demonstration of the art of bonsai (miniature trees).Highlight will be dedication of National Arboretum Bonsai Collection.	Shoreham-Americana Hotel	Bonsai Clubs Int'l & Potomac Bonsai Assoc. James R. Newton 703/256-3623	1,000
7/8/76	*Bicentennial Parade of American Music Honors California*	Kennedy Center for the Performing Arts	Bicen. Parade of Am. Music Mrs. Naomi Reynolds,Dir. 213/474-7653	
7/11/76 - 7/31/76	*Christian Witness*	Washington Monument Grounds	Capital Section Minister's Association	
7/13/76 - 7/16/76	*'76 International Conference on Electromagnetic Compatibility*-- Conference, seminar, exhibit.	Shoreham Americana Hotel	Institute of Electrical & Electronics Engineers William C. Green 202/223-3404	2,000
7/14/76	*Bicen. Departure Day Ceremonies for American Field Service Students* -- Departure day is the year-end highlight for 2600 Amer. Field service students from abroad, who have spent the Bicen. year in American communities.	Wolf Trap Farm Park 1624 Trap Road Vienna,Virginia 22180	Am. Field Serv. Int'l Scholarships Susan Eisenhart,Asst Dir. 212/689-1780	5,000

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPACT
7/16/76 - 7/18/76	*Annual National Folk Festival*--The 1976 National Folk Festival will be celebrated by scores of artists who represent the varied American musical tradition.	Wolf Trap Farm Park for the Performing Arts 1624 Trap Road Vienna, Virginia 22180	Wolf Trap Farm Park 703/938-3810 Co-sponsored by NPS & Nat'l Folk Festival Assoc.	
7/17/76	*Drum and Bugle Corps Competition*	D.C. Armory	Info: 202/547-9077	4,000
7/19/76	*Bicen. Parade of American Music - Kansas*	Kennedy Center for the Performing Arts	Kansas Fed. Of Music Clubs & Univ. of Kansas Robert Foster 913/864-3367	
7/21/76 - 7/23/76	*Theater Festival Performance*-- A forum in which local professional and amateur performing groups & individuals will be given oppor. to develop and practice their crafts.		D.C. Office of Bicen.Prog. Regina Saxton - 202/727-3093	
7/22/76 - 7/24/76	*Learning Technology Symposium and Exposition* --Conf. Presentations on applied learning technology & demonstrations of actual learning systems devices, machines & techniques	Sheraton Park Hotel Wash., D.C.	Society for Applied Learning Technology Raymond G. Fox, Pres. 202/393-3620	2,000
7/23/76 (Rain date 7/24/76)	*Coaches All-Star Game (Football)*	R.F.K. Stadium	Info: 202/547-9077	
7/23/76	*Salute to the States -- KANSAS*		D.C. Office of Bicen. Programs Jan Eichhorn - 202/727-3096	
7/26/76	*Bicen. Parade of American Music Honors Nevada*	Kennedy Center for the Performing Arts	Bicen. Parade of Am. Music Ken Hanlon, Dir. 702/739-3332	
7/26/76 - 7/31/76	*Spanish Ethnic Mini-Festival*		D.C. Office of Bicen. Programs Regina Saxton - 202/727-3093	
7/27/76	*Salute to the States -- NEVADA*		D.C. Office of Bicen.Programs Jan Eichhorn -202/727-3096	
7/30/76 - 7/31/76	*Kool Jazz Festival*	R.F.K. Stadium	Info:202/547-9077	30-35,000 @ day

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPA
8/ /76	SAC Festivals(2)--One-day festival to be held in each of 2 of the City's 9 Service Areas; features community organizations;craftsmen;schools & business groups.		D.C. Office of Bicen. Programs- Regina Saxton 202/727-3093	
8/ /76	Ethnic Mini-Festival-- Noon-hour festival featuring performing arts; food; art displays in downtown area.		D.C. Office of Bicen. Programs- Regina Saxton 202/727-3093	
8/2/76	Bicen. Parade of American Music Honors Nebraska	Kennedy Center for the Performing Arts	Bicen. Parade of Am. Music Mrs. Lloyd Spiker 402/339-4191	
8/3/76	Salute to the States - NEBRASKA		D.C. Office of Bicen. Programs- Jan Eichhorn 202/727-3096	
8/3/76 - 8/7/76	City Center Joffrey Ballet --Include works by Antony Tudor, Kurt Joos, & a Bicen. piece by Gerald Arpino entitled Drums,Dreams & Banjoes with music by Stephen Foster.	Wolf Trap Farm Park for the Performing Arts	Wolf Trap Farm Park 703/938-3810	
8/9/76	Bicen. Parade of American Music honors Colorado	Kennedy Center for the Performing Arts	Bicen.Parade of Am. Music Mrs. Jess McQuie,Dir. 303/333-6521	
8/10/76	Salute to the States -- COLORADO		D.C. Office of Bicen. Programs - Jan Eichhorn 202/727-3096	
8/18/76 - 8/20/76	Theater Festival Performance--		D.C. Office of Bicen. Programs - Regina Saxton 202/727-3093	
8/20/76	Heritage Exhibit		D.C. Office of Bicen. Programs - Regina Saxton 202/727-3093	

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPACT
8/23/76	Band Concert	Lincoln Memorial (Reflecting Pool Steps)	South Gate City Youth Band	
8/23/76	Bicen. Parade of American Music honors North Dakota	Kennedy Center for the Performing Arts	Bicen. Parade of Am. Music Dr. Merton Utgaard,Dir. 701/228-3131	
8/24/76	Salute to the States -- NORTH DAKOTA		D.C. Office of Bicen. Programs- Jan Eichhorn 202/727-3096	
8/27/76 - 8/29/76	Demonstration of Colonial and National Guard Ceremonial Activities	West Potomac Park	National Guard Assoc. of the United States	
8/30/76	Bicen. Parade of American Music honors Montana	Kennedy Center for the Performing Arts	Bicen. Parade of Am. Music Miss Sharon Weaver, Dir. 406/761-5228	
8/31/76	Salute to the States -- MONTANA		D.C. Office of Bicen. Programs - Jan Eichhorn 202/727-3096	
9/ /76	SAC Festival-- One-day festival to be held in one of the City's Nine Service Areas featuring community participation.		D.C. Office of Bicen. Programs - Regina Saxton 202/727-3093	
9/ /76	Ethnic Mini-Festival		D.C. Office of Bicen. Programs - Regina Saxton 202/727-3093	

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPAC
9/7/76 - 9/10/76	*Computer Technical Conference - Bicen. & Horizons Theme*-- COMPCON '76 will celebrate 25th Anniv. of the IEEE Computer Society. Subject of Conference "Computers by the Million, for the Millions".	Mayflower Hotel	IEEE Computer Society Harry Hayman, Dir. 301/439-7007	600
9/9/76 - 9/12/76	*Nat'l Park Service "People of 1776" Visits National Capital Parks*--Traveling troupe will bring various aspects of colonial life to Rock Creek Park on Sept. 9; to Manassas NBP Sept. 10; to Prince William Forest Park on Sept.11; and to G.W. Parkway Sept. 12.	See Narrative	Bicen.Coor.-NCP/NPS 202/426-7712	
9/9/76 - 4/3/77	*Exhibit: Americas-- The Decorative Arts in Latin America in the Era of the Revolution*-- Details the richness of design, crafts and the decorative arts in Central and South America.	Renwick Gallery	Smithsonian Institution Susan Hamilton 202/381-6228	
9/9/76	*Bicen. Parade of American Music Honors South Dakota*	Kennedy Center for the Performing Arts	Bicen. Parade of Am. Music Mrs. Usher Abell,Dir. 605/624-2552	
9/10/76	*Salute to the States -- SOUTH DAKOTA*		D.C. Office of Bicen. Programs- Jan Eichhorn 202/727-3096	
9/13/76	*Oceans '76 Conference*-- Technical sessions on ocean sciences & technology; international and inter-society participation.	Sheraton Park Hotel	Marine Tech. Society & Inst. Electrical & Electronic Engineers Elizabeth Wallace 202/659-3251	
9/13/76	*Bicen. Parade of American Music Honors Washington*	Kennedy Center for the Performing Arts	Bicen. Parade of Am. Music Mrs. Wayne Hertz,Dir. 509/962-9446	
9/14/76	*Salute to the States -- WASHINGTON*		D.C. Office of Bicen. Programs - Jan Eichhorn 202/727-3096	

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPACT
9/16/76 - 10/3/76	*American Freedom Train Display Days at Wash., D.C.* Will include 10 exhibit cars and 2 showcase cars depicting different phases of the American experience.		The American Freedom Train Foundation, Inc. Don Mallicoat 703/820-7300	
9/17/76	*Massive Naturalization Ceremony*	Department of Justice	Department of Justice	
9/20/76	*Bicen. Parade of American Music Honors Idaho*	Kennedy Center for the Performing Arts	Bicen. Parade of Am. Music Mrs. Ralph Constock, Dir. 208/375-1504	
9/21/76	*Salute to the States* -- IDAHO		D.C. Office of Bicen. Programs- Jan Eichhorn 202/727-3096	
9/23/76	*Theater Festival Workshop*		D.C. Office of Bicen. Programs - Regina Saxton 202/727-3093	
9/26/76 - 10/1/76	*The United States in the World International Conf.* To explore the interaction between U.S. and other societies in the areas of science, technology, social, and behavioral sciences, politics, economics & popular culture. By invitation only. Some events open to the public	Smithsonian Institution	American Studies Assoc. & Smithsonian Inst. & American Council of Learned Societies Allen F. Davis, ASA 215/243-5408	400
9/27/76 - 10/1/76	*Washington Meeting of International Congress on Archives* -- Discussion of the preservation and use of official records for historical scholarship.	Statler Hilton Hotel	National Archives	1,200

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPAC
9/27/76	*Bicen. Parade of American Music Honors Wyoming*	Kennedy Center for the Performing Arts	Bicen. Parade of Am. Music Mrs. R.L. Esmay,Dir. 307/638-3865	
9/28/76	*Salute to the States -- WYOMING*		D.C. Office of Bicen. Programs - Jan Eichhorn 202/727-3096	
Sept./Oct.	*The New Immigration-- Implications for American Society* -- a forum		The Research Institute on Immigration and Ethnic Studies & Smithsonian Institution Susan Hamilton 202/381-6228	
10/ /76	*Ceremony Review & Reception for Yorktown Irish Regiment* Honor regiments of Irish brigade of French Army under Rochambeau at Battle of Yorktown		Am./Irish Bicen. Committee Joseph F. O'Connor 202/785-2320	1,500
10/1/76	*Bicen. Parade of American Music honors Oklahoma*	Kennedy Center for the Performing Arts	Bicen.Parade of Am. Music Mrs. J. Knox Byrum,Dir. 405/273-2824	
10/1/76	*Salute to the States -- OKLAHOMA*		D.C. Office of Bicen. Programs- Jan Eichhorn 202/727-3096	
10/1/76	*Sculpture: Wood, Welded Metal, Field Stone & Marble* Multi-arts exhibition in Wash.,D.C.	Smith Mason Gallery of Art,Inc. 1207 Rhode Island Ave.,N.W. Wash.,D.C. 20005	James C. Mason, Pres. 202/462-6323	
10/3/76 - 10/9/76	*Italian-American Week*-- Noon hour festivities.		D.C. Office of Bicen. Programs- Regina Saxton 202/727-3093	

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPACT
10/9/76	*City Celebration* --		D.C. Office of Bicen. Programs- Regina Saxton 202/727-3093	
10/12/76	*Italian American Day*-- Italian-American contributions to the United States. Exhibits, films and folk festivals portraying Italian contributions.		Am. Italian Bicen. Comm.,Inc. Nicholas R. Beltrante 202/628-5555	5,000
10/15/76	*American Presidential Political Cartoons*	National Portrait Gallery	Smithsonian Institution Susan Hamilton 202/381-6228	
10/22/76	*Theater Festival Workshop*		D.C. Office of Bicen. Programs- Regina Saxton 202/727-3093	
10/28/76 - 10/30/76	*"The Disappointment or the Force of Credulity"-Opera*-- The Library of Congress in cooperation with the Eastman School of Music will produce this program as a modern musical score faithful to the 18th century.	Coolidge Auditorium Library of Congress	Library of Congress Elizabeth Kegan 202/426-5108	

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPAC
11/5/76	*Salute to the States -- NEW MEXICO*		D.C. Office of Bicen. Programs- Jan Eichhorn 202/727-3096	
11/8/76	*Bicen. Parade of American Music honors Utah*	Kennedy Center for the Performing Arts	Bicen.Parade of Am. Music Mrs. J. Tracey Wootton,Dir. 801/486-6214	
11/9/76	*Salute to the States -- ARIZONA*		D.C. Office of Bicen. Programs- Jan Eichhorn 202/727-3096	
11/11/76	*Bicen. Parade of American Music honors New Mexico*	Kennedy Center for the Performing Arts	Bicen. Parade of Am. Music Miss Jeanne Grealish,Dir. 505/256-1222	
11/12/76	*Salute to the States -- UTAH*		D.C. Office of Bicen. Programs - Jan Eichhorn 202/727-3096	
11/14/76 - 11/18/76	*International Conference on Nuclear Policy & Technology*	Shoreham Americana Hotel	Atomic Industrial Forum 301/654-9260	1,000
11/15/76	*Bicen. Parade of American Music honors Arizona*	Kennedy Center for the Performing Arts	National Music Council Mrs. Ruth Rasmussen 602/387-7468	5,000
11/16/76	*Salute to the States -- ALASKA*		D.C. Office of Bicen. Programs - Jan Eichhorn 202/727-3096	

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPACT
11/18/76	*Bicen. Parade of American Music honors Alaska*	Kennedy Center for the Performing Arts	Bicen. Parade of Am. Music Mrs. Thomas B. Stewart,Dir. 925 Calhoun;Juneau,Alaska 99801 907/586-1220	
11/19/76	*Salute to the States -- HAWAII*		D.C. Office of Bicen. Programs- Jan Eichhorn 202/727-3096	
11/22/76	*Bicen. Parade of American Music honors Hawaii*	Kennedy Center for the Performing Arts	Bicen. Parade of Am. Music Miss Charlene Chadwick Music Dept., Univ. of Hawaii 2411 Dole St.,Hono.,Ha. 96822 808/948-7756	
12/ /76	*Presentation of Canadian Bicentennial Scrapbook to U.S.* -- Presentation of scrapbook of all Canadian Bicen. projects & events to the President of the U.S. by the Ambassador of Canada.		Embassy of Canada K. de B. Percy 202/785-1400	
12/10/76 - 12/17/76	*The Spirit of American Engineering Show*--Role of the engineer in society: past, present & future with international convocation; historical publication; displays; exhibitions.		Engineering Committee for the American Bicen. Neal Fitzsimons,Chmn. 212/752-6800	
12/17/76	*Painted American Furniture*	Renwick Gallery	Smithsonian Institution Susan Hamilton,202/381-6228	
12/31/76	*Bicen.Parade Special Tribute to John Philip Sousa*	Kennedy Center for the Performing Arts	Bicen. Parade of Am. Music Dr. Merle Montgomery 212/737-3997	

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Dates not confirmed

DATE	EVENT	LOCATION	SPONSOR/CONTACT	VISITOR IMPACT
	Science and Society Today --National Lecture series for small developing isolated colleges sociological and philosophical aspects of science and technology from the historical perspective of the U.S. with worldwide outlook.		Sigma XI, The Scientific Research Society of North America Dr. Thomas Holmes 202/624-9883	
	White House Conference on Libraries and Information Conference on the importance of libraries and other information services due to growing importance of mass dissemination of information for future improvement of education.		National Commission on Libraries & Information Science Mary H. Reszetar 202/382-6595	
	Festival of the Arts - Jazz-- Plans for a Jazz Festival to tour the U.S. during the Bicen. era to dramatize the history and development of this art form.			
	Festival of the Arts - Indian Dance-- Plans for a festival of Indian dance which will tour the U.S. during the Bicen. era to dramatize the history and development of the Idian dance.		American Revolution Bicentennial Administration 202/634-1976	
	Forum on the Future-- A National Conference to deal with the challenge of the next 100 years with emphasis on the quality of life.		World Future Society Peter Zuckerman 301/656-8274	

He is prepared to speak on his area. services are in place; transportation services are in place in terms of the plan and funds to execute them. As I said, the necessary facilities for comfort have been identified.

The coordination between the National Guard, the Park Service and the Metropolitan Police have been made and coordinated and are fairly well in place. In addition there are the general schedules of events which I think we have a draft of and the schedule for the final planning will be available within a matter of a week.

This is a coordinated schedule between the Park Service and our city's Bicentennial office. Mr. Stanley is here, Mr. Chairman, and could answer any specific question about any area of planning that you may have at this time. I want to fully assure you that we are sparing no means in making plans.

Senator CHILES. One of the questions that has been raised is the adequacy of the water supply, whether we are going to have sufficient water. Can you give us any kind of response to that?

Mr. MCKINNEY. Sir, as we look at the projections of low flow and peak demand, unless we have a 30-day drought right in the middle of the summer, there will be adequate water to handle the projected business as well as the regular needs of the city.

NEW UNIVERSITY OF THE DISTRICT OF COLUMBIA

Senator CHILES. I had hoped to have a topic discussion on the progress towards the forming of the University of the District of Columbia which is required by D.C. Law l–36 to be in place by September 1, 1976. We are told that the Board of Higher Education has not legally been formed yet and there is no one to make the presentation. Will the new university be in place by September 1, 1976 as required by law?

Mayor WASHINGTON. That is our plan. I think the only thing that would hold it up is the non-expeditious approval of the persons for the Board of Trustees, by the Council. Mr. Tucker might want to speak to that. But I think as far as I can see that this is the only obstacle to meeting the schedule.

Mr. TUCKER. Mr. Chairman, we do have before us the appointments of the Mayor to that Board as provided under the law. The Council has not acted on those confirmations.

The question does continue to be raised by some members of the Council as to whether or not, in view of our considerable number of problems we face in the city, as to whether or not we ought to try to proceed on that schedule as tight as it is; whether or not there is enough time between now and September to put the university in place.

I don't share that concern. I know that it is going to be difficult. I would hope that, and I said to the Council on Tuesday, that by the next legislative session which will be a week from Tuesday, that I hope all the concerns and questions would have been resolved that the Council now has with regards to this whole question.

There are a number of questions that are being raised, I must say, frankly. I do hope that they can be resolved. I do hope that the university will proceed on schedule. But there are some second

thoughts in the Council as to whether or not that legislation should be revised in view of all of the other problems and considerations that are before us.

RECIPROCAL INCOME TAX

Senator CHILES. I understand the city's financial plan ties revenues that would be raised by the commuter tax to the fiscal year 1977 pay raise and the D.C. shared Metrorail operating subsidy.

If the tax does not pass, what will be the impact of the operation on the subway in 1977 and what will be the impact on the pay raise?

Mr. TUCKER. I think the Mayor ought to speak to that first. [Laughter.]

Mayor WASHINGTON. Go right ahead.

Mr. TUCKER. That is probably the Mayor's financial plan.

Mayor WASHINGTON. The Council has approved it now. I want you to go right ahead.

Senator CHILES. You all are up here together on the plan.

Mayor WASHINGTON. Mr. Chairman, let me say this: Obviously, there are alternatives, but I think it would be unwise for us to move forward with the alternative until we have made our hardest and best fight for the so-called commuter tax, or reciprocal income tax.

We believe that this is a tax that we are entitled to in all equity and we are moving forward with it. The consequences of it not passing, of course, are obvious which would mean cutting services or an additional Federal payment.

Senator CHILES. At this time, isn't it realistic to say that from your hearings yesterday, the House authorizing committee is not going to hold hearings on it during this Congress and is it also obvious that the Senate authorizing committee is not planning hearings on the commuter tax?

Mayor WASHINGTON. Yes. They are in hearings.

Senator CHILES. They are in hearings?

Mayor WASHINGTON. The House is in hearings. We started yesterday. There are a series of hearings going on. There is 1 day for Maryland, 1 day for Virginia and Mr. Tucker goes next week.

PROSPECTS OF APPROVAL OF RECIPROCAL INCOME TAX

Senator CHILES. Is there anything that indicates there is any likelihood of passing it out in this Congress?

Mayor WASHINGTON. I don't think they would forecast it at this point. I have never seen a committee do that. I think there is a very strong position on both sides. Mr. Chairman, I was, of course, in the middle of the fray, but I think in numbers, there were more favoring it than there were in opposition.

The obvious numbers that were in opposition, were Maryland and Virginia.

Senator CHILES. I thought the sponsor of the tax proposal itself has been reported as saying he saw no opportunity to pass the tax this year.

Mayor WASHINGTON. No. I think what I recall him saying is that this is about 50–50 which I would pretty much relate to any piece of legislation.

Mr. COPPIE. He said about 50–50 as far as the House was concerned.

Mayor WASHINGTON. I think that is where our problem is. I was not pleased, but I certainly was encouraged by the first day of testimony yesterday in terms of the ability to elucidate the real problem.

One of the things, Mr. Chairman, that may interest you is this comes as though it is something new for the world. Income earned in Maryland by nonresidents from 40 States is subject to Maryland tax. Income earned in Virginia by nonresidents from 42 States is subject to Virginia taxes.

That is, there are 42 States in one case and 40 States in another and all we are asking for is a little piece of the action.

TIMING OF PROPOSED NONRESIDENT TAX

Senator CHILES. Mr. Mayor, I am not really trying to say I am taking any side on the plan right now. I am just trying to determine the timing of it. If we were building a budget based on some revenue that isn't going to materialize, as soon as that is known, I will know it and I think to act realistically, you all need to know that, too.

Mayor WASHINGTON. Here is why it isn't in the budget. It is in the financial plan. It is not specifically in the budget because we knew we had to go forward to the Congress separately to get some authorization and we did not want to have that in the budget, per se, but in the financial plan so that we could deal with it in that frame of time.

We are fortunate in that quite unusually, this matter is being brought to hearings even before the budget gets here.

So that we are on a faster track in assuming that we have some degree of success and I just feel that we may even mount a campaign.

Do you know something, Mr. Chairman? Let me tell you. Three years ago, we had the same piece of legislation, or a similar piece of legislation before the House District Committee and lost by one vote, 13 to 12. I suspect that against all of the same kind of apparent odds, people saying it won't happen, and I think everybody was amazed when I was able to take it that far and that close; except for a little manipulation which I won't get into now, the great Congressman from Virginia, I would have probably made it. I would have swung that vote.

Senator CHILES. The only problem is that it is not like horse shoes. You don't get points for that.

Mayor WASHINGTON. I was close. That is what I am saying. You know, we didn't even have the full support of our Council at that time which we do have now in moving this forward.

I just know that we have got a fall-back position if we get to that, but I don't think we go into a battle talking about how you retreat. That is the position I take with respect to this.

Mr. TUCKER. Mr. Chairman, I might add, I share the Mayor's position and I share your concern. We have no alternative, but to go forth for it is a legitimate source of revenue and we are entitled to it as you indicate—you didn't indicate, but you understand our position.

So we have no alternative but to seek it or we would be derelict in our responsibilities if we did not. Part of it is educational, part of it is political and we have to work on both fronts. We are on both fronts.

It is important that we have a fall-back position. I am sure that is what your reference is to. We are not entirely privy to the fall-back position because the Mayor has determined that all concentration be on the primary position.

So we are focusing there. But we know that there must be a fall-back position for the ultimate decision is not in our hands.

IMPACT ON METRO SYSTEM

You asked what would be the impact on our obligations to the Metro system. I think it is important for us to state for the record that we do have these obligations to Metro. We do participate in the financing plan. We do have a responsibility for our share of the deficit; for the operation of the system.

The District is determined to carry out its responsibility. I think it is important that that be understood for Metro's ability to borrow depends upon that.

Whatever the outcome of our efforts to get the non-resident tax, our obligation to the Metro funding is clear and we intend to accept fully those responsibilities.

Senator CHILES. In that line, I would like to compliment you, Mr. Tucker, on serving simultaneously as Chairman of the City Council and Chairman of the Metro Board. I know these are two very demanding jobs.

METROBUS FARE INCREASE

Newspapers have recently reported that the Transit Authority has proposed a number of fare increases aimed at adding $3.4 million in new revenue. The Washington Post in its March 10th article reported that increased fares would probably not go into effect because of the reaction the Metro Board received at several public hearings on the proposal.

What is the status of the fee increase proposal?

Mr. TUCKER. Mr. Chairman, I presided over several of those public hearings. There were two issues involved. One was a proposal to include a 10-cent charge for transfers and the second proposal was an extension of one hour in the morning and evening of the peak hour, which will include the peak-hour fare.

I don't know what the Board will ultimately decide for we don't have a recommendation before the Board yet.

Based upon the hearings, however, I would say that it is not likely that the ten-cent transfer charge is going to go into effect. I concluded, after sitting for two evenings at the hearings, that in having a ten-cent transfer charge, we are indeed penalizing those who are already suffering the most. The fact that they have to transfer means that the system is not as adequate for them as it might be and we would be charging them for the inadequacy of a system which is not serving them as well as it is serving other people who don't have to transfer.

The system is serving them best. For those who do have to transfer, they are already penalized. So I don't see, therefore, that that is going to pass.

With reference to the rush hour addition, one hour at either end, that is another issue. There seems to be perhaps a little bit more public acceptance of that proposal than the other.

My guess is that this will receive a full hearing before the Board and the likelihood of that going into effect is probably better than 50–50.

MAINTAINING PRESENT METRO BUS FARE

Senator CHILES. During the subcommittee's hearings on the 1976 budget, we heard a discussion of the fact that the District maintained a basic 40-cent fare while the surrounding jurisdictions had increased their basic fare to 50 cents.

When is the District going to raise its basic fare to bring it in conformity?

Mr. TUCKER. Mr. Chairman, it is such a complex subject, that the people who need the service the most are the people who are again penalized the most with the increase in fare. The purpose of the public transportation is the same as the purpose of the police force, the fire department or the public schools.

It is a necessary service which cannot be paid for out of the fare box entirely.

Just as we don't expect the police to make a profit or the schools to make a profit or to pay for itself, neither can we ever really expect public transportation to pay for itself.

I guess we are in about 40 percent now out of the fare box. We would hope eventually to achieve about 75 percent. That is in some distant future.

In other words, we do hope that more of the fare will be paid out of the fare box. We do not plan over the long run to continue to subsidize at the levels we are now for it will be impossible to carry such subsidies over the long haul.

For the time being, however, it is the District's position and it will have to be reviewed from time to time, no doubt about it, but for the time being, until such time as we get a transportation system in place and we are able to improve the economics of our society to some degree, that we would like to and are able to hold to the 40-some cent fare. Many cities are even retreating from 25 cents to 15 cents because they are trying to get the automobiles off the street and people into public transportation.

The District, for instance, in contrast to our suburban jurisdictions, has a significantly higher low income or elderly population which is entirely dependent on public transportation. A recent study indicates that 50 percent of the District's bus ridership represents households with a total family income below $6,000. An increase in fares would decrease utilization or limit mobility and take an even larger bite out of the income of a significant portion of the rider population in the District.

So until such time as we can improve the economics of so many people here, Mr. Chairman, we feel that the District ought to try

to continue the subsidy recognizing that there will come a point in which the fares in the District are going go have to increase.

INVESTIGATIONS OR STUDIES BY D.C. AUDITOR

Senator CHILES. What is the current subject matter that the City Council is having the District of Columbia Auditor, Mr. Watson, investigate?

Mr. TUCKER. Mr. Chairman, there are a number of items. We don't know all the items. Part of the way we operate is that committee chairmen may, in confidence, request certain things of the auditor. They are indicated at a time which the chairman may feel that it is appropriate to indicate that such investigation or studies are underway.

So even I am not privy to all of what is underway.

There are several things that I am aware of. The review of expenditures for new programs approved in fiscal year 1975, the review of overtime detailing policies of the city government, a review of accounting and planning for Federal grants and reimbursements, a review of accounting and planning of reimbursements between District agencies, a review of the annual budget presentation, and a review of the District of Columbia Register.

These are some of the matters that are currently under consideration and I do know a number of committee chairmen are proposing a number of other studies and reviews that they are requesting of the auditor.

Senator CHILES. I notice that the end-of-the-year accounts payable in the fiscal year 1977 financial plan is up 11 percent over the 1976 level. It certainly raises questions as to whether the city is slowing down payments to balance the budget.

FISCAL YEAR 1977 FINANCIAL PLANS

Would you have Mr. Watson investigate the 1977 financial plans and send a report on that?

Mr. TUCKER. Very well. We will do that, Mr. Chairman.

[The information follows:]

COUNCIL OF THE DISTRICT OF COLUMBIA,
Washington, D.C., May 13, 1976.

Hon. LAWTON MAINOR CHILES,
Chairman, Subcommittee on District of Columbia Appropriations, Washington, D.C.

DEAR CHAIRMAN CHILES: Submitted herewith is the report of the city's Auditor, Matthew Watson, on the financial plan for the District Government for fiscal year 1977.

Yours truly,

STERLING TUCKER,
Chairman.

OFFICE OF THE DISTRICT OF COLUMBIA AUDITOR
1329 E STREET, N.W.
WASHINGTON, D. C. 20004

May 7, 1976

Dear Mr. Tucker:

This letter is in response to a request for my analysis of the City's FY 1977 Financial Plan made through you by Senator Chiles at hearings on the FY 1977 Budget.

I have examined the plan, a copy of which is attached. I believe that it is a reasonable projection of the City's cash resources and cash needs of the budget as presented to Congress for FY 1977. It should be noted that funds have not been provided to meet General Service pay increases. In my letter of December 15, 1975, to Mr. Natcher concerning the 1976 Financial Plan, I noted several deficiencies in the theoretical basis of the Financial Plans for 1976 and prior years. Most importantly, I noted a failure of the original 1976 plan to recognize two factors, lapses of appropriated spending authority and permanent authorizations. I also questioned the combining in a single item in the plan of actual bills payable, obligated funds not yet payable, and unobligated balances of appropriations. All of these items were included in the 1976 plan within the term "Accounts Payable" and the total estimated as a single percentage of the budget.

The 1977 Financial Plan has incorporated significant improvements which meet my previous objections. Specific items have been added to account for lapsed appropriations and permanent authorizations. The remaining components of the previous "accounts payable" item are now broken down to six separate items: Current Wages payable, Pension Benefits payable, Vouchers payable, Undelivered Orders, Unobligated Apportionments, and Reserves. As noted above, in previous years, the combined "accounts payable" item was estimated by applying a single factor to one year's budget. This method was quite unreliable since it assumes that these amounts fluctuate in direct relationship to a single budget. Wages payable, the largest element of the previous "accounts payable" classification, vary according to when pay dates fall, rather than the size of the Budget. Other components of the "accounts payable" item are related to previous years' budgets, as well as the current year budget.

In this year's Financial Plan, the six individual components formally lumped together have been calculated or estimated using separately identified factors applied to specific pay periods and the current and previous fiscal years' budgets. A copy of the factors developed by the Office of Budget and Management Systems is attached. These factors accurately reflect the actual experience of the City for FY 1974 and 1975.

An important element of the Financial Plan is the estimate of receipts from local D.C. sources. The City's system of estimating its revenue receipts has proven itself over several years and I believe that the estimate in this year's plan is sound. The FY 1977 Financial Plan estimates a 13% growth in such resources. This compares to a less than 5% increase in the operating budget over FY 76. Based upon trends in local tax receipts, inflationary factors in the economy and the new tax program adopted by the Council, the estimate of local receipts is reasonable.

It must be recognized that the Financial Plan is a prediction of the City's financial position beginning several months in the future. The Plan can therefore be affected by unexpected events which occur, both in the year for which the Plan is made and prior to the beginning of the year. Prior events may alter the opening balances of obligations from the previous period payable in the plan year. This makes FY 1977 a particularly difficult year to plan for. All of the City's prior budgeting experience has been for full-year periods ending June 30. FY 1977 will, however, be preceded by a transition fiscal period of three months ending September 30. The City does not have historical data on balances carried forward from a period ending September 30. Further, it can only be hypothesized whether the obligation rate of City agencies will be the same in a three month "fiscal year" as it is in a 12-month year. For this reason, I believe that the City's estimate of opening balances for FY 77 as being equal to balances as of June 30, 1976, is reasonable. If the estimate of obligational balances proves incorrect, however, there will also be a compensating adjustment in the City's opening cash position for FY 1977 which should keep the FY 77 plan in balance. An additional factor which could have an impact on the FY 1977 Financial Plan is the adoption of the FY 1976 Budget. The Plan assumes passage of the 1976 Budget as requested.

The City's opening and closing cash positions are, however, an area of serious concern. The Financial Plan shows an opening cash balance for FY 77 of $482 thousand and a closing cash balance of $612 thousand. This amount is quite small relative to the City's regularly occuring cash obligations. The wages and salaries payable which are carried forward into FY 1977 represent 1.4 pay periods. This means that the salary costs payable every second week average over $25 million. With the small cash reserve that the City contemplates, a very small change in financial conditions which reduces or delays cash availability can cause a very serious temporary cash problem. This concern is not crucial as long as the United States Treasury serves as the City's banker. It assumes more serious proportions, however, as the City considers using private depositories for its funds and private sources for temporary cash advances. It would be difficult for Washington banking sources to provide even very short term advances equal to a single pay period's payroll. For this reason, I believe that future plans should provide for increasing the cash reserves of the City.

Another factor in the City's cash position is short-term borrowing from the United States Treasury. The FY 1976 Financial Plan did not make any provision for repayment of Treasury loans. At the beginning of FY 1977, the outstanding loans are expected to be $40 million. The 1977 Financial Plan contemplates a net repayment of $20 million, leaving a balance of $20 million at the end of the year. I believe that the City must continue this effort in Fiscal Year 1978 and fully repay these balances.

Sincerely,

Matthew S. Watson
District of Columbia Auditor

DISTRICT OF COLUMBIA GOVERNMENT
Projected Cash Flow - Fiscal Year 1977

(in millions)
Appropriated Funds Only

OPERATING EXPENSES		
Estimated funds available:		
Cash and investments		$ .5
Due from Federal Government		.....
Federal payment request		282.7
Receipts		784.7
Revenue sharing		26.0
Short term advance		40.0
Total, estimated funds available		$1,133.9
Estimated funds required:		
Opening accounts payable:		
Teachers deferred salary	$.....	
Wages and salaries	42.9 1/	
Other payables and undelivered orders	50.7 2/	
Unobligated authority	29.7 3/	
Total, opening accounts payable		$ 123.3
Appropriated operating budget		1,091.6
Permanent authorizations and restorations		6.0
Repayment of short term loans		60.0
Appropriation lapses		(12.6)
Closing accounts payable:		
Teachers deferred salaries	.....	
Wages and salaries payable	(44.6) 4/	
Other payables and undelivered orders	(54.8) 5/	
Unobligated authority	(35.6) 6/	
Total closing accounts payable		(135.0)
Total, estimated funds required		$1,133.3
Estimated closing cash balance		$ .6

NOTE:

1/Current wages payable	38.6	4/Current wages payable	40.3
Pensions payable	4.3	Pensions payable	4.3
2/Vouchers payable	14.8	5/Vouchers payable	15.1
Undelivered orders	35.9	Undelivered orders	39.7
3/Unobligated apportionments	9.9	6/Unobligated apportionments	12.4
Reserves	19.8	Reserves	23.2

ESTIMATED UNEXPENDED BALANCES
OF APPROPRIATIONS

Balances End of Fiscal Year	Fiscal Year of Appropr.	Fiscal Year + 1	Fiscal Year + 2 (lapses)
Current Wages Payable	Calculated	.....	.....
Pensions Payable	Calculated	.....	.....
Vouchers Payable	1.50%	.....	.....
Undelivered Orders	2.90%	0.85%	.10%
Total Unliquidated		0.75%	.10%
Unobligated Apportionments, Net	0.435%	0.65%	.47%
Reserves	1.235%	.88%	.88%
Unobligated Balances Gross	1.67%	1.53%	1.35%

Note:
The % are of Operating Appropriations net of Debt Service, Judgement, Settlement of Claims & Suits, Permanent Authorizations, and Restorations (all funds considered together). First two columns are calculated from 1975 and 1974 appropriation balances. The last column from 1973 appropriation balance.

Fiscal Year	Appropriation
1973	750.780
1974	801.516
1975	870.666
1976	983.145
Interim	248.536
1977	1,006.764

CITY COUNCIL BUDGET

Senator CHILES. The City Council budget has grown from 56 positions and $990,000 in 1975 to a requested 116 positions and $2,770,000 in fiscal year 1977. We recognize the responsibilities of the City Council under Home Rule and we know it is large. But do you feel such a rapid increase in the City Council budget is proper in this period of tight budgeting?

Mr. TUCKER. Mr. Chairman, I can appreciate your concern there. In fiscal year 1975, we did have 56 positions, with $990,000 and then there were 30 positions reprogramed at a cost of $200,000.

Of course, we had annualized that and that accounted for some of the increase in the amount.

The major increase, I guess, came really in fiscal year 1976 which were 21 positions over 75.

In fiscal year 1977, we were only asking fon nine positions.

I would just like to discuss that a little bit. As I indicated, the Council's main increase really came in 1976.

As you know, there was a Transition Commission. When I appeared before you last, Mr. Chairman, I left with you a report of that Commission which recommended staffing that we should have. We have not quite achieved that level of staffing as proposed by the Transition Commission.

But as you indicated, the responsibilities of the Council changed dramatically with the passage of home rule. We became both a two-house government acting as one house. By law, the Council is required to publish and make available to the public all contemplated legislation at public hearings and written transcripts of all meetings where official action is taken. This costs money.

Shortly after the passage of the Home Rule Act, the Home Rule Transition Commission pointed out what it proposed. We found through experience, that there are additional needs unforeseen at that particular time, especially in the area of legal assistance for our General Counsel and the Legislative Counsel as well as the legal staff required to oversee the application over the Municipal Code. We find that our transcription and record keeping function need strengthening and we need to establish a library so that we are able to handle this. We have asked for legal policy and economic research services—we don't have the services, we have the need for economic research and others.

I wish we had available to us the Congressional Reference Service and the Library of Congress or the General Accounting Office, but these are not available to us yet. We need such services. We must rely on our own resources for quality control. As we strengthen our staff capability. I believe we will strengthen our ability to make the sound decisions.

The Council has a two-member budget staff, for example, to review a budget of over $1 billion. We, of course, all involve ourselves in it and involve all staff in it. We have to develop a capacity for an adequate staff on a year-round basis to follow closely the budget and the budget process so that we don't try to compress in 2 months what we ought to be doing for a year.

These are some of the considerations, Mr. Chairman. You will note that we ascribe ourselves the same kind of austerity by adding only nine positions in our request for fiscal 1977 over that of fiscal 1976.

Senator CHILES. I well understand being a member of the legislative branch and ascribe to the proposition that the legislative branch needs some staff and some ability to check the executive branch and if that is done properly, there are savings to be had. I am concerned, Mr. Mayor, in your statement where we are told that the full funding for many programs and services requested in fiscal year 1976 are not being requested in 1977.

REDUCTION IN FINANCIAL MANAGEMENT AND TAX ADMINISTRATION

We have touched on the financial management improvements and the reductions within tax administration.

Again, to me it is the height of folly that we are going to cut any in tax administration. That is like saying that you are going to cut your staff because it is a time of austerity. So you are going to cut the people that you would use to check the spending and to check the efficiency of the city government.

This again is, I think, a legitimate concern of this committee. As you pointed out, Mr. Chairman, you have done much of your work for us. I thank you for doing that. But because we have some $282 million in the Federal payment and then we have revenue sharing and I guess that is worth around $25 million and we have got grants in contracts and that is worth in the neighborhood of another $350 million, it becomes sort of incumbent upon us to determine whether we think that the City is doing all it can to collect its share of the revenue and whether that is being done properly or not.

I see that we are cutting back on tax administration. Then that is where I think we do have a right to get into the ball game with you because you are cutting back into the area that would help raise more money to fund the District government operation and thereby increasing the percentage of the Federal dollars required to fund the city operations.

Mayor WASHINGTON. Mr. Chairman, that is why I was trying very hard to let the chairman know that in some of these areas, we are raising questions which we normally would not respond to in terms of impact.

Obviously, we have a great deal of dispute back and forth and my responsibility is to take the budget forward and justify it as the city's budget, but that does not preclude you from doing it. I didn't want the Chairman to feel that we were doing anything other than what we were supposed to do and agreed to do; that is, to take the budget forward.

POSITION OF CITY COUNCIL ON REDUCTIONS

Mr. TUCKER. Mr. Chairman, I would like to comment on your remarks. I appreciate them and the full implications of them. The Council considered this and here is our view of this, Mr. Chairman.

As I say, the deliberations are painful. We take this work very seriously. We start with this assumption: The Mayor asked the Council

to raise taxes by about $119 million. That is brand-new dollars in local taxes in fiscal 1977.

The Revenue Committee of the Council brought into the full Council a tax package of about $52 million. The Revenue Committee did not support the tax package ultimately passed by the Council.

It was my efforts principally, Mr. Chairman, which brought that tax, the revenue package from $52 million to $82 million without the support of the Finance and Revenue Committee in order to get a tax package increase of $80 million.

I am saying to you, sir, that the Council is deeply disturbed at the rising cost of government; that it is deeply disturbed that we would attempt to raise $119 million in new taxes in one year. I had a very, very difficult time getting my colleagues, the other colleagues in the Council, to bring that revenue package to $80 million, Mr. Chairman.

That was a very, very difficult task. It was not possible for me to get one cent more, not one cent more out of the Council in new taxes. Those are the facts of life.

How do we best use that money? We would like to see first as many efficiency measures employed as possible to operate at the levels approved. As we improve our methods of efficiency in tax collection and as we approve the need therefore for these additional personnel, based upon our performance, the Council is prepared to take a second look at this question. We want to collect every dime that is due us. We believe it is possible to do that more efficiently now.

As we reach that level of efficiency where we are convinced that these new positions are needed, the Council will then be prepared to look at it and I think I can get the support of the Council at that time for the record.

Senator CHILES. Let me first say I know it is easy for me to sit up here and to second-guess because I am not on the firing line where you are and I never particularly appreciate anybody doing that to me. But it seems to me that with that money being as hard as it is to raise, those new tax dollars, I understand how agonizing that is, that the first place that money should go or the existing money should go would be to collect the existing taxes that are out there because that is not raising new taxes.

That is only getting people to pay on a fair basis the existing taxes that are there and that is why I have a hard time understanding why anything is done to cut back on these areas. It is not good economy, to cut back on areas that will be able to bring in dollars that are already due the city.

DELINQUENT TAXES

I notice that in our 1976 hearings, Mr. Back submitted information to us on delinquent tax accounts. That information showed the number of delinquent accounts had increased from $28,100 in fiscal year 1973 to $44,289 in fiscal year 1975, representing a $7,224 and $12,377,758 respectively.

What is happening to the delinquent rate of 1976 to date? Is it still going up? Do we have any break in that?

Mayor WASHINGTON. I wanted to, Mr. Chairman, while Mr. Back is coming up—come on up, Ken—I just wanted to say that this was an area of very serious dispute between the executive and the Council. I didn't want to get into it in this fashion. One of the problems arises out of the nature of the taxes and the way it is structured. For instance, you can talk efficiency all day long. If you don't have the bodies in tax collection, you are not going to be able to do it.

For example, we have five different rates of sales tax, ranging from 12 percent down. You can talk about efficiency, but when you don't build in the resource with the tax and the tax formulation you can't do the job properly. We have just withdrawn for instance a tax on commercial properties. It was a nightmare. I don't care what you say about it. If you have a mixed use in one building and you are trying to promote a commerical tax, you are talking about four different kinds of taxes. It is just sort of ridiculous.

I don't care how efficient somebody is, if you have to apply a rather serious proposition of tax formation and it doesn't work, you have to get those resources in there because that is something you are entitled to.

I am not debating with the Council now. I said it was one of the serious areas that we did have. It was not in my background raised. But it has been put on the table. I felt compelled to say something about it.

Ken, do you want to deal with the rest of it?

Mr. BACK. I believe I am scheduled to testify this afternoon. I do not have the figures with me this morning.

Senator CHILES. I am taking you a little out of turn. I am trying to get into some of these questions now, because they back up the concern that I have.

Mr. BACK. The delinquent inventories continue to grow. It simply takes manpower to work them. And as manpower is curtailed, they cannot be worked.

PRODUCTIVITY OF A REVENUE OFFICER

Senator CHILES. Can you give me some idea of what kind of productivity you get out of a man? In other words, what do you pay him and what does he produce for you? Is that a net return to the City or a loss to the city?

MR. BACK. Mr. Chairman, it depends on the kind of position you are filling. We have one classification called revenue officers. They are essentially collectors of delinquent accounts. On the average, an individual will collect $300,000. If he doesn't, he is not very efficient with us.

Senator CHILES. You expect a return of $300,000 from a revenue collector or you are going to get rid of him. Is that correct?

Mr. BACK. That is exactly right. That revenue collector would cost us, I suppose, $10,000, at the Grade 7 level of the GS schedule.

Senator CHILES. You have to pay some support services for him?

Mr. BACK. Yes.

Senator CHILES. What would you estimate that his total salary support and everything is going to cost you to collect that $300,000?

Mr. BACK. I would say at the most $20,000.

Senator CHILES. $20,000.

Mr. BACK. Including all the support.

Senator CHILES. That is my concern, Mr. Mayor, and Mr. Chairman. If you can collect $300,000 for $20,000 then my goodness, why in the world aren't we doing it? I just don't see any way that we can get around that kind of logic.

I just want to know how many times we do it. That is kind of like, if I could buy that kind of card at the blackjack table, I am going to get them as fast as I can get them.

GAO REPORT

Mr. TUCKER. I guess there is no way to avoid the discussion and we have to have it. The GAO report of April 16, 1975, says resource management can be improved by greater use of productivity techniques, of the productivity task audit and liability division.

The Department of Finance and Revenue, 1972, labor productivity, was 40 percent lower than that of 1968. In 1972, labor productivity was 40 percent lower than that of 1968.

Those were the latest figures available.

Mr. Chairman, I understand your comment, but your comment is based upon the assumption that we have maximized the use of our resources. What the Council is trying to do is to reach a level of maximum use of existing resources and we move from there. Additional bodies will not take care of this problem.

Additional bodies simply make possible greater waste. We are trying to maximize the personnel used, use the personnel that we currently have. We believe that we can get greater productivity, 60 percent greater productivity according to the GAO report.

If we can get that, we can collect the money. Our problem is our methods. Our problems are productivity. Once we correct those problems, then we can determine what or if or whether we have a problem of personnel.

That is what the Council wants to try to make this government efficent. I would hope the Congress would want the same.

Mayor WASHINGTON. I think that is the goal for all of us. I think you are talking about resource management in collections and I don't think you are really dealing with the problem the Senator is talking about. He is talking about tax collectors and the level of collection.

The percentage of delinquent taxes wouldn't seem to fall into the category of even resource management you are dealing with because what you are talking about is the amount of money totally out of $1 billion or $750 million that is collected. The percentage is much less. If it doesn't relate to bodies, I don't know what it would relate to.

Senator CHILES. I think I am talking about both. I would like to have the productivity improvements discussed in the GAO study. It would be great if we had that. I hope you are doing something about it. I don't know what kind of enforcement or what your steps are to increase that, that is fine.

But I don't think you can just say, well, we won't put any more money into this because if we had greater productivity, then we would be able to collect the money. All I am looking at is figures that

show the delinquency rate is increasing. It is not going the other way. So we are not getting greater productivity.

It seems to me if I get an opportunity to realize $300,000 at a cost of $20,000, I am going to buy all of those units that I can buy while I am increasing that productivity or trying to figure out what to do about that at the same time. But what I am interested in is dollars in the time that we are going to show that we are actually collecting some money. If it is going to be done with productivity, fine. But so far, it hasn't been. We have the report. How old is that GAO report?

PERIOD COVERED BY GAO REPORT

Mr. TUCKER. April 1975. That is the date of the study.

Mayor WASHINGTON. That is the date it was submitted. What is the period it covered?

Mr. TUCKER. It covered the period, from 1968 to 1972. That was the latest they had.

Senator CHILES. Delinquencies are up this year, are they not? So we haven't increased the productivity yet. It would appear that the productivity, if anything, hasn't come up.

Mr. BACK. Mr. Chairman, if we are going to allude to the GAO report we should not take just one sentence out of it, I think we ought to read the entire report. It doesn't say that if you read the report.

Mr. TUCKER. We will make the report available for the record. My point, Mr. Chairman, is simply this. I hear all the time that the reason we aren't doing this is because the Council didn't give us all the money we needed. I hear this over and over again. The reason that we aren't collecting this or the reason this service isn't available. Money is not our only problem, Mr. Chairman, we have got to correct that.

The most effective way the Council has in dealing with it is through the budget process. If we aren't able to get this through the budget process, then our hands are tied very tightly.

PRODUCTIVITY VS. ADDITIONAL RESOURCES

Senator CHILES. Mr. Tucker, you know, again it is wrong for me to tell you how I would go about doing your business for you. I apologize to you in advance for doing that. But if someone came to me and said for $20,000 I can get $300,000, I would give him quite a few units.

I would accumulate that $300,000 and I would take that off somewhere else. I would say that is money well invested realizing that you have told us we are going to get it. If that is coming from the executive branch of the government, I would say all right, now you have to come up with this money. You told us you would. We are going to give you 10 of these units.

That means that you are going to produce $3 million for us. So we are going to cut back on other items or we are going to count this revenue as being in the till. I believe there you would get productivity.

Mr. TUCKER. Mr. Chairman, we have given the Mayor an opportunity to do this. In terms of positions cut, there were actually only two. The Mayor's request was 544. The Council approved——

Senator CHILES. We are inside debates here as to the total number of positions and everything else. I am interested in tax collection now. I am interested in two primary things, improvements in the financial management and increased tax collection.

Those are the things that bother me from the standpoint of trying to protect the Federal dollar. I am not trying to reverse the home rule provisions but I think that this committee is entitled to determine: Are we paying more than our fair share and are you doing everything you can to collect the taxes that you are entitled to?

I think all of these questions are going to come up in the commuter tax issue. I think they do come up every day in the minds of members up here as to whether we should put on a commuter tax when you are not collecting all the taxes that you could?

You hear that all the time. It seems to me that until you can show a record of improving your tax collections, that is the area that is my prime interest.

Mayor WASHINGTON. This is the area of grave concern to us. When you talk about efficiency and services, you come to a certain position. For instance, there is no use using the GAO report to address the issue you raised. They were talking about low productivity based on areas of collection, as opposed to productivity of a worker which is what we are talking about, the ability to produce $300,000 at a cost of $20,000. That is quite a different thing in my opinion.

I think that the side argument of increased positions or increased productivity shouldn't really be an argument. There is nobody at this table who feels any different or takes any different position about efficiency, and high productivity. We have dealt with that and we have tried to take the soundest position in getting the dollar out of the tax that we impose.

There is just no position about this. I don't think we need to debate this between each other because I think we are all together.

POTENTIAL COLLECTION FROM DELINQUENT ACCOUNTS

Senator CHILES. Mr. Back, how much money is there out there to be collected? You said $300,000 a man could collect, how many of those $300,000 could you collect if you had the money? What is out there to be mined?

What is the mother lode?

Mr. BACK. I didn't bring all of my back-up data this morning. But I would say there is a good $15 million out there. I would point out in all fairness that as you get to those last dollars, they are harder to collect.

Also, you have got the problem of training and there is a time lag. People who are trained are not looking for jobs. If they were, the Internal Revenue Service would probably hire them. They have the same problem.

But I am sure that there is $15 million out there that could be brought in with the extra effort. It wouldn't come in overnight because of the recruiting, training and gearing up for an operation like this.

Mayor WASHINGTON. Is that a cumulative effect over the years that you are talking about, Ken?

Mr. BACK. Yes, Mayor. We don't write off anything.

Mayor WASHINGTON. How much money do you collect total?

Mr. BACK. In total, we collect about $580 million in tax revenue.

Senator CHILES. I have some other questions, Mr. Mayor and Mr. Tucker, but I will not take a lot of your time. I will submit some of those in writing for you. I think we will recess our hearings now and we will reconvene at 2 o'clock when we will start with transportation. Thank you very much.

[CLERK'S NOTE.—Additional questions and answers submitted for the record are included in their appropriate topical location.]

CORRESPONDENCE

[The following letter was submitted for the record regarding the city's submission schedule for the fiscal year 1978 budget:]

THE DISTRICT OF COLUMBIA

WASHINGTON, D. C. 20004

MAY 1 0 1976

Honorable Lawton Chiles, Chairman
Senate Subcommittee on Appropriations
for the District of Columbia
Room 2107, Dirksen Senate Office Building
Washington, D. C. 20510

Dear Mr. Chairman:

I write to you regarding the schedule for the Fiscal Year 1978 Budget Request for the District of Columbia Government. Enclosed is a calendar which highlights the key dates. The successful implementation of this calendar, to which I am personally committed, will result in the earliest transmittal of the District budget to the Congress for any recent year.

The Fiscal Year 1978 Budget Call for estimates to the Executive agencies will go out early next month and the Executive Budget will be released to the City Council on September 16, 1976. This date has been mutually agreed on with the City Council.

While the total City budget will not be transmitted by the President to the Congress along with the President's Fiscal Year 1978 budget, the President's budget will contain, as in the past, the request for Federal funds for the District. This, of course, is primarily the Federal payment and the loan appropriation request. The full City budget will be transmitted in early to mid-February.

I appreciate the concern you outlined at the time of the Fiscal Year 1977 hearings for a timely submission of the Fiscal Year 1978 budget. The schedule I am transmitting to you represents our commitment to be responsive to that request.

Sincerely,

Walter E. Washington
Mayor

SUBCOMMITTEE RECESS

SCHEDULE FOR FISCAL YEAR 1978 BUDGET

June 15	Budget Call to Agencies
September 16	Executive Budget to City Council
November 5	Council Recommendations to Mayor
November 19	Mayoral Vetoes to Council
December 20	Final Council Mark
January 20	Budget to OMB

Senator CHILES. The subcommittee will now recess, to return this afternoon at 2 p.m.

[Whereupon, at 12 noon, the subcommittee was recessed, to reconvene at 2 p.m., the same day.]

(AFTERNOON SESSION, 2 O'CLOCK, WEDNESDAY, APRIL 7, 1976)

DISTRICT OF COLUMBIA

DEPARTMENT OF TRANSPORTATION

STATEMENT OF DOUGLAS SCHNEIDER, DIRECTOR, DEPARTMENT OF TRANSPORTATION

ACCOMPANIED BY COMER S. COPPIE, DIRECTOR, OFFICE OF THE BUDGET AND MANAGEMENT SYSTEMS

JUSTIFICATION

Senator CHILES. We will reconvene our hearings. The first category we will go into is the budget estimate of the transportation category. Mr. Coppie, I think you are going to lead off on that for us. We will insert the justification material in the record at this point.

[The justification follows:]

Justification

	F.Y. 76 Amended Request		F.Y. 77 Request	
	Pos.	Amount	Pos.	Amount
Department of Transportation	1,507	27,922.6	1,428	27,246.9
METRO Operating Subsidies	...	33,336.3	...	26,936.0
Washington Metropolitan Area Transit Commission	...	77.3	...	73.4
School Transit Subsidy	...	3,950.5	...	3,762.3
Total	1,507	65,286.7	1,428	58,018.6

Legislative History

Legislative authority for providing the transportation needs of the City dates to 1802 when the City of Washington was incorporated and authorized to keep and repair streets and issue transportation regulations. Subsequent legislative authority broadened these responsibilities, and recent actions have led to: (1) the reorganization of the Departments of Highways and Traffic and Motor Vehicles in July 1976 into a new Department of Transportation, which provides the City with the organizational framework for planning and developing a balanced transportation system for the City: (2) the creation of the Washington Metropolitan Area Transit Authority, in February 1967, (P. L. 98-774), to provide rapid, safe and economic mass transportation: and (3) the creation of the Washington Metropolitan Area Transit Commission in September 1960 for regulating and improving transportation within the Metropolitan District. Also, a component of the District's Transportation Program is the School Transit Subsidy Program, authorized August 9, 1955 (D. C. Code Section 44-214a, as amended, P.L. 93-375), which finances the transportation of D. C. school children.

The objective of the District's Transportation program is to provide a balanced, safe, economic and efficient transportation system for the District of Columbia.

PROGRAM HIGHLIGHTS

In the operating budget there are a number of activities in which the Department of Transportation is involved from year to year that are of major importance in achieving the City's transportation objectives and goals. They are:

- Maintenance of streets, bridges and sidewalks
- Maintenance of small parks
- Spraying and trimming street lines trees
- Maintenance and operation of traffic signals and other traffic control devices
- Testing and licensing of operators of vehicles
- Inspecting and registering all District vehicles
- Maintenance and planning public and metered parking facilities
- Operation and Maintenance of street lighting system

Since 1973, a number of capital projects of considerable significance to the overall development of the City's transportation plan have been completed. The Center Leg Tunnel, the Southeast Freeway, Barney Circle, and the 9th & 12th Street tunnels, since opening for public use, have had a progressive impact on elimination traffic congestion throughout the City.

The School Transit program subsidizes transportation for D. C. school children at a reduced rate. The children pay 10 cents and the District pays the difference of 30 cents per ride. Ridership by school children has increased 14 percent in two years. Current projections indicate that ridership during fiscal years 1976 and 1977 will approximate the 1975 ridership level of 12 million.

In Fiscal Year 1973, METRO acquired the bus assets of D. C. Transit System, AB&W Transit Company, the WV&M Transit Company and the WMA

Transit Company. Since that time, METRO has undertaken a major program to improve equipment and services for the benefit of the public. For example, about one-thousand new buses have been purchased (or will be ordered) to replace and/or augment the fleet. Average ridership for November 1975 was up 5% over average ridership dirung November 1974; revenue gained by 6% for the same period.

METRO will soon pass the half-way point in the total number of rail route miles and stations under construction. In late March 1976, at about the time that half of the 98-mile 86-station system is finished or under construction, METRO will begin operation of the first 4.6 rail route miles running from Rhode Island Avenue station to Farragut Square. An additional 14 miles will become operational in 1977 -- extending the rapid-rail system from Farragut Square to Dupont Circle and from D. C. Stadium to National Airport. A total of 23 stations will then be in service.

RESOURCE REQUIREMENTS

Department of Transportation

The operating Budget of the Department of Transportation has grown from $21.9 million in 1973 to $27.2 million in 1977, a net increase of $5.3 million or 20 percent. The major areas in which increases have occurred are:

(1) $4,600,000 for Electrical energy and maintenance costs of street lighting. This amount is double the cost of electrical energy and maintenance costs in 1973. The annual increase has averaged abo t 22%; t.e total increase for the 5-year period is 113 percent.

(2) $2,000,000 for Pay raises for classified and wageboard employees. This amount represents an increase in personnel costs since 1973 of 22 percent for classified and 47 percent for wageboard employees.

(3) $588,200 - Cost of operating the Center Leg, and 12th street tunnel which opened for public use in 1973.

Other significant increases have occurred in the following areas:

- Vehicle exhaust omission program..... $248.7
- Park Maintenance 300.0
- Bicentennial Tags..... 232.0

Offsetting the foregoing increases during the same period were base reductions of over $2.0 million.

Significant capital improvements projects for the Department are shown in Exhibit B.

The fiscal year 1977 increases requested are: Pay annualization - $672.6; and Statutory Eligibility for Health Benefits - $54.6; Snow Removal $101.4; Construction Equipment - $250.0 Electrical energy traffic signals - $37.1; Rental Passenger vehicles - $1.3; Highway Planning and Research (transfers from capital outlay program - $850.5).

METRO Operating Subsidies:

From 1973 to 1975 the District contribution to METRO for operating bus subsidies amounts to $10,500,000. This amount includes adjustments for increases in actual deficits from prior years. The total requested funding for METRO operating bus and rail subsidies in FY 1976 is $33,336,300. The total requested in the FY 1977 Budget for metrobus and rail operating subsidies is $26,936,000.

School Transit Subsidy:

Resource requirements and ridership for this program have increased 14 percent in the last five fiscal years. Reasons for the increase are attributed primarily to court-ordered changes in school boundaries, and new school program changes, such as the Career Center Concept, which allows students to take part-academic courses and part-vocational or special courses at different school sites. Ridership in FY 1977 will be approximately the same as FY 1976. Ridership for the period 1973-1976 appears below:

	Ridership (In Million)
1973	11.3
1974	11.7
1975	12.8
1976	12.5 1/

1/ Estimate

Metrobus Capital Program:

During Fiscal Year 1977, capital funds of $5,196,000 will be requested to construct two maintenance facilities to purchase special buses and to replace ship and storeroom equipment. Also included are environmental impact studies for garage locations, fringe parking lot locations, contra-flow and preferential bus lanes.

METRO Rapid-Rail Transit System

By the end of fiscal year 1977, the District Government will have contributed $263,090,000 to METRO for construction of the rapid-rail transit system. The District's authorized share of the original cost of the rapid-rail system of $2.9 billion is $269.7 million. Of the revised estimated system cost of $4.651 billion, the District's share is estimated to increase by about $50.0 million. The question of how the increased estimated cost will be financed has been a major question facint METRO and local jurisdictions. The Federal Government has recommended that interstate highway Funds be diverted from highway projects and used (to the extent possible) for METRO costs. Only the District has officially committed the use of Interstate Highways Funds for rapid-rail construction. Early in this fiscal year, the District applied to UMTA to transfer $300 million of funds originally designated for highway projects to METRO construction. Additional transfers are being planned. Debt service for the METRO Capital Program for each fiscal since 1973 is as follows:

1973	$2,193.3 (thds)
1974	8,059.5
1975	12,267.4
1976	14,976.4
1977	18,249.0

BUDGET SUMMARY

(Dollars in Thousands)

	Obligations						Budget Request			
	1973		1974		1975		1976		1977	
	Auth. Pos.	Amount	Auth. Pos.	Amount	Auth. Pos.	Amount	Auth. Pos.	Amount	Auth. Pos.	Amount
Operating Expenses:										
Department of Transportation	1,104	$21,884.5	1,136	$24,042.2	1,144	$24,989.6	1,047	$27,922.6	1,101	$27,246.9
Washington Metropolitan Area Transit Authority										
Metrobus	...	1,097.2	...	3,402.8	...	6,000.0	...	33,336.3	...	25,803.6
Metrorail	...	.....	...	.....	...	.....	...	.....	...	1,132.4
Washington Metropolitan Area Transit Commission		118.7	...	85.9	...	76.7	...	77.3	...	73.4
School Transit Subsidy	...	3,391.6	...	3,401.0	...	3,890.5	...	3,950.5	...	3,762.3
Total, Operating	1,104	26,492.0	1,136	30,931.9	1,144	34,956.8	1,047	65,286.7	1,101	58,018.6
Capital Outlay:										
Department of Transportation	682	12,658.7	682	10,129.3	668	9,774.0	460	9,552.0	357	8,758.0
Washington Metropolitan Area Transit Authority:										
Metrorail	...	33,498.0	...	25,894.0	...	35,379.0	...	41,027.0	...	3,512.0
Metrobus	...	19,000.0	...	1,427.4	...	2,349.1	...	4,451.2	...	5,196.1
Total, Capital	682	65,156.7	682	37,450.7	668	47,502.1	460	55,030.2	357	17,466.1

New Projects or Significant Program Increases
Since 1973
D. C. Department of Transportation Capital Budget

(Dollars in Thousands)

	Project Number and Name	1973	1974	1975	1976	1977	1978-1982	Remarks
28-1	Street Improvement & Extension	2,960.0	3,960.0	4,295.0	5,000.0	4,150.0	4,400.0=Annual	49% increase over 73
28-31	Mass. Avenue Channelization		465.0		640.0R			R=Reprogram New Project
28-45	Minn. Ave., Benning Rd. to Eastern Ave., N.E.		85.0	80.0			395.0=Total	To cont. existing project
28-84	9th Street Bridge N.W.			160.0				To cont. existing project
28-99	Eastern Avenue Extension		198.0	90.0		270.0	8,578.0=Total	New Project
28-102	Safety Improvements & Realignment of Intersections			60.0	158.0	170.0	80.0=Annual	To cont. existing project
28-107	Outdoor Advertising		12.0					New Project
28-110	Anacostia Freeway Widening		200.0					New Project
28-111	Merris Road S.E.		120.0					New Project
28-112	South Dakota Avenue		10.0	285.0		430.0		New Project

		1973	1974	1975	1976	1977	1978-1982	Marks
28-113	Bicycle Network		48..	50.0	100.0	100.0	100.0=Annua.	New Project
28-114	Bus Stop Improvements		35.0					New Project
28-116	Bridge Replacement & Repair		37.0	245.0	1,922.0	2,000.0	1,009.0=Annual	1/New Project
28-117	Anacostia Freeway Fencing		13.0			18.0		New Project
28-119	Military Road			217.0				New Project
28-125	Friendship Heights (Ring Road)			25.0		75.0	820.0=Total	New Project
28-127	Puerto Rico Avenue			80.0				New Project
28-126	Bus Priority			255.0				New Project
KA-155	Traffic Operations Improvements				60.0	120.0	30.0=Annual	New Project
KA-150	Urban Traffic Control/Bus Priority System			309.0				New Project
KA-152	Anacostia Freeway Ramp to Sousa Bridge						310.0	New Project

1/ This cost may increase considerably pending completion of the bridge study.

Transportation
Grants Summary

Dollars in Thousands

Agency	FY 1975	FY 1976	FY 1977
Department of Transportation	13,032.9	16,412.6	23,063.1
METRO Operating Subsidies	.....	.....	.....
Washington Metropolitan Area Transit Commission	.....	.....	.....
School Transit Subsidy	.....	.....	.....
Total	13,032.9	16,412.6	23,063.1

Federal Grant funds used in this functional area augment present staff in the performance of services to District residents in the planning, constructing and maintaining the District's streets and highway system and adjacent parkway areas; planning and regulating traffic flow in the District; testing and licensing operators of all powered wheeled vehicles; and conducting liaison with Metro operations and with federal transportation bodies, as well as transportation agencies of surrounding jurisdictions and private transportation groups.

PREPARED STATEMENT

Mr. COPPIE. Mr. Chairman, this is the first functional area that we are presenting to you. Of course, it is the comprehensive area that the Transit requests for the 1977 fiscal year. I have a statement I would like to have provided for the record. I think it would be appropriate if I summarized it.

Senator CHILES. We will include your statement in full.

[The statement follows:]

FUNCTIONAL AREA STATEMENT—TRANSPORTATION

The objective of the District's Transportation program is to provide a balanced, safe, economic and efficient transportation system for the District of Columbia. The program elements are the Department of Transportation, the Washington Metropolitan Area Transit Authority, the Washington Metropolitan Area Transit Commission and the School Transit Subsidy.

DEPARTMENT OF TRANSPORTATION

The operating budget of the Department of Transportation is $27.5 million. The department was established by a Mayor's reorganization order in July, 1975, which brought together the functions of the Departments of Highways and Traffic and Motor Vehicles. Its major functions are the maintenance of streets, parks, trees, street and traffic lights and the inspecting, licensing and testing of motor vehicles and operators. The employment level for these activities has been relatively stable over the last five years. Increases have been primarily due to inflation in the cost of goods and services, increases in electrical energy costs and program improvements in park maintenance and vehicle emission. During this period the department has made over $2.0 million in base reductions.

The fiscal year 1977 budget increases provide funds for annualization of pay raises, statutory increases and the highway research and planning program.

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

The Washington Metropolitan Area Transit Authority is responsible for operating the public bus and rail transportation system for the metropolitan region. In fiscal year 1973, under the provisions of the National Capital Transit Act of 1972, the authority acquired the four public bus companies operating in the metropolitan area.

Upon creation of a regional bus system, the authority moved to upgrade equipment, improve and extend service and to adjust and stabilize the fare structure. Stabilization of the fare structure, inflation in the economy, and other improvements have created deficits in bus operations. From 1973 to 1975 the District contribution to Metro for operating bus subsidies amounts to $10.5 million. The total requested funding for Metro operating bus subsidies in Fiscal Year 1976 is $33.3 million. This amount includes adjustments for increases in actual deficits from prior years.

The total requested in the Fiscal Year 1977 budget for Metrobus is $25.8 million. An estimated $1.1 million will be required for the District's share of interest on the Federally guaranteed Metrorail revenue bonds.

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

The Washington Metropolitan Area Transit Commission is charged with the responsibility of regulating transportation as specified in the metropolitan area. These responsibilities include regulation of rates, inspecting and measuring transportation services, and certification of financial data for collection of school transit subsidies. In fiscal year 1977 the District contribution to the Commission is $77,300.

SCHOOL TRANSIT SUBSIDY

Resource requirements and ridership for this program have increased 14 percent in the last five fiscal years. Reasons for the increase are attributed primarily to court-ordered changes in school boundaries, and new school program changes, such as the Career Center Concept, which allows students to take part-academic courses and part-vocational or special courses at different school sites. In fiscal year 1977 ridership is projected to be approximately the same as fiscal year 1976. No increase in the base funding of $3.7 million is requested.

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METRO OPERATING SUBSIDIES

Nearly every transportation mode receives direct or indirect forms of subsidy. Airlines are subsidized through airport funding from all levels of government, railroads received AMTRAK assistance and will soon benefit under the Conrail program, automobile users enjoy a variety of subsidy-like reliefs such as court and law-enforcement services and free or cut-rate parking, our maritime interests collect subsidies to maintain a competitive position in the world, and urban public transit systems here and the world over are supported in part through direct payments from governmental sources. The basic issue is not whether urban transportation can be made subsidy free, but rather whether subsidy payments are sound investments and whether these subsidies can be held to a minimum.

A. Metrobus

Table I shows subsidy requirements in current dollars assuming annual fare increases at a pace to stay with the escalation of operating costs. Table II is also in current dollars; however, fares have been kept at the FY 1977 levels.

Costs were escalated on the basis of past five-year averages of appropriate price indices, eg., Washington Area Consumer Price Index (CPI), the US CPI for "services-other", and the Bureaus of Labor Statistics indices for tires and office supplies. FY 1977 personnel costs, which represent 80 percent of the operating budget, were escalated at approximately 6 percent each year (the average of the Washington area CPI). Fuel costs were escalated at 10 percent each year. The overall impact of the various rates of escalation was about 7 percent per year.

Projections of passenger revenues were determined from ridership data provided by the 1974 Net Income Analysis. These projections, however, did not take into consideration rising costs of automobile operation, energy conservation and air pollution abatement program measures, enhanced transit operations through traffic priority actions, or any of the other evolving phenomena that have an impact on transit ridership. It can, therefore, be concluded that current revenue projections are conservative at best.

The subsidy projection, however, assumes continuation of the transit assistance Section 5 funding at the levels shown in the Federal Register of January 13, 1975. If one half of these funds are directed to capital projects as contained in the President's budget, there would be a substantial impact on local subsidy requirements.

B. Metrorail

Metrorail subsidy requirements are also dependent in part on fare policies and, more important, on the effect of other transportation strategies on transit use.

With minor exceptions the Design and Construction Schedule prepared in July 1974 is the basis of the extent of operation in each fiscal year as depicted in the following schedule:

FY	Phases Complete	Months of Operation in Fiscal Year
1976	I	3
1977	I	6
	II	6
1978	II	2
	IIa	4
	III	6
1979	IV	8

FY	Phases Complete	Months of Operation in Fiscal Year
1979	V	4
1980	V	6
	VI	6
1981	VI	12
1982	Complete System	12

In addition to cost increases resulting from expanded operations, the cost estimates also include factors for inflation. Power costs were escalated at 8 percent per year and all other costs were escalated at approximately 6 percent per year. The overall impact of these factors ranged from 6.4 percent to 7 percent per year.

Because there are non-recurring start-up costs, the projections provide for partial capitalization of operating costs through FY 1981. The high level of capitalized costs in FY 1976 and 1977 are due to the capitalization of Phase I operations. Revenue operations of future phases are not capitalized; however, the estimates provide for six months of testing and training prior to the operation of each phase. In addition, 78 positions have been designated as start-up positions and will be capitalized until the complete system is in operation.

Other current assumptions relating to the cost projections are:

1. Operations will be on a five-day, fourteen hours per day basis until January 1973. At that time the system will operate seven days per week, twenty hours per day.

2. The Automatic Fare Collection System will be operational after January 1977, thus reducing the number of attendants required at each station.

3. The kiosk attendants per mezzanine will be required prior to the operation of Automatic Fare Collection equipment. After January 1977 one kiosk attendant will be assigned to each mezzanine.

4. The personnel level will increase gradually to a maximum rail operation staff of under 3,000.

The revenue projections are based on the 1974 Net Income Analysis ridership estimates. The fare structure approved by the WMATA Board for use in Phase II was applied to the ridership estimates. The fare structure is as follows:

Peak: 30 cents for first composite mile, 10 cents per mile thereafter.

Off-peak: 25 cents for first composite mile, 5 cents per mile thereafter.

In the same manner as the Metrobus projections, Metrorail revenues were projected with and without fare increases. The basis of the fare increases was the overall impact of the escalation factors on operating costs (6.4 percent to 7 percent per year).

Metrorail ridership projections (and, therefore, revenue projections as well) are also biased downward due to the absence in the calculations of transit promotion measures and increasingly expensive automobile ownership and operation costs. Admittedly, specific estimates are difficult to obtain because projection techniques depend on existing relations that analysts can extrapolate into the future and are not sensitive to future transportation policy changes. Significantly, both local and national transportation policies are pointed to a reduction or control in the use of private vehicles in dense urban areas and a corresponding increase in the use of public transportation.

C. Conclusions

Major Federal agencies involved in transportation both espouse and require public transit innovation to solve congestion, air pollution, and central city economic stagnation problems. A significant breakthrough occured when the 1973 Federal-aid Highway Act allowed Interstate funds to be transferred to transit projects -- the District of Columbia was one of the first jurisdictions to transfer funds from unwanted freeways.

Continued funding of Metro capital and operating costs is essential in the District of Columbia and surrounding jurisdictions. The ability of the region to function as an environmentally and economically sound area is dependent on a shift from a highway dominated transportation system to one that is more balanced.

Emissions reductions to meet the Clean Air Act requirements are possible through more extensive transit use. Energy consumption rates in the region can be radically effected. The U. S. Office of Technology Assessment reports that rail rapid transit at peak loading achieves 540 passenger miles per gallon of fuel as opposed to only 19 for the average commuter automobile. Employment and residential growth to which the city is committed will, of course, increase travel demands but the lack of transportation capacity will stifle this growth. Public transportation not only can provide this needed capacity but it does so with a minimum of disruption as compared to the 6 and 8 lane highways that were once proposed instead.

Will the subsidy investment be a sound investment? When one considers that this investment is the means for the region to accommodate both local objectives and national requirements, this public financing

takes on undisputed importance, especially when considering the costs of the highway alternative. The highway alternative, while difficult to cost because the private investments involved are not as easily accounted for, is likely a more expensive approach to say nothing of the public's distaste for projects that dislocate people and create additional traffic ways.

It is, however, apparent that subsidies must be kept to a minimum. This can occur through careful management practices, constant examination of transit performance, and traffic priorities to expedite bus movements. A useful measure of effectiveness will be to monitor overtime the ratio of riders to subsidy outlays.

While we are responding to a request on subsidy requirements, we wish to also note our advocacy of a transit funding source consisting of transportation related taxes and fees collected at the regional level. This could preclude the necessity of requesting from Congress each year approvals such as are now required in the appropriation process. Transit funding programs exist now in a number of metropolitan areas including Minneapolis, San Jose, California and Miami -- Dade County, Florida.

Table 1. ESTIMATED METROBUS OPERATING SUBSIDY REQUIREMENTS FOR FISCAL YEARS 1976-1990 ASSUMING INCREASED FARES EQUAL TO THE RATE OF INFLATION (Program Requirements)

Fiscal Year	Total Revenues 1/	Operating Costs 2/	Operating Loss (000 Omitted)	Section 5 Funds 3/	Local Subsidy Requirements
1976	$ 66,006	$117,943	$51,937	$11,489	$40,448
1977	69,043	123,759	54,716	14,541	39,775
1978	80,242	136,100	55,858	17,814	38,044
1979	92,946	147,000	54,054	19,538	34,516
1980	107,107	158,700	51,593	20,687	30,906
1981	119,400	175,200	55,800	-	55,800
1982	148,300	191,200	42,900	-	42,900
1983	162,600	204,200	41,600	-	41,600
1984	180,500	220,400	39,900	-	39,900
1985	198,800	237,900	39,100	-	39,100
1990	316,500	356,700	40,200	-	40,200

1/ Includes fare box receipts, charter, contract, school subsidy and miscellaneous revenues.

2/ Operating costs estimated by WMATA Budget Office including escalation.

3/ Mass Transportation Assistance Act of 1974. Grants are those printed in the Federal Register, Jan. 13, 1975 and are subject to minor variations. There is no provision for Section 5 funding beyond FY 1980.

TABLE II. ESTIMATED METROBUS OPERATING SUBSIDY REQUIREMENTS FOR FISCAL YEARS 1976-1990 ASSUMING NO INCREASE IN FARES (Program Requirements)

Fiscal Year	Total Revenues 1/	Operating Costs 2/	Operating Loss	Section 5 Funds 3/	Local Subsidy Requirements
		(000 Omitted)			
1976	$66,006	$117,943	$51,937	$11,489	$40,448
1977	69,043	123,759	54,716	14,941	39,775
1978	75,170	136,100	60,930	17,814	43,116
1979	81,370	147,000	65,630	19,538	46,092
1980	87,470	158,700	71,230	20,637	50,543
1981	92,000	175,200	83,200	--	83,200
1982	108,200	191,200	83,000	--	83,000
1983	109,100	204,200	95,100	--	95,100
1984	113,400	220,400	107,000	--	107,000
1985	117,000	237,900	120,900	--	120,900
1990	133,000	356,700	223,700	--	223,700

1/ Includes farebox receipts, charter, contract, school subsidy and miscellaneous revenues.

2/ Operating costs and escalation supplied by WMATA Budget Office.

3/ Mass Transportation Assistance Act of 1974. Grants are those printed in the Federal Register, Jan. 13, 1975 and are subject to minor variations. There is no provision for Section 5 funding beyond FY 1980.

Table III. ESTIMATED METRORAIL OPERATING SUBSIDY REQUIREMENTS FOR FISCAL YEAR 1976 - 1985 AND 1990

Fiscal Year	With Annual Fare Increases				No Fare Increases	
	Operating Costs	Capitalized Costs	Total Revenues	Subsidy Requirements	Total Revenues	Subsidy Requirements
	(Millions of Dollars)					
1976	16.2	15.9	.3	-	N.A.	N.A.
1977	30.1	14.8	4.0	11.3	N.A.	N.A.
1978	50.5	3.7	31.0	15.8	29.2	17.6
1979	84.8	3.1	67.6	14.1	57.7	24.0
1980	115.0	3.0	104.9	7.1	87.3	24.7
1981	139.6	2.1	127.2	10.3	99.5	38.0
1982	183.9	-	232.6	(48.7)	172.0	11.9
1983	196.1	-	249.2	(53.1)	173.5	22.6
1984	209.2	-	267.1	(57.9)	175.0	34.2
1985	223.2	-	286.3	(63.1)	176.5	46.7
1990	313.0	-	420.3	(107.3)	189.9	123.1

Table IV. COMPARISON OF PROJECTED AVERAGE FARES

FY	Rail Related			Bus Related			Total Transit		
	Ridership (Millions)	Average Fares 1/ With Fare Increases (Cents)	Average Fares 1/ Without Fare Increases (Cents)	Ridership (Millions)	Average Fares 1/ With Fare Increases (Cents)	Average Fares 1/ Without Fare Increases (Cents)	Ridership (Millions)	Average Fares 1/ With Fare Increases (Cents)	Average Fares 1/ Without Fare Increases (Cents)
1977	8.5	45	45	130.1	48	48	132.2	49	49
1978	63.3	48	45	157.9	46	43	184.2	56	53
1979	110.0	57	50	183.7	46	41	229.3	64	56
1980	150.0	67	55	211.0	47	38	273.0	73	60
1981	170.0	72	56	224.0	49	38	294.0	79	61
1982	265.0	83	60	272.0	51	36	382.0	94	68
1983	269.0	88	60	282.0	54	36	391.0	99	68
1984	272.0	93	60	291.0	58	36	400.0	106	67
1985	276.0	99	60	300.0	62	36	410.0	112	67
1990	296.0	136	58	342.0	66	37	456.0	154	65

1/ Net of 1/2 bus-rail transfer discount - 12.5 cents for each one-way trip.

ESCALATION OF METRO CONSTRUCTION COSTS

The current estimate of Metro rapid rail construction costs is $4,676.6 million escalated to the time of construction. Contingency items total an additional estimated cost of $441.1 million.

At this time 46 miles and 43 stations are under construction including 4.6 miles and 5 stations providing for operations beginning March 29, 1976. Final design is in progress on 29 miles and 24 stations. The most current estimates are used with no estimate being older than November, 1974.

While Metro construction costs have escalated at a rapid rate over the past seven years they are rising at a slightly lower rate than highway and general heavy construction cost (Reference: testimony of Robert Patricelli, UMTA Administrator at recent Congressional hearing on UMTA appropriations).

Plans are under consideration at this time on methods for funding the remaining portions of the system. Information on this subject will be forthcoming as it is developed.

TRANSPORTATION OBJECTIVES

Mr. COPPIE. The primary objective of the transportation program is to provide a balanced, safe, economic and efficient transportation system for the District of Columbia. The program elements are the Department of Transportation, the Washington Metropolitan Area Transit Authority, the Washington Metropolitan Area Transit Commission and the school transit subsidy.

As I pointed out to you, Mr. Chairman, the Department of Transportation consists primarily of the former Department of Highways and Traffic and the former Department of Motor Vehicles. They have been consolidated.

The Washington Metropolitan Area Transit Authority has the responsibility for the construction and operation of the Metro rail, and also of the operation of the Metro bus system in the District and the metropolitan area.

The Washington Metropolitan Area Transit Commission and the school transit subsidy are the other components in this particular program functional area.

The Director of the Department of Transportation is here. The Acting Director of the Transit Authority is here. The appropriate representatives from the Transit Commission are here, also. They are prepared to speak to this as necessary.

PLAN TO TURN OFF STREET LIGHTS

Senator CHILES. The budget request for 1977 is $27.2 million, a slight decrease from the 1976 budget of $27.9 million over the current expenditure authority resulting in the continuing resolution.

Nevertheless, the subcommittee has heard reports that the Department of Transportation has stated that it will have to turn off up to 33 percent of all street and alley lighting throughout the city in order to stay within the budget for fiscal year 1977. What are the current plans to turn off street lights in 1977 and what are the safety and crime implications for such an action?

Mr. SCHNEIDER. I am Director of the Department of Transportation. I think Mr. Coppie wants me to respond to that. We don't have a current plan, that is, a currently fully developed plan for diminishing the street light levels in the city. But there are various possibilities of reducing our energy costs in that area that I would like to mention. When we first began converting from incandescent lighting to mercury vapor and then to sodium vapor, which were technologies developed to give higher efficiency lighting, there had been a serious concern with the matter of the level of crime in the city.

We had had civil disturbances. There was a great deal of interest in converting to higher lighting levels using those technologies. It was also a time when energy was cheap. All of us or most of us had not anticipated the levels of the cost of energy. The result was that we converted incandescent lights on a one-to-one basis so that wherever there had been an incandescent light, we put in a sodium vapor light in many places.

As a result, we had what you might consider overlighting in some areas. That is, you might consider it to be overlighting against the costs that we are now incurring. About one-third of the Department of Transportation's operating budget is now in energy costs.

We have gone up from 1973, something like $3 million for street lighting alone. Energy costs are going to continue to increase. I think it is therefore incumbent upon us to take a whole new look at our street lighting program and our other programs involving energy use to see if they make full sense in light of those increasing costs.

IDENTIFICATION OF THREE LIGHTS TO BE REMOVED

What we have done, which is tangible, are these things: We have identified in the neighborhood of 2,900 lights that we think could be removed without reducing safety or any security in the downtown areas and some arterial streets.

On New York Avenue, for example, we feel we could probably take out half of the lights all the way out New York Avenue, without reducing the lighting level either to the level of where safety or security would be affected, and certainly not below the level it was at before we started these conversions.

Senator CHILES. There was a reason for starting the conversions.

Mr. SCHNEIDER. That is right. But the conversions were made in a way that if we had done it in a more studied fashion we would have replaced not on a one-for-one basis but maybe on a one-for-two basis so we would end up with fewer light poles out there with as much light or more light than we had before. We replaced every old light with a new light.

Senator CHILES. Who is participating in this study when you are selecting streets or areas at which you are going to diminish the lights?

Mr. SCHNEIDER. I am, personally. I have lighting people on my staff. We have spent many hours and evenings going into this problem. It is the kind of a problem you really have to go out and look at. You can't sit and look at a map.

I discovered the other night there are many intersections in town where there are four sodium vapor lights, one in each corner of the intersection. Then you move down the street and you find an intersection where there are only two lights.

That area is perfectly adequately lighted. We have agreed that probably we could take out half the lights at the intersection with four lights. You have to go out and look at it. That is what we have been doing.

Senator CHILES. Is anybody going to review this plan from the Metropolitan Police Department?

ALTERNATIVE PROGRAM

Mr. SCHNEIDER. They will be involved in it. The Mayor will be involved in it, anyone who has an interest and many people will be looking, I am sure. There are some other things we can do. We are looking at the possibility of the city taking over the maintenance of the system.

PEPCO does that under contract. At least some of it is under contract. We have been examining the proposition of the city taking it over and contracting directly with the contractor, making some savings there.

Senator CHILES. I don't understand that now. You said first the City taking it over and then you said something about making your own contract.

Mr. SCHNEIDER. We would take over the responsibility for the maintenance. PEPCO has the responsibility now. They contract it out. We pay PEPCO and they in turn pay a contractor. We feel there has got to be some middleman cost we can eliminate.

If we go directly to a contractor and have them perform the same maintenance, then PEPCO is cut out of that process. Presumably, some money is saved. I say presumably because I can't be sure at this point. I have some informal bids coming in from contractors who do this in other cities. I am having some discussions with PEPCO as to how much of the maintenance cost we would still be required to pay them if we took over a certain part of the maintenance ourselves.

Part of that problem involves the Public Service Commission. They ultimately decide what the reasonable rates are going to be for these things. It is going to take some time and some negotiations. I can't tell you now what that will save, if anything. I promise you we will examine that in detail to see if there is any savings.

ENERGY SAVINGS ON FREEWAYS AND TUNNELS

The other area of energy savings is on the freeway and the tunnels. We can save $100,000 by eliminating lighting on the freeways, except at the interchanges. That is another program we are developing and we will be submitting. I think we can do that. I am informed by people who are experts in these matters that you can do that without diminishing safety. The critical point is where cars slow down and there are less lanes available. We would have the directional signs lighted so you could know where you had to turn. But the lighting on the freeway itself would be dependent on automobile headlights.

We have tunnels, for example, the tunnel over by the Kennedy Center which is very highly lit. We feel we can eliminate some of that without compromising safety. These are all matters I think even if the budget hadn't been cut, we should be looking at very carefully in light of the very substantial increased energy costs that we apparently are going to be facing for some time.

Senator CHILES. OK. Let's go on to the Metropolitan Area Transit Authority.

METROPOLITAN AREA TRANSIT AUTHORITY

STATEMENT OF WILLIAM McGILVERY, CHIEF CLERK, WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

DECREASE IN STUDENT RIDERSHIP

Senator CHILES. The subcommittee has noticed that the city is estimating student ridership of 12.5 million in fiscal year 1976, down from 12.8 million in fiscal year 1975. Why then is the fiscal year 1976 amended request more than the fiscal year 1975 level?

Mr. MCGILVERY. We are the agency responsible for certifying these figures. The ridership for fiscal 1976 is in fact estimated at 12.5 million, which has a present subsidy rate of 30 cents, would result in expenditures of $3,762,000. The actual ridership for the first months of fiscal 1976 is almost 3 percent lower than fiscal 1975.

At this rate, the $3,762.3 will be adequate for certification in the current year. The reason the amended budget request is higher than 1975, even though the projected ridership is lower, is that total certifications for 1975 were $3,850,500 and exceeded the amount available in allotment at year end. The original allotment of $3,812,000 was reduced by $150,000 in January 1975 by a reprogramming to provide additional sources needed for the newly elected City Council.

At the time of this reprogramming, it was anticipated that the reduced fare to school ridership would be lower, thereby projecting a surplus of approximately $150,000. As it turned out there was an unexpected upsurge in reduced ridership in the fourth quarter of 25 percent and total subsidy certifications exceeded the available allotment by $188,200. That represents the difference between the 1976 budget and the 1975 budget, whereas the 1977 budget is projected at the 1976 actual ridership level.

RIDERSHIP ESTIMATES

Senator CHILES. What is your ridership estimate for 1977?

Mr. MCGILVERY. Ridership estimate for 1977 is 12.5 million riders.

SNOW REMOVAL

Senator CHILES. Why is the city requesting $101,400 increase for snow removal in fiscal year 1977?

Mr. SCHNEIDER. In the fiscal 1976 budget, there was approximately $400,000 which we just about spent in an extremely mild winter this year. We were very lucky. Actually, we spent approximately $345,000. Our feeling is that we are not going to be that lucky again next year.

We probably ought to try to beef that up some. $500,000 is still a little slim, but our feeling is we can probably make that if we have a moderately decent winter. If we don't, just as we have had to do in the past, we will take some kind of supplementary action as the situation develops. But we are comfortable with the $500,000.

ANNUALIZED COST OF MAINTAINING FORTY CENT BUS FARE

Senator CHILES. Do we have the figure for the District annualized cost for maintaining the fare at the 40 cent level, for the bus?

Mr. COPPIE. Yes, sir, we do. It is $25 million.

Senator CHILES. $25 million? What was it for 1976?

Mr. COPPIE. The 1976 figure is actually higher than that because the request for 1976 is $33.3 million, which includes the compensation for some additional requirements for earlier years.

STATEMENT OF WARREN QUENSTEDT, ACTING GENERAL MANAGER

ACCOMPANIED BY:

WILLIAM A. BOLEYN, EXECUTIVE OFFICER AND COMPTROLLER
ROY T. DODGE, CHIEF, DESIGN AND CONSTRUCTION
RALPH L. WOOD, CHIEF, OPERATIONS AND MAINTENANCE
DONALD O'HEARN, DIRECTOR, OFFICE OF PROGRAM CONTROL
ELLIS PERLMAN, DIRECTOR, OFFICE OF GOVERNMENT RELATIONS
WILLIAM I. HERMAN, DIRECTOR, OFFICE OF PLANNING
ECKHARD BENNEWITZ, DIRECTOR, OFFICE OF BUDGET
HOWARD M. BECKER, OFFICE OF BUDGET
DELMER ISON, SECRETARY-TREASURER

INCREASE IN GENERAL RIDERSHIP

Senator CHILES. Let us go over to Metro now. The subcommittee will hear from Mr. Warren Quenstedt, Acting General Manager and Mr. Douglas Schneider, the Director of Transportation regarding the operations of Metro.

Mr. QUENSTEDT. Thank you, Senator. I am prepared to talk about those. I appreciate being here. I recall the pleasure of the occasion when you went through the system and saw it. I can report that our operations in the past week or so have been quite successful and have been very well received by the public.

Senator CHILES. Is your ridership continuing?

Mr. QUENSTEDT. Ridership as of yesterday, was 7,000 greater than it was on Tuesday of last week. It has grown each day. On a week-to-week basis, there is a very strong increase this week over the last.

Senator CHILES. How does that go towards meeting any projections?

Mr. QUENSTEDT. The projections? It is much more preferable to talk about people only because people are real. The 8,000–10,000 that we are taking in per day, of course, doesn't begin to approach the cost of operating the system. Mr. Boleyn will give the precise figures.

Mr. BOLEYN. Mr. Chairman, the ridership that we estimated was approximately 8,300 per day. We are exceeding that substantially as the General Manager indicated. Our costs, however, are in themselves substantial.

Our daily revenues are running in the vicinity of $8,000, $8,500, sometimes higher but our costs are some $85,000 a day to operate the system.

Mr. QUENSTEDT. We have a great deal more patronage but the cost will remain constant. We won't achieve revenues to offset that cost. But the public acceptance of this system is very encouraging even though, of course this is just a minor part of what eventually will be constructed.

RAPID RAIL SYSTEM COST

Our current estimate for the entire 100-mile system is $4.676 billion. We currently are $2.3 billion in obligations and $271 million in commitments.

Approximately 55 percent of the program is in either the obligation or the commitment stage.

Construction and final design of over 75 percent of the system is underway. As a matter of fact, we have some 48 miles under construction at the present time or in operation. The amount of money actually expended exceeds $1.760 million. Of course, this considers finishing the entire 100 mile system.

As to the immediate prospects, the President indicated in his budget an obligation of $475 million for fiscal year 1976 and $400 million for fiscal year 1977.

This estimate of $4.676 billion includes an escalation factor of approximately $2 billion, a tremendous amount of money and a tremendous part of the actual cost. In addition to the $4.676 billion, we acknowledge the contingency of $441 million to conform to UMTA policy and the recommendations of the General Accounting Office.

But we are not asking that that be counted as part of the total cost. We are not asking that we fund it at this time because if we were to, it would become a self-fulfilling prophesy. If you give me $500 million more somehow or another, it will be spent. Exercising the best possible control that we can our purpose is to keep the costs down.

PROGRAM TO PROMOTE SAVINGS

Within the organization, we have created a group which we call SAVE, systems analysis and value engineering. As we now have it, this group would identify and put into effect changes that will save about $40 million. That evaluation will continue throughout the program.

The consequence of this is that there is some saving. The shift in the economy has operated to our benefit. We are getting more bids right now than was the case 2 or 3 years ago. The bid costs are coming in under our estimates by a substantial amount, all reflecting the shift in the economic situation.

Taking it on the base year 1969 when we first indicated the price of $2.5 billion for the system, and it is now $4.6 billion, the overall increase has been $2.182 billion. Cost escalation alone accounted for almost $1.5 billion. The remainder represents some changes in the scope of work, construction, certain safety features, and cost related to environmental considerations.

If you take the 87 percent which is the direct increase in the 1967 proposal and compare it with other areas of cost in society today, you will find that our 87 percent compares with the cost of an average house in the Washington area having increased from 80 to 100 percent.

Highway construction costs rose 104 percent from 1967 to 1975. Construction wages have gone up 115 percent. Materials have gone up 81 percent. Our best answer to you, sir, is the $4.67 billion

and an unfunded contingency, to acknowledge the possibility of strikes, acts of God, and matters of that sort, those are the figures that we see today.

REVENUE BONDS

Senator CHILES. How will you pay for the revenue bonds of $997 million since the system is not going to produce a revenue surplus?

Mr. QUENSTEDT. The authority's proposal is that it should be handled on an 80–20 basis just as the other costs of the system will be handled from here on out. Sixty-six and two-thirds was the factor. But with the prospects of interstate highway funds transfer, it becomes 80–20. It would not require legislation to that effect. It would require acceptance of the allocation by the local jurisdiction. We conceive that as being the logical course to follow.

Senator CHILES. What is the fiscal year 1977 amount due on the bonds?

Mr. QUENSTEDT. $77,376,600 in total interest payments, of which $19,374,000 will be furnished from the Federal bond interest subsidy, $42,699,800 from the bond interest fund and $15,302,800 from Federal and local sources on an 80–20 basis.

Senator CHILES. How much would you owe in 1980 on the revenue bonds and what is D.C.'s share of that?

Mr. QUENSTEDT. The figure is the same so far as the obligation is concerned. The District of Columbia's share of the local 20 percent is estimated to be $4,389,000.

INTERNALLY GENERATED FUNDS

Senator CHILES. Do your estimates for capital requirements assume any internally generated funds?

Mr. QUENSTEDT. Yes, sir, they do. Quite a few million.

Senator CHILES. Where do they come from?

Mr. QUENSTEDT. We have done a good job in that respect. The estimates which we have got include an estimated amount of $254 million, which we have or will earn from the investment of funds which are paid to us by local jurisdictions and from net bond proceeds.

As that money is committed for a particular contract, it thus becomes earmarked and not available for use but will be expended on demand when work is performed. We invest it. We hold it. We draw interest on it. We also drew interest on bond proceeds that were obtained from the sale of bonds kept in the bank until the money was expended.

We have actually earned $1,100,000 on the rental of real estate that we have held, and managed pending its use in construction. Those are the three principal sources. It is about $254 million.

SECTION 5, URBAN MASS TRANSIT ADMINISTRATION FUNDS

Senator CHILES. The President's fiscal year 1977 budget proposes reducing the Section 5, Urban Mass Transit Administration funds available to offset Metrobus operating subsidies by approximately $7 million.

How would Metro finance this shortfall and what would D.C.'s share of that be?

Mr. QUENSTEDT. The simple answer, sir, as to how we would finance anything of that sort would be the participating jurisdictions would still owe us the same amount of money. The real question is as you mentioned, what would D.C. do about it?

D.C. would suffer. The section 5 funds which Congress authorized and left to the discretion of the local jurisdictions as to whether they would be used for capital requirements or operating subsidies, if that were withdrawn and we feel it would be an unwise course to follow, all the local jurisdictions would turn to other tax sources for replacement moneys. Our situation would remain the same.

FARE LOSSES

Senator CHILES. In a recent Post editorial, it was noted that the bus line figures that you lose about a million dollars a year in short fares and transfer abuses. What steps is Metro taking to help ensure its drivers are taking every effort to reduce this?

Mr. QUENSTEDT. I think you can appreciate we don't train our drivers to let people ride free. They have a very serious obligation to collect the fare. They are trained in their responsibilities in a very fine training course over a period of 3 to 4 weeks.

From time to time, by one form of emphasis or another, we remind them of it. But even more than that, we have our own devices of inspection by which we undertake to observe any instances in which fares are not collected. Should there be such instances discovered, we then follow a disciplinary process by which the driver is brought to bear.

Senator CHILES. Do you disagree with the million dollars a year being lost?

Mr. QUENSTEDT. I would only say that any stated figures would be pure speculation and would be the result of the emotional reaction of the individual to the offense involved. Nobody knows what the figures are.

I would be a fool to sit here and tell you that it doesn't occur; but we do have our inspection processes. It is known that we have them. The fact that they exist is acceptable to the unions. It is our defense against the problem.

ADDITIONAL QUESTIONS

Senator CHILES. Thank you Mr. Quenstedt. Mr. Coppie, we have a number of additional questions which we would like to have inserted in the hearing record. We would appreciate it if you would see that they are answered for the record.

Mr. COPPIE. I would be happy to Mr. Chairman.

[The questions and answers follow:]

Question. DOT is requesting $501 thousand for replacement of construction equipment and passenger carrying vehicles ($250,000 for construction equipment and $251,000 for passenger carrying vehicles). Federal Management Circular 74–1 requires the purchase of sedans to be limited to compacts and generally that vehicle purchases by agencies be limited to the minimum body size, engine size, and maximum fuel economy.

(1) How many vehicles are being purchased by type, engine size, and purpose?

(2) Does your request for new vehicles meet the limitations of the circular? If not, please justify all vehicles to be purchased that exceed the limitations.

Answer. The department's fiscal year 1977 Congressional budget request does not contain an item of $251,000 for passenger carrying vehicles. It was a proposal in the D.C. City Council submission, which was subsequently denied.

However, if and when we are authorized to procure passenger carrying vehicles it would be in compliance with all relevant procurement procedures.

Question. A Washington Post article a few months ago indicated that the C&P Telephone Company will increase its rental charge in the District from about $6,000 a month to about $20,000 a month for the rental of telephone wires to operate an Urban Traffic Control System. This system is a research project of the U.S. Department of Transportation, which uses electronic detectors at intersections and a centralized computer to control the flow of traffic.

(1) Are there any funds in this budget request to cover the $20,000 a month rental fee to operate the Urban Traffic Control System? Explain.

(2) Will the U.S. Department of Transportation pay for any of these increased rental fees?

Answer. Our budget request has no funding for the continuation of the Urban Traffic Control System.

This project was initiated in fiscal year 1975 as a research and demonstration project funded by a grant from the U.S. Department of Transportation. The grant expired in March, 1976 and at that time the system was to be turned over to the District for operation and maintenance.

The department has decided, through constant analysis of the system, that from a cost/benefit factor and funding limitations the city can neither justify nor afford continuation of this program.

Question. Will the transfer of Interstate Highway funds to the capital costs of the METRO system be accompanied by a shift in the staff responsibilities of the D.C. DOT to place greater emphasis on mass transit?

Answer. A transfer of Interstate highway funds to METRO will not require a corresponding transfer of personnel.

Departmental policy for hiring personnel to administer the Interstate Program was accomplished on an as needed basis.

Staffing responsibilities, under the newly established Department of Transportation, are being oriented toward a more comprehensive mass transportation concept.

Question. Why is an increase of $850,500 anticipated for highway planning and research in fiscal year 1977?

Answer. The requested increase of $850,500 is needed to finance two programs. They are the planning, programming and research and data processing programs in the amounts of $410,500 and $440,000, respectively.

Previously, these programs have been financed through our Capital Improvements Program Budget, borrowed monies, and federal funds of the U.S. Department of Transportation, Federal Highway Administration.

Through this operating expense proposal financing will be derived from current revenues for the District's share of these programs. Federal funding will continue.

The primary reasoning for this shift in financing principal is that it is neither economically feasible nor permissible to utilize long term borrowing, at current interest rates, to finance planning and data processing functions.

Question. What is the status of the city's plans to improve traffic circulation to better accommodate buses?

Answer. The department has just completed a report "A Plan for the Improvement of Bus Travel in the District of Columbia—Radial Corridors," which recommends installing various bus priority measures along 14 streets comprising 7 major corridors leading to the Central Business District.

Currently, the report is under review for the establishment of funding and installation priorities.

These measures, when installed, would tend to reduce bus travel time and improve schedule adherence.

Additionally, a companion study is now in progress dealing with bus operations within the CBD. Preliminary analysis points toward the installation of contra-flow exclusive and curb priority lanes in the CBD.

Also, the Department is working with WMATA staff to eliminate any foreseen bus operation problems at Metro stations when Phase II of Metro rail begins next year. As part of Metro rail restoration two blocks of H Street, N.W. will have contra-flow bus lanes installed.

Question. Has the D.C. DOT proposed any policy changes to the Mayor or City Council that would help to reduce the operating losses of the Metro System (Bus and Rail)?

Do you feel that operating deficits can be reduced through policy changes that would increase load factors?

Answer. We have proposed a policy which calls for traffic treatments which will expedite bus traffic, particularly for the most congested areas of the Central Business District. Bus operating deficits can be reduced through faster bus running times in two ways: 1) costs of operation can be reduced and 2) additional patronage will be attracted to mass transportation as it is made to move more rapidly. Unfortunately, increasing load factors on buses during rush hours will not decrease operating deficits; on the contrary, deficits will increase. This is because the peak to base ratio is at least three to one. A system of further staggered work hours or flex-time would smooth the peaks in a manner that could produce a more even use of bus capacity, hence a more efficient use which could result in reductions of deficits.

There are other transportation strategies that could be undertaken to reduce metrobus rail operating deficits. They include parking pricing to discourage all-day commuter parking, and a system of fees and taxes to encourage use of mass transportation and to discourage commuting by automobile.

Question. Will the City's Computerized Traffic Signal System be continued during fiscal year 1977? What steps might be taken to coordinate the District's Traffic Control Systems with surrounding jurisdictions?

Answer. The computerized traffic signal system will not be continued in fiscal year 1977. See answer number two for explanation.

The District has and will continue to coordinate and cooperate with adjacent jurisdictions where they desire to interconnect their traffic signal control and operation system to that of ours.

This procedure is essential to insure a smooth blend of traffic movement at these focal points.

Instances where this has been accomplished are Georgia and Wisconsin Avenues in Montgomery County and South Capitol Street in Prince George's County.

Question. What is the Department's Transportation policy? Is it in written form? Has the City Council and/or Mayor reviewed it and formally recognized or adopted it?

Answer. There is no written statement of policy from this department. However, there have been a number of discussions with the City Council in hearings concerning reorganization and budget, in which departmental policy goals have been discussed in detail. In addition, we maintain close liaison with the Council staff on an almost daily basis in order to coordinate our actions and objectives with those of the Council, particularly its transportation committee. The Mayor is also apprised of, because he plays a role in, the establishment of our transportation policy.

Our policy is best stated in terms of the objectives we seek:

1. One overall transportation policy for the District of Columbia is one which takes into account all forms of transport, integrating them where appropriate, employing each as it appears to be most suitable to a particular need, developing each in a balanced way to achieve the overall best transportation system from the combination of the various elements involved.

2. Continued emphasis, in cooperation with the regional transit authority, on the development of mass transit modes and policies which will insure a high level of mass transit use, and the de-emphasis of commuting by private automobile. Mass transit modes include not only traditional bus and Metrorail, but include also pooling in private vehicles of various sizes, shared and group taxi riding, jitneys, and other so-called paratransit modes.

3. An allocation of street and road resources to better serve the essential users such as mass transit and commercial goods carriers without at the same time encouraging non-essential use by commuter automobiles. This involves a greater use of existing street resources to achieve greater capability for movement of people and goods without commensurately greater capital costs and operating expenses. An example is the redesign of a major arterial with bus priorities, perhaps carpool priorities, perhaps taxicab priorities, to move a greater number of people in lieu of construction of a multi-lane freeway.

4. Development of a capability for analysis of transportation programs from a safety point of view, and to allocate resources, develop strategies, and pursue policies which will result in a comprehensive safety program. Our safety activities heretofore have been unconnected and in the most part unrelated.

Question. What is the Department's parking policy? What is the Department's view of a municipal parking authority? Should one be created, and if so, how would it operate. Briefly describe.

Answer. The Department does not have its own parking policy. Because of the many ramifications of parking policies which go beyond transportation issues, a city parking policy should involve the goals of a number of other agencies.

Generally, our parking goals in this city are to discourage all-day commuter parking and to encourage shoppers and tourists. One definite policy that has been adopted is the residential permit parking program which is being implemented in several neighborhoods of the city and which precludes all-day commuter parking in residential neighborhoods whose residents have been seriously inconvenienced by the inundation of neighborhoods by commuter vehicles.

We are not convinced that we should implement a public parking authority which would construct and operate its own parking facilities. We are convinced that a mechanism be developed to regulate the pricing of parking to achieve the goals of reducing long-term parking and to encourage short-term parking. Perhaps that mechanism is simply regulating enactments by the City Council.

This department presently controls on-street parking, including placement of parking meters. We also maintain six fringe parking lots of various sizes which have a total of 2,375 parking spaces.

Question. What is the Department's view on a second phase of the Downtown Streets for People program to additional blocks? What role did the Department play in the planning and implementation of the first phase of this program?

Will the Department have maintenance responsibilities for Streets for People? If so, what is the request this year for that purpose?

Answer. The department approved the Downtown Streets for People concept plan from 3rd Street, N.W. to 15th Street, N.W. on F and G Streets. Major details of the second phase of the plan have not been approved, for example, locations of pedestrian bridges crossing the streets and the galleria.

The development of detailed plans for Phase I was coordinated with the department and we are providing construction inspection for this phase.

Maintenance responsibilities for Streets for People have not yet been established, however, the department will assume the maintenance of the paved street area and street lights in fiscal year 1978.

The Department of Housing and Community Development will provide necessary maintenance funds for fiscal year 1977.

Question. What is the Department's relationship with WMATA in regard to bus routes, fares, frequency of service?

Answer. Congressional consent legislation was enacted in November 1966 (Public Law 89–774) to create the Washington Metropolitan Area Transit Authority Compact.

This legislation was further amended in October 1972 (Public Law 92–517) to permit WMATA to acquire and operate those private bus companies that provided regular route service within the metropolitan region.

Under the terms of the Compact, the resultant transit authority was to be governed by a Board of six directors consisting of two directors from each signatory. The Mayor and the Chairman of the City Council, or their alternates, represent the District of Columbia on this Board.

All major changes relating to bus routes, bus fares, and frequency of bus service are subject to public hearings within the affected jurisdictions, and subsequent sanction by the WMATA Board at their weekly meetings. The D.C. Department of Transportation prepares specific recommendations for D.C. Board members prior to these weekly meetings, so that they are properly apprised of the technical issues included in the agenda. However, it is usual that details of bus changes be discussed at the committee level before being forwarded for consideration by the full WMATA Board. These committees comprise Board members and support staff from the Authority and participating jurisdictions, and representatives of the D.C. Department of Transportation are always in attendance.

The D.C. Department of Transportation has a major role in reviewing those bus changes that affect our own jurisdiction and it is most unusual for a proposal to be presented to the Board that does not have the support of the local staff.

There are also numerous daily contacts between the department and WMATA staff entirely outside the immediate interest of a particular committee. These contacts frequently involve citizen complaints and minor operational bus details which can be resolved without reference to a higher level.

It is our hope that we can further expand our role to complement the Authority staff in areas of bus planning and new route selection. This capability is already in existence in some of the suburban jurisdictions, most noticeably the Northern Virginia Transit Commission and may require further reorganization within our own department.

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

A. *Metrorail Capital Program*

Question. Have you ascertained whether an evaluation of the system has been made since 1967 to determine that stations as originally planned should be built today? Based on current estimates the system will cost $46 million a mile. Has the District assured itself that it won't contribute to costs of building stations that are not needed because of changing conditions since the system was initially planned?

Answer. Design and construction of the Metro System in the District of Columbia has progressed to the point where there are only three stations that are not already committed. These are: Georgia Avenue on the Greenbelt Route, Anacostia and Alabama Avenue on the Branch Avenue Route.

The above station locations and adjoining route alignments are currently being reviewed and changed conditions or a no build factor are elements that are considered prior to any final decision. This process is most evident on the Branch Avenue Route, where an entirely new alignment is being considered for Southeast Washington, that is quite different from the earlier 1968 Adopted Regional System.

Question. Has the District requested an assessment, since the rail system was initially planned, to determine whether it still makes sense to build an expensive rail system to carry passengers to the core? Once a rail system is built, it can't be moved to accommodate, for example, population changes and changing employment conditions. Should the District contribute resources without assurance that it will fulfill a real need?

Answer. This question is similar to the previous one relating to station locations. A large part of the rail system in the District is already built or under construction and we are therefore committed to a radial network that focuses on the downtown core. Even if the opportunity existed for a completely new design, it is essential that a similar radial approach be adopted if the downtown is to remain the center of commercial and federal activity for the region.

We agree that a heavy rail system cannot be moved to accommodate population changes and different employment patterns. It has been projected, however, that approximately 65 percent of all metrorail passengers will use a bus at one or both ends of their trips. This offers considerable flexibility in that bus feeder routes can quickly respond to changing demands.

It is also our belief that the rail system will attract new development to appropriate station nodes and line corridors and that future retail, office and apartment construction at these locations will reinforce our ridership projections.

Question. What is the current estimate and what is the annual cost of the system to the District over the next five years? How does the District evaluate the costs for reasonableness to determine its fair share?

Answer. The current estimate for construction of the rail rapid transit system is $4,676,593,000. An unfunded contingency of $441 million is estimated to cover unforeseen strikes, storms and other circumstances which may serve to increase cost of the system.

The annual cost to the jurisdictions estimated over the next five years is as follows:

1976	$33,852
1977	91,964
1978	109,200
1979	39,400
1980	—

These local requirements are based on availability of internally generated funds totalling $254 million. Any shortfall in these earnings will require an adjustment in local grants to be made.

Question. Cost overruns total between $2.1 to $3.5 billion depending on the figure one uses. To this we must add the $1.8 billion of interest cost on revenue bonds sold to get funds for construction. Do you have a financial plan that shows how these costs are to be met? Please explain.

Answer. The following schedules show the Authority's proposed financing plan for funding the construction of the rail system and the debt service for revenue bonds sold for construction. See attached schedules A and B.

Question. We understand that local jurisdiction representatives on the WMATA Board have added changes to the system as initially designed. What has been the total cost of the add-ons and how are they to be paid? Please furnish a listing of the add-ons, their individual costs and identify those that the District must pay.

Answer. The following are add-ons to the approved Regional Rail Transit system.

Item	Amount	Funding by
	(Thousands)	
Additional entrance, Smithsonian Station	$2,045	Federal Government.
Arlington Cemetery Station	5,340	Do.
Pedestrial Bridge, Rhode Island Avenue Station	260	District of Columbia.
Access Change, Gallery Place Station	500	Do.
Re-route Mid-City Line	3,800	Do.
Brookland Station entrance	854	Do.
U Street Station, second entrance	1,336	Do.
Silver Spring Station modification	1,008	Montgomery County.
Access platform, Bethesda Station	80	Do.
Clarendon Station landing	425	Arlington County.
Ballston Station knockout panel	40	Do.
Glebe Road Station landing	246	Do.
Total add-ons	15,934	

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

METRORAIL CAPITAL BUDGET PHASED PROGRAM REQUIREMENTS AND SOURCES OF FUNDING [1]

[Millions of Dollars]

	Through fiscal year 1975	Fiscal year 1976	Fiscal year 1977	Fiscal year 1978	Beyond fiscal year 1978	Total
Federal grants	946.8	68.0	90.0	[2] 42.2	.....	1,147.0
Local grants:						
District of Columbia	211.7	.....	0.7	7.8	.....	220.2
Maryland	175.3	.....	25.2	1.6	.....	202.1
Virginia	135.1	.....	19.1	11.4	.....	165.6
Total	522.1	.....	45.0	20.8	.....	587.9
Bond proceeds	764.0	.....	.....	.....	.....	764.0
Internally generated funds (⅔–⅓ matching)	[3] 5.9	34.0	.....	.....	.....	39.9
Funded with Highway Fund transfers:						
Internally generated funds	.....	85.0	55.5	28.0	45.6	214.1
Local 20 percent [5]	.....	34.0	44.5	88.4	46.6	213.5
Federal 80 percent	.....	[4] 475.0	[4] 400.0	465.6	369.6	1,710.2
Total	2,238.8	696.0	635.0	645.0	461.8	[6] 4,676.6

[1] Does not include funds for add-ons or for facilities for the handicapped.
[2] Includes transition funding of $26.7 million.
[3] Applied to capital program without Federal matching; an additional $5.4 million of interest has been applied to executive management as of June 30, 1975.
[4] President's budget levels.
[5] Local requirements vary slightly from Airlie data on local payments due to adjustments based on President's budget.

DEBT-SERVICE REQUIREMENTS

[Dollars in thousands]

Fiscal Year	Bonds outstanding	Federal payments (25% interest)	Remaining interest costs [1]	Sinking fund installments [2]	Total debted service
Prior to 1977	997,000	43,005			43,005
1977	997,000	19,374	15,303		34,677
1978	997,000	19,374	36,602		55,976
1979	997,000	19,374	52,460		71,834
1980	997,000	19,374	58,002		77,376
1981	997,000	19,374	58,002		77,376
1982	997,000	19,374	58,002		77,376
1983	990,685	19,374	58,002	6,315	83,691
1984	984,035	19,258	57,655	6,650	83,563
1985	977,025	19,137	57,290	7,010	83,437
1986	967,285	19,008	56,905	9,740	85,653
1987	957,025	18,828	56,363	10,260	85,451
1988	946,210	18,637	55,791	10,815	85,243
1989	934,810	18,437	55,190	11,400	85,027
1990	920,545	18,223	54,554	14,265	87,042
1991	902,358	17,955	53,747	18,187	89,889
1992	883,151	17,606	52,700	19,207	89,513
1993	862,868	17,237	51,591	20,283	89,111
1994	841,376	16,847	50,423	21,492	88,762
1995	818,261	16,434	49,183	23,115	88,732
1996	793,464	15,990	47,850	24,797	88,637
1997	766,889	15,512	46,417	26,575	88,504
1998	738,436	14,999	44,879	28,453	88,331
1999	707,962	14,450	43,231	30,474	88,155
2000	675,348	13,862	41,466	32,614	87,942
2001	640,596	13,231	39,574	34,752	87,557
2002	603,649	12,558	37,556	36,947	87,061
2003	564,406	11,843	35,411	39,243	86,497
2004	522,713	11,083	33,130	41,693	85,906
2005	478,456	10,276	30,708	44,257	85,241
2006	431,518	9,418	28,134	46,938	84,490
2007	381,682	8,507	25,403	49,836	83,746
2008	328,813	7,541	22,503	52,869	82,913
2009	272,729	6,514	19,424	56,084	82,022
2010	213,258	5,426	16,159	59,471	81,056
2011	150,163	4,271	12,694	63,095	80,060
2012	83,302	3,045	9,016	66,861	78,922
2013	43,615	1,725	5,117	39,687	46,529
2014	13,260	916	2,704	30,355	33,975
2015		265	794	13,260	14,319
Total		577,662	1,529,935	997,000	3,104,597

[1] WMATA is assuming the local cost to be 20 percent of these amounts.

[2] Sinking fund installments are optional. Bonds are not callable until ten years after date of issue.

Revised March 8, 1976

Question. Is there a legal liability for the District to refund contributions to those jurisdictions that will be affected by truncating the system at 46 miles?

Answer. There has been no agreement among the jurisdictions of Maryland, the District of Columbia and Virginia as to how the local payments will be adjusted in the event the system were truncated at 46 miles or any other level short of the 100 mile total system. It is highly doubtful that there would be a formal truncating of the system directed by the Board of Directors of the Authority who represent the three major local governments. On the premise that a truncating of the system did take place, it is conceivable that these jurisdictions that were either partially served or not served at all would have a claim for refund of the monies that they had contributed. If this happened, and a suit(s) was filed against the Authority and those jurisdictions served by the truncated system, it is conceivable that litigations would take place, the resolution of which would take an undeterminable number of years.

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

B. *Metrobus Operating Subsidy*

Question. Can you explain why Metro has not completed the tabulation of these surveys, which are obviously an integral part of the formula, after nearly a year?

Answer. Data are now available from the May survey for use in the computation of the allocation of subsidy requirements. There were several reasons why the data were not available sooner: (1) returns from riders exceeded expectations by one-third (50,000 more returned than expected); (2) more computer time was required than had been anticipated; (3) fewer staff personnel were assigned to help the consultant than had been planned; and (4) additional details were requested from the survey data.

The formula adopted by the Board for allocating the 1976 subsidy has been tested using fiscal year 1975 data. The results of the test indicate that had it been in effect in 1975, the bus subsidy would have been allocated as follows.

	(Percent)
District of Columbia	50.2
Virginia	27.0
Maryland	22.8

The 1976 subsidy payments will be determined along the same general data and procedures developed for 1975.

Question. What actions have the District representatives on the Metro board taken to determine why this information has not yet been developed?

Answer. As explained in the previous question, the data have now been provided to all jurisdictions, and the delay was attributed to a number of factors as listed above. However the most serious problem was the complexity of the cost/revenue approach to deficit allocation and the creation of a computer program to evolve this information. District of Columbia members on the Board together with their colleagues from other jurisdictions frequently requested progress reports on survey data and allocation percentages from the WMATA staff. By the time the overrun became apparent there was little that could be done in terms of additional manpower or resources to expedite the process.

Question. Has the city undertaken any surveys recently to ascertain if the base fare during peak rush hours should be adjusted to the $0.50 level proposed a year ago?

Answer. The City has not undertaken an attitudinal survey within the last 12 months as to the merit or injustice of a fare increase. Should an increase be proposed, public hearings would have to be held and all citizens would have an opportunity to express their views.

It is estimated that a peak-hour surcharge of 10 cents for District bus riders would generate approximately $3.6 million per annum. While this is a significant amount of money, it still represents a minor part of our total bus deficit.

Question. What is the District's annualized cost for maintaining the fare at $0.40 level?

Answer. Approximately $3 million.

Question. How does the District plan to fund this annualized cost?

Answer. The annualized cost becomes a requirement of the annual budget of the District of Columbia and will be financed as part of the total budget.

Question. At last year's hearings you stated that 61 out of the 81 recommendations in the McCormick & Padgett Report had been accepted by the Metro board and

were to be implemented. a. How many of these recommendations have been implemented? What savings have been realized? b. What is the status of the remaining 20 recommendations?

Answer. The management study performed by the consulting firm Cresap, McCormick & Padgett made some 88 recommendations towards improvement of the management, administration and operation of the bus transit function of the Authority. The Authority to date has agreed with 61 of these recommendations and has taken steps to implement them. The remaining recommendations are still being considered by the Management Committee of the Authority whose function it has been to analyze the recommendations and determine the Authority's response.

City Management and Operations

STATEMENT OF GEORGE HARROD, DIRECTOR, PERSONNEL OFFICE

ACCOMPANIED BY:

OSCAR MAYS, ADMINISTRATIVE OFFICER

JAMES MANDISH, ASSISTANT DIRECTOR FOR COMPENSATION AND RESEARCH, PERSONNEL OFFICE

RUDOLPH RICHARDSON, D.C. UNEMPLOYMENT COMPENSATION BOARD

BUDGET REQUEST

Senator CHILES. The next area we will go into is the city management and operations category. We will insert the justification material in the record at this point.

[The information follows:]

Justification

CITY MANAGEMENT AND OPERATIONS

	F.Y. 76 Amended Request		F.Y. 77 Request	
	Pos.	Amount	Pos.	Amount
Office of the Mayor	32	912.6	31	1,167.7
Council of the District of Columbia	107	2,299.4	116	2,775.5
District of Columbia Auditor	10	164.3	15	268.5
Office of the Secretariat	28	730.3	28	629.9
Office of Public Affairs	12	256.2	8	183.9
Office of Budget and Management Systems	296	5,576.5	296	5,695.9
Municipal Planning Office	82	1,909.3	82	1,981.0
Office of Personnel	73	1,611.2	69	1,619.3
Compensation Funds:				
Employees Disability Compensation	...	3,260.8	...	4,480.7
Unemployment Compensation	...	5,136.4	...	5,712.7
Workmen's Compensation	...	686.0	...	727.0
Legislative Office	7	105.2	11	216.6
Office of Bicentennial Programs	...	1,869.0	1	193.8
Department of Finance and Revenue	543	8,889.2	542	9,095.6
Office of the Corporation Counsel	176	3,869.3	172	3,940.4
Department of General Services	512	17,636.3	606	18,968.3
Recorder of Deeds	69	800.2	66	852.8
Office of the Surveyor	40	449.1	36	421.9
Board of Labor Relations	2	95.6	2	114.5
Metropolitan Washington Council of Governments	...	200.2	...	212.8
Settlement of Claims and Suits	...	304.5	...	.....
Repayment of Loans and Interest	...	63,380.6	...	84,846.1
Advisory Neighborhood Commission	...	150.0	...	.....
Pay Raises	...	10,000.0	...	17,100.0
Total	1,989	130,292.2	2,081	161,204.9

Legislative History

Twenty-five operating agencies, departments and accounts provide the staff and resources required for management of City operations. The operating authority for Government activities within the functional need of City management and operations is derived from several sources; Governmental Reorganization Plan #3, 1967, and various other Commissioner's and Mayor's orders, and the District of Columbia Self-Government and Governmental Reorganization Home Rule Act of December 24, 1973, effective January 1975.

Government Reorganization Plan #3 reorganized the function of the Board of Commissioners to a single Mayor/Commissioner of the District of Columbia and created a City Council, comprised of a Chairman, Vice Chairman, and seven other members. The Mayor/Commissioner and Council were Presidential appointees.

Several major Mayor/Commissioner's Orders strengthen the Executive's planning, program budgeting, and fiscal management. Commissioner's Order 72-80, April 5, 1972 transferred Municipal Accounting functions including payrolls, procurement, cash management, etc., from the Department of Finance and Revenue to reorganize the Office of Budget and Program Analysis into a central Office of Budget and Financial Management (OBFM).

Commissioner's 74-264, December 1974, brought the functions of the Office of Municipal Audits, Automated Data Processing Systems (SHARE) and Executive Management, into a new Office of Budget and Management Systems, replacing OBFM. A subsequent Mayor's Order 75-265, December, 1975, instituted a Performance Monitoring System.

The Home Rule Act added substantive authority to elected Mayor and Council, which impacts on the functional area of Government Management and Operations.

Apart from adopting the traditional Executive authority and responsibilities under the Commissioner's system, significant new authority under the Home Rule Act include the sale of general obligation or revenue bonds with Council approval to support the system's Capital program; short-term borrowing authority to meet appropriations in anticipation of revenues; preparation of multi-year plan to be included in the annual budget, covering such items as future cost implications of Capital projects, forecast of future revenues and tax measures, costs and revenues of retirement systems covering District employees, and D. C. Auditor's Office.

In summary, under the present Government organization, the Mayor and the District Council, along with selected agencies and departments, form a nucleus responsible for executing the District Government's fiscal, financial and comptroller responsibilities; budget, program, and financial analysis, as well as provide support services to all other District Government agencies.

Program Highlights

The twenty-five operating components within the functional area of Government management and operations are sub-divided to provide Executive Office support, a legislative body, special government services, and special fund accounts to meet the District's permanent annual financial obligations.

Executive Support

Fifteen agencies and departments provide Executive Office support, eight used as an immediate staff arm to the Mayor, to carry out the day-to-day Executive functions, with the remaining seven used to carry out the Executive's broad responsibility for District Government-wide program planning and financial management.

Since Fiscal Year 1973, the Mayor has added two new components to comprise the eight agencies used as immediate staff. The Legislation Office and an administrative unit to serve as the Government's liaison with the newly formed Advisory Neighborhood Commissions. These two additions facilitate the development of Executive legislation, provide for timely response to requests for Executive legislation review, and effectively coordinate Advisory Neighborhood Commission (ANC) input into Government operations, through thirty-six ANC's with an operating appropriation not less than one cent per $100 dollars of assessed valuation of real property in the District in accordance with the Home Rule Act. Other components providing immediate staff support to the Mayor include: the Office of the Mayor, Secretariat, Public Affairs, Corporation Counsel, and the Bicentennial Office.

The Office of the Mayor houses close advisors including a City Administrator. The Secretariat and Public Affairs offices coordinate Mayor's correspondences, national and local, disseminate a Municipal Code and D. C. Register, and serve as liaison with the public media, respectively. The Bicentennial Office serves as Mayor's liaison with other District agencies relative to the City's investment and involvement in Bicentennial projects.

The Corporation Counsel provides legal services including conducting prosecutions, defense of all suits, rendering opinions to the Mayor as well as all other District agencies. The Office of Municipal Audit and Inspection until Fiscal Year 1976 served directly under the Mayor's guidance. In Fiscal

Year 1976, the office of 36 positions and $704,600 was transferred to the Office of Budget and Management Systems to centralize resource management resources.

The Office of Budget and Management Systems comprises the Mayor's staff used for City Government-wide resource management. The operating staff and appropriation for this office has grown from 161 positions and $2,744,900 in Fiscal Year 1973 to 296 positions and $5,499,000 requested for the 1977 fiscal year. However, the absolute growth in this area is minimal. Government reorganization and transfers from existing City resources account for the majority of appropriation increases.

In addition to OBMS, other components which comprise the Mayor's staff for resource management include: the Municipal Planning Office, responsible for providing comprehensive physical planning for City development covering commercial development; the Department of General Services, which acts as the City's contracting office and provides certain City Government-wide utility and other services including space rental, electricity, repairs, etc.

The Personnel Office compiles data on personnel appointments and the status of all D. C. employees, establishes personnel guidelines, provides administrative support for retirement program and provides central support to smaller City agencies to process their personnel actions. The growth in the appropriation for the Personnel Office reflects interagency transfers to establish a central safety management office to maintain high standards for work environments, and centralize basic personnel administration to provide smaller agencies with timely personnel actions and uniformity in personnel procedures. Larger agencies such as DHR and Public Schools have the staff expertise and workload demand to justify their retention of delegated personnel authority. However, the Personnel Office maintains authority over all actions affecting GS-16's and above.

The Department of Finance and Revenue develops and maintains the City's revenue program. The major growth in the appropriation for this department between Fiscal Year 1973 and Fiscal Year 1977 is attributed to the addition of staff expertise, assessors, etc., and other resources necessary to bring the

City closer to the goal of taxing real property at 100% assessed valuation, and improving the system of collecting delinquent taxes.

The Council of Governments receives a minimal contribution for a variety of services including studies on environmental, transportation, construction issues, population census, etc.

The total request for Executive support staff used for the Mayor's immediate staff and City resource management is $44,678,300. Increases in this area are due to the added responsibilities of the Home Rule Act, management improvement, increased workload, inflation, and mandatory pay raises. The appropriation growth for Executive support should remain relatively stable in the upcoming years.

Legislative Body. The budget for the elected Council reflects the expansion of the Council, Coknail staff and compensation for the Council members. The budget increases for the Council represent requirements to move from the eleven Council members receiving part-time salary with a staff of 28 in Fiscal Year 1973 to a thirteen member Council, receiving full-time salary with a staff of 94 positions for Fiscal Year 1977.

D. C. Auditor. The Office of the District of Columbia Auditor is to conduct various audits of the accounts and operations of the Government in response to special requests or on its own initiative, and submit reports to the Congress, the Mayor, and the Council.

The original appropriation for the Auditor was a prat of the 1975 fiscal year appropriation request of the Council and included three full-time permanent positions and $63,200. The increase from three positions in Fiscal Year 1975 to 15 positions requested in Fiscal Year 1977 provides for minimum staff to carry out the office requirements.

Special Services. The Recorder of Deeds, Office of Surveyor and Board of Labor Relations provide convenience services to citizens and D.C. employees. The certification and maintenance of real property papers, auto liens, corporation papers by the Recorder of Deeds, surveying services and maintenance of related documents provided by the D. C. Surveyor, will produce over $6 million in annual revenue to the City in Fiscal Year 1977. The appropriation request for the three agencies is only $1,389,700, less than a 23 percent increase over their appropriations in Fiscal Year 1973. Annual pay raises and the inflationary costs of perishable supplies, account for most of the increase, with a relatively smaller portion of the increase, $60,000, spent by the Recorder of Deeds and Surveyor to develop microfilm capability and replace out-dated and irreparable equipment, respectively.

Permanent Obligations. The District is legally responsible for paying unemployment insurance benefits to ex-D.C. Government employees, providing workman's and employee disability compensation, repaying loans and interest, providing salary increases in accordance with Civil Service guidelines, and paying settlements to satisfy claims and suits. Special appropriation accounts have been established for these purposes. The larger funds support debt retirement attributed to an expanded Capital program begun in Fiscal Year 1969, and pay raises for classified employees, Police, Fire, Wage Board employees.

The compensation funds have grown at slow rates with the largest increases in unemployment benefits reflecting the relatively high unemployment rate in the District. The appropriation for these funds represents actual payments and expected payments for the budget year.

In summary, the cost of Government management and operations has been stable with increases made primarily for mandatory items, and to meet workload. The Fiscal Year 1977 request for this functional area is 2,081 positions and $144,877,400.

FUNCTIONAL STATEMENT

CITY MANAGEMENT AND OPERATIONS
FISCAL YEAR OPERATING BUDGET SUMMARY

Amounts in Thousands

Agency by Function	FY 1973 Pos.	FY 1973 Amount	FY 1974 Pos.	FY 1974 Amount	FY 1975 Pos.	FY 1975 Amount	FY 1976 Pos.	FY 1976 Amount	FY 1977 Pos.	FY 1977 Amount
Executive Support										
Bicentennial Office	...	.....	...	150.0	...	150.0	...	869.0	1	193.8
Bicentennial Account	...	.....	...	.....	...	.....	...	1,000.0	...	.....
Office of the Mayor	20	574.1	20	475.3	56	617.0	32	912.6	31	1,167.7
Secretariat	30	556.4	30	646.3	25	567.1	28	730.3	28	629.9
Public Affairs	12	207.2	12	244.8	12	266.0	12	256.2	8	183.9
Legislation Office	...	.....	...	.....	...	.....	7	105.2	11	216.6
Corporation Counsel	185	3,069.9	185	3,360.8	185	3,582.5	176	3,869.3	172	3,940.4
Advisory Neighborhood Commissions	...	.....	...	.....	...	.....	...	150.0	...	.....
Municipal Audit	33	578.1	36	637.7	36	704.6	...	.....	...	.....
Resource Management										
OEMS	161	2,744.9	179	2,995.9	181	3,323.6	296	5,576.5	296	5,695.9
Municipal Planning	...	.....	74	1,592.0	140	1,966.4	82	1,909.3	82	1,981.0
Personnel	43	920.5	59	1,211.5	67	1,324.5	73	1,611.2	69	1,619.3
Finance and Revenue	512	7,688.1	533	7,899.3	531	6,588.5	543	8,889.2	542	9,095.6
General Services	637	12,991.8	657	16,396.0	594	17,203.0	512	17,203.0	606	18,938.3
Office of Planning and Management	75	1,068.3 1/	...	.....	...	.....	...	.....	...	.....
Council of Governments	...	161.4	...	164.7	...	196.6	...	200.2	...	212.8
Subtotal	1,708	30,560.7	1,785	35,638.8	1,646	36,469.8	1,761	43,715.3	1,946	43,903.2
Legislative Body										
D. C. Council	36	538.7	36	660.0	56	990.9	107	2,299.4	116	2,775.5
D. C. Auditor	...	.....	...	.....	...	.....	10	164.3	15	268.5
Subtotal	36	538.7	36	660.0	56	990.9	117	2,463.7	131	3,044.0
Special Services										
Recorder of Deeds	71	717.2	71	739.0	71	782.9	69	800.2	66	852.8
Office of the Surveyor	40	393.9	40	397.1	40	382.9	40	449.1	36	421.9
Board of Labor Relations	2	37.9	2	48.3	2	67.1	2	95.6	2	114.5
Subtotal	113	1,149.0	113	1,184.4	113	1,232.9	111	1,344.9	104	1,389.2
Permanent Obligations										
Employee Disability Comp.	...	1,925.3	...	2,632.9	...	2,437.3	...	3,260.8	...	4,480.9
Unemployment Compensation	...	2,400.0	...	3,721.0	...	3,996.5	...	5,136.4	...	5,712.7
Workmen's Compensation	...	529.7	...	556.3	...	620.2	...	686.0	...	727.0
Inaugural Accounts	...	866.6	...	.....	...	.....	...	.....	...	.....
Claims and Suits	...	156.1	...	220.2	...	200.3	...	304.5	...	.....
Repayment of Loans and Interest	...	28,039.1	...	39,633.4	...	49,067.0	...	63,380.6	...	84,846.1
Pay Raises -- Classified and Other 2/	...	(6,891.0)	...	(13,782.0)	...	(12,987.0)	...	(19,746.8)	...	.....
Pay Raises -- Police, Fire and Teachers	...	.....	...	.....	...	.....	...	10,000.0	...	17,100.0
Subtotal	...	33,916.8	...	46,763.8	...	56,321.3	...	82,768.3	...	112,866.5
GRAND TOTAL	1,857	66,165.2	1,934	84,247.0	1,815	95,014.9	1,959	130,292.2	2,081	161,203.9

1/ Represents transfer to OEMS.
2/ Classified pay increases are contained in agency obligations and are shown only as non-add items.

Mr. COPPIE. Mr. Chairman, I have prepared a functional statement that I would like to have provided for the record.

[The statement follows:]

Functional Area Statement

CITY MANAGEMENT AND OPERATIONS

Twenty-five operating agencies, departments, and special accounts comprise the City Management and Operations functional area. These include the Mayor, the D. C. Council, the D. C. Auditor and agencies with broad executive responsibilities such as financial management, program and physical planning, finance and revenue, procurement, etc. Funds for debt service on Capital Improvements, unemployment and disability compensation and annualization of pay raises for police officers, firefighters, and teachers are also included in this area.

The total funding request for this area in Fiscal Year 1977 will be $162.1 million when the Advisory Neighborhood Commission budget is added. Of this amount, $49.2 million is requested for the Mayor, the Council and other offices. This amount represents an increase of only 2.9 percent over Fiscal Year 1976. A total of $112.9 million is requested for repayment of loans and interest, compensation funds and pay increases, an increase of 37 percent over Fiscal Year 1976.

Because of added responsibilities under Home Rule, and increasing workload, the offices performing broad City responsibilities have been particularly affected by the fiscal crisis. For example, funds for an improved financial management system have not been included in the budget request. Similarly, the funding levels for tax administration, and legal services are not sufficient to permit desired improvements in program services.

Performance Monitoring System

The Performance Monitoring System (PMS), initiated by the Mayor as a pilot project last year, is now entering its first official year of operation. The Performance Monitoring System, provides managers in City Government with a tool to measure the results of City services, to compare these results against planned performance goals, and to identify and implement needed improvements. Maintaining the level and quality of vital services and continuing commitments to meet priority needs in the face of mounting fiscal pressures is the challenge PMS addresses. It approaches this challenge by endeavoring to assure that all currently available resources are utilized effectively and efficiently.

The Performance Monitoring System represents the commitment of this administration to take positive steps in the face of mounting fiscal pressures that are not likely to go away. It is appropriate for Home Rule, because it will enable the City to measure the productivity and quality of its services and to account to its citizens for the use of tax dollars.

Some of the ongoing productivity improvement projects are:

- Evaluation of the use of three-person rather than four-person household refuse collection crews.
- Determining the number of "true emergency" or trauma cases seen in the D. C. General Hospital Emergency Room and their average waiting times.
- Determining the length of time it takes to obtain suitable foster care and day care spaces for children.
- Improving the quality of inspections and the extent of inspectional coverage of housing units.
- Determining the length of time job ready clients have been waiting for job placements because of the shortage of employment opportunities.

OPERATING AGENCIES

Mr. COPPIE. To briefly summarize this area, we are talking about 25 operating agencies, departments and special accounts which comprise the city management and operations area. These include primarily the Mayor and the City Council and the various agencies that support the Mayor on the executive side as opposed to the staff of the City Council.

Additionally, in this area we have the funds for street services and capital improvements, unemployment-disability compensation, and the annualization for the various increases that were authorized for police officers and fire fighters in the 1976 year.

I draw to your attention a chart to the left, which briefly highlights each of the functional components with regard to the funding for 1977. The second chart, if you would just hold up the second chart for a minute to show the breakdown in personnel, that is the personnel strength for each of the functional areas, Mr. Chairman. They coincide with the functional areas that you have established for the purposes of the hearing presentations.

The appropriate representatives are here from the departments. You have identified four topic areas. We are prepared to speak to each one of those.

FEDERAL EMPLOYEES COMPENSATION ACT

Senator CHILES. Describe for the committee the liberalizing provisions of the Federal Employees Compensation Act and how that act has increased the city's funding requirements for disability and compensation.

Mr. COPPIE. Mr. George Harrod from the city's Personnel Office is here to speak to that.

Senator CHILES. I am trying to understand how your program works. As I understand, you are under the Federal Employees Compensation Act. How long have you been under that act?

Mr. HARROD. Sir, we have been under the Federal Employees Compensation Act ever since its inception and follow it just as the Federal Government does.

Senator CHILES. Is the city making any plans in anticipating setting up your own personnel system that you would not reenter the act?

Mr. HARROD. We are very much involved, sir, in recommending proposals to the City Council for the establishment of an independent personnel system as required by the Home Rule Act.

I do not foresee a separate system for this program as yet, due to the economic structure of the city. We are following the Federal Government system in areas where we actually cannot afford to pay additional costs.

DISABILITY COMPENSATION

Senator CHILES. Can an individual receiving disability compensation earn more than he did when he was fully employed?

Mr. HARROD. No.

Senator CHILES. What is the maximum rate——

Mr. HARROD. I am sorry. Yes. I was forgetting his benefits are tax free. Yes, he could. I stand corrected on that.

Senator CHILES. How many individuals are receiving the maximum rate or are receiving more? The maximum rate, first.

Mr. HARROD. We don't have that figure as yet, sir; but it is possible that the majority who are on the rolls, the 200-some rolls, are receiving the maximum rate. I can get that figure.

Senator CHILES. We would like to have that for the record.

[The information follows:]

INDIVIDUALS RECEIVING THE MAXIMUM RATE OR MORE

Of the 221 employees presently on the permanent disability compensation roll, 38 are receiving 66.7 percent and 183 are receiving 75 percent of the salary they were earning at the time of injury plus appropriate cost-of-living adjustments, if applicable.

Senator CHILES. Describe for the committee the role the department plays in the program.

Mr. HARROD. The Department of Labor adjudicates all claims for the District of Columbia government. We have our own organization within the Department of Personnel which reviews and makes payment of claims.

Senator CHILES. How long does it take for the Department of Labor to make a finding of restored earning capacity?

Mr. MANDISH. Mr. Chairman, if I might respond to that, I am Jim Mandish, Assistant Director of Personnel.

Such a determination would vary depending on the specific cases. The Department of Labor is supposed to periodically review those cases that are on the disability roll to see if the continuance for disability payments are justified and warranted.

D.C. FUNDS FOR DISABILITY COMPENSATION

Senator CHILES. What is the explanation for the 37 percent increase from $3,260,800 to $4,480,700 in the funds requested for the employees disability compensation?

Mr. HARROD. The rather dramatic increase of 37 percent in funds requested for the Employees' Disability Compensation program is due to liberalized benefits under provisions of Public Law 93–416, a greater number of permanent type disabling service-connected injuries, and larger benefit payments to temporarily disabled claimants. A further explanation of these three primary reasons is as follows:

Liberalization of benefit provisions under Public Law 93–416. Some of the provisions having the greatest impact upon this program: reduced from 21 to 14 days the waiting period for injured employees; free choice of medical facility and physician; earlier payment of cost-of-living increases; and authorized continuation of pay without charge to leave for those employees sustaining traumatic, job-related, disabling injuries not exceeding 45 days.

NUMBER OF CITY EMPLOYEES RECEIVING DISABILITY COMPENSATION

Senator CHILES. How many city employees are currently receiving employment compensation?

Mr. HARROD. Permanent disability, 221, temporary, 78, scheduled award, 15, survivors, 31. The total is 345.

AVERAGE LENGTH OF RECEIVING DISABILITY COMPENSATION

Senator CHILES. What is the average length of time an employee continues to receive disability compensation?

Mr. HARROD. The D.C. average for the permanent compensation payroll employees is 6 years, 1 month, temporary compensation 1 year, 1 month. Scheduled award employees 1 year, 8 months and survivors 13 years and 2 months.

Incidentally, we have supplied this information to Mr. Coppie to be transmitted to you.

Senator CHILES. We would also like a listing by agency of the employees who receive disability compensation.

Mr. HARROD. We have also provided the information.

[The information follows:]

EMPLOYEES RECEIVING DISABILITY COMPENSATION IN FISCAL YEAR 1975

Department or agency	Permanent and temporary disability compensation	Scheduled award	Survivors	Total
Human Resources	141	7	4	152
Environmental Services	123	19	11	153
D.C. Public Schools	83	4	5	92
Corrections	60	3	2	65
General Services	42	7	6	55
Transportation	41	4	3	48
Metropolitan Police	8			8
Economic Development	7			7
Recreation	6	2		8
D.C. Manpower	3			3
D.C. Library	2			2
Washington Technical Institute	2			2
D.C. Armory Board	1			1
District Unemployment Compensation Board	1			1
D.C. Fire Department	1			1
D.C. Superior Court	1			1
Redevelopment Land Agency	1			1
Executive Office		1	2	3
Total	523	47	33	603

UNEMPLOYMENT COMPENSATION

Senator CHILES. The unemployment rate in the city was 7.8 percent in February, down from 8.2 percent in January and should continue to decline as the economy strengthens. What is the justification for requesting a $576,300 increase for funds for unemployment compensation?

Mr. HARROD. The unemployment rates for the city as reported by the Washington Post are correct. However, these figures represent a percentage of the total labor force—both insured and uninsured—who are unemployed and do not reflect solely those insured unemployed who are entitled to benefits. There has been a growth in those insured persons who applied for benefits in a period in which the total unemployment rate declined. If you wish, sir, I will read it. If not, this information has also been provided for you with the figures.

Senator CHILES. Just give me the answer, if you can, as to why unemployment is going down while you are asking for more unemployment compensation funds.

Mr. HARROD. The fiscal year 1977 budget request for this program reflects a slight increase in the number of anticipated claimants due in part to expiration of the Comprehensive Employment Training Act program; a higher average weekly payment due to annual statutory rate adjustments; and the continuance of the federally sponsored extended benefits program. The $576,300 increase was computed as follows: the average weekly payment of $87.22, times the estimated claimants of 4,000, times the average weeks of claim, 15.48, gives a total figure of $5,400,662.

Senator CHILES. On the average, how does the compensation of these unemployed city workers compare with the compensation of those individuals in the city that receive the minimum wage?

Mr. HARROD. The D.C. government's average unemployment rate is $1.88 per hour. Private industry and D.C. government combined average unemployment compensation rate is $2.31 per hour.

Senator CHILES. You gave me two figures there. I am trying to determine, if the average unemployed person is getting higher per hour than the minimum wage employees are?

Mr. MAYS. The average minimum wage for private industry is $2.25 per hour. So the answer is yes, when the private industry and D.C. government figures are combined. When the D.C. government figures are used, it is below. This is based on 1975 figures.

D.C. UNEMPLOYMENT STATISTICS AND ADMINISTRATION

Senator CHILES. On the average, how long are people staying on the unemployment roll?

Mr. HARROD. It is projected to be 15.48 weeks, for 1977.

Senator CHILES. What requirements are there that these people will be seeking employment and what checks are there made to determine if they are actually seeking work?

Mr. HARROD. I would like to refer to Mr. Richardson of the D.C. Unemployment Compensation Board.

Mr. RICHARDSON. The District Unemployment Compensation Board requires that the claimant prepare a form at each visit for the purpose of filing a claim. This form lists the names, addresses and phone numbers of potential employers that the claimant has made contact with in hopes of obtaining employment.

Senator CHILES. How often does he fill out this form?

Mr. RICHARDSON. He fills it out on each visit. The claimant normally is required to report every two weeks. In the interim, he is making the contacts with potential employers in endeavoring to obtain employment.

He lists the names of the employers, addresses, telephone numbers and results of the interview he may have had with the official in the company.

Upon return of the claimant to the local office of the District Unemployment Compensation Board, these forms are spot-checked by the claims takers in our local office. At the time the claimant reports and submits this form, the claimant is asked, "Were you

available and actively seeking work during the 2-week intervening period since your last reporting date?"

The claimant indicates in the affirmative or negative whichever the case may be. This basically is the extent of the requirement requiring his availability for work and the fact he made contact with employers.

Senator CHILES. Is there any requirement that he report to any kind of employment office? Or do you have Federal employment offices here?

Mr. RICHARDSON. Yes, sir. The claimant is required to register with the D.C. Department of Manpower. In that regard, the claimant is also required periodically to report back to the Department of Manpower.

Senator CHILES. How often?

Mr. RICHARDSON. Each 60 days.

FOLLOW-UP ON CLAIMANTS

Senator CHILES. What do you do if you think a person either has not complied with the filling out of the information or has not reported for the work? What happens if they report for work at the Department of Manpower? Do they refer him for a job if they have a job?

Mr. RICHARDSON. Yes, they do. Many positions are made available to the job bank system operated by the District of Columbia, as it is in most other States throughout the country.

Senator CHILES. What happens if he fails to report for that job referral?

Mr. RICHARDSON. The individual is provided a form by the Department of Manpower to take with him to the potential employer on his interview. The employer is provided this form by the claimant. The employer completes the form and returns it directly to the Department of Manpower.

Senator CHILES. What happens if he fails to go to see the prospective employer?

Mr. RICHARDSON. The Department of Manpower in many instances would contact our local office and advise us that the claimant has failed to report for a job referral. Unless the claimant has a valid explanation as to why he was unable to appear he would be disqualified.

Senator CHILES. What percentage or how many in number have been ruled ineligible to receive benefits on the basis that they are not reporting for work or that they are not cooperating in an effort to obtain work?

Mr. RICHARDSON. I wouldn't know the figure offhand. There are other factors upon which a claimant may be ruled ineligible or disqualified for payment.

Senator CHILES. Get us some kind of report on that to indicate what the percentage is for all reasons including the percentage that are ruled ineligible.

Mr. RICHARDSON. At the moment, I wouldn't have those figures available.

Senator CHILES. If you would get those for us.

Mr. RICHARDSON. I will get them for you.

[The information follows:]

DISQUALIFICATION OF CLAIMANTS FOR FAILURE TO ACCEPT JOB REFERRALS

Of all claimants referred for job interviews by the D.C. Department of Manpower, approximately 3.8 percent are disqualified by the D.U.C. board due to refusal to accept a job referral interview.

ENFORCEMENT OF UNEMPLOYMENT COMPENSATION LAWS

Senator CHILES. Would you describe the efforts that are being taken to screen out people that lie on the forms to receive illegal benefits? The subcommittee has been concerned in the past with the number of fraudulent claims.

Mr. HARROD. You are speaking for the District government.

In response to the Senate directive, a study was initiated and completed to determine program requirements for administrative monitoring of the unemployment compensation program and upon recommendations of the contractor, three positions and related funding were requested in the fiscal year 1976 operating budget of the Office of Personnel for the new program.

Findings of the contractor, as well as those of the D.C. Office of Municipal Audits, revealed the immediate need for program implementation. Consequently, the Mayor issued appropriate authority to the Office of Personnel for the program and in July 1975, authorization was granted to temporarily encumber the requested positions in anticipation of congressional approval.

A three-member Administrative Control Unit was established in August 1975 to monitor, verify and contest the eligibility of claimants for unemployment compensation benefits of former D.C. government employees.

Through review, contest and appeal actions of the unit, the following has been accomplished from August 1975 through March 1976:

1. 177 individuals were denied full benefits due to misconduct, job abandonment, resignation without cause, and so forth, and
2. 48 individuals were declared ineligible due to disability, pregnancy, full-time school status, and so forth.

These actions precluded the payment of $240,671 in the period August 1975 through March 1976.

In addition, the unit has coordinated closely with the DUC Board, and has established appropriate contacts with agencies to provide separation information for the purpose of detecting fraudulent claims.

A total of 458 cases were referred to the DUC Board as possibly involving dual compensation, resulting in the following: 148 overpayments were detected of which 111 cases were determined to be misrepresentation of facts. Penalties are to be imposed under section 19(e) of the D.C. Unemployment Compensation Act. The DUC Board has initiated actions to require full restitution of the overpayments, totaling $16,036.

I might add, we feel strongly about this. Recently, it was brought to our attention that an individual was drawing unemployment compensation and working full-time. A memorandum was prepared for my signature to go to the department head where the employee was located, recommending removal.

We are getting cooperation from all the departments. The department is going to remove the individual. We have taken a very hard stand on this.

ADVISORY NEIGHBORHOOD COMMISSIONS

Senator CHILES. Mr. Coppie, why isn't the city requesting funds for the Advisory Neighborhood Commissions in fiscal year 1977?

Mr. COPPIE. Mr. Chairman, my judgment is that the budget submitted by the President will contain the necessary request to allow it to become operational.

Senator CHILES. Are you planning to send up a supplemental request?

Mr. COPPIE. I believe it will be in the budget request.

Senator CHILES. How do you propose to finance this item?

Mr. COPPIE. Mr. Chairman, the Advisory Neighborhood Commission's operational cost will be financed in the financial plan to support the fiscal year 1977 budget. Sufficient funding has been provided for this purpose.

SUBMITTED QUESTIONS

Senator CHILES. Would you please respond to a number of questions which we will submit to you for the record?

Mr. COPPIE. Certainly, Mr. Chairman.

[The questions and answers follow:]

OFFICE OF PERSONNEL

Question. When a Police Officer retires on disability but then gets a job after being determined medically fit, such as an airport Police Officer, don't you think the District disability retirement determinations must be tightened?

Answer. The employment of a retired police officer who has been determined to be medically unfit for further duty in the Police Department is not an indication that the District's disability retirement determination must be tightened. It may be an indication that an officer is not now as disabled as he was at the time of retirement or that the physical requirements of the new position are less than those of the Metropolitan Police Department.

Question. Please generally describe the procedures and criteria used for making disability determinations and furnish a detail description for the record.

Answer. The Police and Firemen's Retirement and Relief Board was established to make all findings of fact and conclusions of law necessary in the determination of eligibility for retirement pursuant to the Policemen and Firemen's Retirement and Disability Act.

Each member presented to the Board for disability retirement consideration must personally appear before the Retirement Board unless the Board of Police and Fire Surgeons presents medical testimony or a certificate to the satisfaction of the Retirement Board the member is unable to appear because of the extreme severity of his physical or mental condition. In such circumstances, the Retirement Board, in its discretion, may either consider the case in the member's absence on the basis of the medical findings presented by the Board of Surgeons or contained in his reords, or visit and examine the member at such place where he may be. The member may be represented by counsel.

Each member appearing before the Retirement Board shall be given full opportunity to present such testimony and/or to produce such witnesses to give testimony under oath or affirmation as he may desire. In making such findings of fact and conclusions of law, the Board shall consider the reports or recommendations of the Board of Police and Fire Surgeons concerning the physical or mental condition, or both, of the member for whom retirement is sought, together with all records and testimony of the Board of Police and Fire Surgeons relating to the member, and such records and testimony of any other person bearing on the matter.

Question. Does the law need to be changed to tighten up the requirements?

Answer. The current requirement, whereby a member shall be retired for disability only upon the recommendation of the Board of Police and Fire Surgeons and the concurrence by the Retirement Board, except that in any case in which a member seeks his own retirement, he shall, in the absence of the Board of Surgeons' recommendation provide the necessary evidence to form the basis for the approval of disability retirement by the Retirement Board, is fundamentally sound.

However, the D.C. City Council may consider changes in the present law as part of the District's independent personnel system to be established not later than January 1980, as provided for in the Home Rule Charter.

Question. What percent of the Pension Fund is for disabled retirees?

Answer. Seventy percent of the Metropolitan Police pension costs is for disability retirees.

This information was provided by the U.S. Treasury Actuary.

Question. Do you know how many disabled police retirees under age 50 are employed and the type of jobs they have?

Answer. Each employed disability retiree under the age of 50 is required by statute to notify the Retirement Board in writing of the type, location and specific duties of such employment and must undergo a medical examination of the disability for which they were retired. Our records indicate that as of March 1975, 526 disabled police retirees under age 50 were employed. During the past year, there has not been any appreciable increase in the employment figure. Although we are unable, at this time, to list the specific types of jobs these former officers hold, the information could be compiled if necessary.

Question. Do you have procedures for reviewing disabled retirement cases and removing retirees from the rolls when they no longer qualify? In this regard, please provide the number of disabled retirees dropped from the disabled retirement rolls in fiscal years 1974, 1975, and 1976 and the reasons they were removed from the rolls.

Answer. Each annuitant retired for disability who resides within the Washington Metropolitan Area shall appear before the Board of Surgeons at least once every 2 years, until he shall have reached the age of 50 years for a medical examination of the disability for which he was retired to determine his current physical or mental condition, unless excused from such examination by order of the Retirement Board. Each annuitant retired for disability who resides outside the Washington Metropolitan Area may, in lieu of personally appearing before the Board of Surgeons at least once every 2 years, until he shall have reached the age of 50 years, present a statement of medical examination from a medical officer of a Federal, State or local government agency or any other licensed physician of the State in which he resides, unless excused from such examination by order of the Retirement Board. Such statement of medical examination must certify as to said annuitant's current physical or mental condition, with specific reference to the disability for which he was retired and that the examining physician is not related by blood or marriage to the annuitant.

In connection with these examinations, the Board of Surgeons must submit to the Retirement Board a written report of such examination, with specific reference to the disability for which the individual was retired. Such report shall include a statement as to whether or not, in the Board of Surgeons' opinion, the retiree has recovered from his disability.

During fiscal years 1974, 1975 and 1976 to date, one disabled retiree has been dropped from the retirement rolls (July 1974) as a result of having been restored to an earning capacity.

Capital Improvements

STATEMENT OF TERRY PEEL, CHIEF OF CAPITAL IMPROVEMENTS, OFFICE OF BUDGET AND MANAGEMENT SYSTEMS

ACCOMPANIED BY SAM STAROBIN, DIRECTOR OF THE DEPARTMENT OF GENERAL SERVICES

CAPITAL OUTLAY PROGRAM

Senator Chiles. Let us go on to the Capital Improvements Program. We will insert an overview of the District's Capital Improvements Program in the record at this point.

[The information follows:]

The District of Columbia's program for Capital Improvements represents a strong commitment by the District Government to assure the long-term improvement of public facilities in the City. The District's Capital Program during the past six years has been expanded in order to both update a greatly neglected physical plant and to strengthen communities within the City by providing facilities that have a direct impact on the improved delivery of services.

The District Government between 1874 and 1954 had virtually no borrowing authority and subsequently produced a limited Capital Improvements Program. Capital facility improvements were initiated based only on the availability of surplus operating funds. The major building program included facilities that were initiated prior to 1874 (the D.C. Jail, Public Schools, Fire and Police houses, and roads and sewers) and during public works programs in the 1920's and 1940's.

Laws passed in the 1950's gave the District broader powers to incur debt and to borrow from the United States Treasury. However, this authority was essentally used for sewer and water improvements, and few facility improvements were initiated prior to the late 1960's.

The reorganization of the District Government in 1967 brought about an immediate awareness of the urgent need to improve facilities in the City. Public School buildings in Anacostia had become vastly overcrowded and almost a quarter of the school facilities were more than 45 years old. Also, the

D.C. Jail, D.C. Morgue, most police and fire houses, the Lorton Complex and various other buildings had not received major capital improvements for more than 75 years. Finally, the City needed to modernize its outlook for the future by providing facilities for Higher Education, Mass Transportation and Pollution Control. All of these factors led to the District into a $1.6 billion building program for new or modernized facilities.

Legislative History

The District's legal authority to initate a Capital Improvements Program began when Congress in 1790 enacted a law establishing the District of Columbia as the permanent seat of government, and authorizing the design of the City and appropriate physical facilities.

The District's Home Rule Charter enacted in 1975, continues the City's authority to implement a capital improvements program. The Charter requires that the City finance all new capital projects by the issuance of tax exempt bonds. The Charter, however, also allows the City to proceed to borrow from the United States Treasury for all projects that received design or construction funding approval prior to January 2, 1975. The method of borrowing from the United States Treasury has been, prior to Homerule, the only source for District borrowing.

The Homerule Charter specifies that the City's debt limitation will be defined by annual debt service related to City revenue. The Charter states that this debt limit will be 14% of revenue.

The District Government has requested a legislative change to the Homerule Charter in order to extend its interim U.S. Treasury borrowing authority. Because of unanticipated delays in the City's Municipal Bond Program, a proposal has been transmitted by the Mayor to the Office of Management and Budget that would allow the District to continue to borrow from the U.S. Treasury for all projects approved through January, 2 1977. The extension of Treasury borrowing authority will allow the District to proceed with its capital program despite a delay in issuing bonds.

Peak of Capital Improvements Program

The peak appropriations requests for the current Capital Improvements Program occurred during the Fiscal Year 1972-1975 period when $780 million was authorized for capital projects. Fiscal Year 1976 marks the completion of funding for projects initiated during the program period, with the primary exception of funding for the Federal City College campus and several high school modernizations. The Fiscal Year 1977 Capital Budget is a $36 million request that essentially relates to basic improvements to existing facilities.

Following the initiation of $1.6 billion in projects during the last planning period, the City's program through FY 1982 identifies the need for less than $200 million in new project starts.

Status of the Capital Improvements Program

The District's Capital Program initiated in FY 1969 and projected through FY 1982 consists of 241 individual facility projects and additional permanent improvements totalling $1.6 billion. Approximately 80% of this program has either been completed, is under construction or is under design. Capital Improvements projects that are in the new proposal stage represent 20% of the ongoing Capital Program.

The City's $1.6 billion program also includes various permanent improvements projects and continuing projects that relate to improvements to existing facilities, the repaving and improvements to City streets and major improvements to the District's sewer and water system.

Status of Capital Projects
(dollars in millions)

Project Category	Number Projects	Total Cost
Completed	60	$ 192
Under Construction	81	703
Under Design	39	237
Under Review	2	61
Permanent Improvements	--	156
FY 1976 Capital Budget	20	46
FY 1977 Capital Budget	5	5
Projected 1978-1982	37	200
Total	244	$1,600

Program Highlights

The following sections outline the highlights of the current Capital Improvements Program:

Education:

The active projects in the $300 million D.C. Public Schools building program will replace or modernize many of the City's most deteriorated and overcrowded school facilities. The major portion of this program, initiated in Fiscal Year 1969, includes the following projects:

NEW ELEMENTARY SCHOOLS: Fletcher-Johnson (W7),[1] Winston (W7), Wilkinson (W8), Oxon-Run (W8), Malcolm X (W8), Shaed (W5), and Mamie D. Lee (W5), Washington-Highlands (W8), Fort Lincoln (W5), Terrell (W8).

ELEMENTARY SCHOOL REPLACEMENTS: Takoma (W4), Brookland (W5), Benning (W7), Burrville (W7), Merritt (W7), Congress Heights (W8), Orr (W8), Perry-Simmons (W2), Bruce-Monroe (W1), Morgan (W1), Gage-Eckington (W1), and West (W4).

ELEMENTARY SCHOOL MODERNIZATIONS OR ADDITIONS: Langdon (W5), Thomas (W7), Young (W5), J.O. Wilson (W6), Montgomery (W2), Walker-Jones (W2), Bancroft (W1), Eaton (W3), Lafayette (W3), Bowen (W2), Amidon (W2), Webb (W2), Ketcham (W6), Payne (W6), Carver (W7), Randle (W7), Birney (W8), and Moten (W8).

JUNIOR HIGH SCHOOLS: Shaw Junior High School Replacement (W1), New Fletcher-Johnson (W7), and Oxon Run (W8).

HIGH SCHOOL PROJECTS: New Woodson Senior High School (W7), Dunbar Senior High School (W5), Roosevelt Senior High School Modernization and Addition (W4), M.M. Washington Vocational High School Addition (W5), Phelps Vocational High School Addition (W5), Wilson Senior High School Swimming Pool (W3), Anacostia Senior High School Addition (W6), and Penn Career Center (W5).

[1] Information in parentheses identifies Ward in which the project is located.

In addition to the above projects, the following projects are currently in the first stage of design study: Eastern Senior High School, Coolidge Senior High School, Bell Career Development Center, Phelps Career Development Center, and the Ellington Center for the Performing Arts.

The 1977 capital outlay request includes funds for purchase of a bus storage yard; and a preliminary survey for a pre-vocational school for the handicapped.

Higher Education

The major program in the higher education capital plan is the construction of permanent campuses for Washington Technical Institute and Federal City College. The first stage of the Washington Technical Institute Campus is completed, and the second stage will be under design during calendar year 1976. These two stages of the permanent campus will cost $75 million.

The master plan for the Federal City College Campus has been completed, and the first phase will be under design in calendar year 1976. The first phase of the FCC Campus will cost $70 million.

Social Services

Health care facilities, recreation centers, and libraries are the major capital projects in the social services area.

The Capital Improvements Program for the Department of Human Resources covers a variety of improvements to the various institutions operated by the Department. Projects representing more than $70 million in District funds are under way or proposed, including a new facility for the D.C. Medical Examiner; renovation and air conditioning of D.C. General Hospital; acquisition of the Metropolitan Hotel for an extended care facility; psychiatric treatment centers; renovations of food service facilities and construction of a therapy building for the residential treatment facility for mentally retarded persons at Forest Haven, Maryland; a new health center (Area B); and improvements to D.C. Village, the City's residential care facility for the aged. The Fiscal Year 1977 capital funds request proposes

an extensive renovation program for facilities located at the Children's Center at Laurel, Maryland.

The City's Recreation capital program includes 11 funded projects that are in process: Wheatley Playground (W5); Parkview Playground (W1); Center for Mentally Retarded (W6); Morgan Happy Hollow Playground (W1); Douglas Recreation Site Development (W8); Langdon Park East Development (W5); Camp Site Development at Scotland, Maryland; East Potomac Pool Bath House (W2); Bald Eagle Recreation Center (W8, recently completed); Benning Stoddert Recreation Center (W7, recently completed); and the Kenilworth-Parkside Recreation Center Development (W7).

The 1976 Capital Budget requests six new recreation projects: Lincoln Center for the Mentally Retarded and Physically Handicapped building replacement (W2), Fairfax Recreation Center grounds development (W7), Dakota Playground building and grounds development (W5), Palisades Recreation Center Swimming Pool (W3), Watts Branch Recreation Center Development (W7), and acquisition of the Shapiro Tract (W1).

In process are projects that will provide the City with $22 million in new recreation facilities. No new recreation projects are requested for Fiscal Year 1977.

The D.C. Public Library system has initiated a program of kiosk libraries and a long-term program of branch libraries. The pending Fiscal Year 1976 capital budget includes funding for the Deanewood Branch Library (W7) and the Chillum Branch Library (W5). Both projects have received strong community support. The ongoing Public Library capital program includes completion of a new branch library located in the Garnet-Wilkinson Elementary School (W8); kiosks and portabranch libraries in Service Areas 1, 3, and 4; and the recently completed Watha T. Daniel Branch Library (W2).

No new library projects are requested for Fiscal Year 1977.

Transportation

The goal of the District Government is to develop an improved transportation system for the City and to take part in regional efforts to meet transportation needs.

The construction of the METRO Rapid Rail Transit System is the most extensive project in the City's Capital Improvements Program. The District's authorized share for construction of the new METRO system is $270 million of the revised estimated system cost of $4.6 billion, the District's share is estimated to increase by $50.0 million.

In addition to the METRO rail system, the City has contributed $19 million to the cost of acquiring and improving four area bus companies purchased by the Washington Area Metropolitan Transit Authority in early calendar year 1973. Additional funds will be needed to improve the regional bus system, which will be coordinated with the rail transit system.

The District is also carrying out a highway Capital Program, with current projects totalling more than $190 million in District funds. The program includes the connection of Eastern Avenue between far Northeast and near Northeast, a traffic operations control center, and community street improvements.

Several freeway programs have been halted and are currently under study as a result of court decisions, community concern, and Federal regulations. In the past year $500 million in Federal funds granted for freeway projects has been designated for conversion to mass transportation use (METRO Rapid Rail). To date, the District has applied to Urban Mass Transportation Administration to transfer $300 million.

Environmental Services

The District will contribute $60 million toward the total $360 million cost of the water pollution control plant at Blue Plains. When completed, the improved facility will eliminate 90% of all pollutants for processed sewage waste material. Water service in the City is being improved by more than $20 million in projects that include the construction of an

emergency pumping station, and improvements at the McMillan Reservoir and Dalecarlia Filtration Plant.

A major improvement to the solid waste program for the District will be the development of $10 million resource recovery center at the Lorton Complex. Funds for this project are in the pending Fiscal Year 1976 capital budget. Another proposal to improve the solid waste disposal program is the conversion of obsolete incinerators in the City to trash transfer stations.

Public Safety

The Public Safety Capital Program encompasses the construction of new Police District Station Houses, replacement of obsolete fire fighting facilities, replacement or modernization of correctional institutions, and the construction of a new court facility.

The Metropolitan Police Department's District Headquarters program will enable the Department to centralize operations in seven Police District Houses. This $21 million program includes: the construction of three new District Station Houses, additions to three District Station Houses, and the renovation of a building for use as a District Station House.

The Fire Department's Capital Program includes the replacement of five obsolete fire stations (#4, #6, #2, #11, #12) with modern facilities, and the initiation of a voice alarm system to replace current fire alarm boxes.

A request is currently pending before the City Council to redirect $55 million in capital outlay appropriations for improvements to the Lorton correctional facility. Under construction is a new $30 million detention center to replace the 100-year old D.C. Jail.

A new $40 million court facility which will consolidate court operations is under construction.

A High Intensity Lighting Program has been carried out since Fiscal Year 1970. This $4 million program provides for improved lighting in high crime areas of the District.

FINANCIAL PROJECTIONS

The District's long-term financial projections for its Capital Improvements Program were developed in January, 1976, as part of the 1977-1982 Six-Year Capital Improvements Program.* These projections indicate that the City will be within the 14% debt limit (as a percentage of projected revenue) to complete projects proposed through FY 1977 and still have authority for additional new projects.

Projections for Projects Proposed Through FY 1977

The District, through FY 1975, borrowed $1.03 billion from the U.S. Treasury for Capital Improvements projects. During the 1977-1982 planning period the District will borrow $735 million to complete all projects authorized or proposed through Fiscal Year 1977.

Borrowing for all projects authorized or proposed for funding through Fiscal Years 1977 will bring the City's total borrowing to $1.76 billion by 1982. This borrowing relates to debt service of $144 million which will be approximately 11.7% of Fiscal Year 1982 revenues.

Projections for Projects Beyond FY 1977

The District's 1977-1982 Capital Improvements Program also projects the effect of borrowing for new facilities and permanent improvements projects proposed through FY 1982. Funding for projects proposed beyond FY 1977

*The projections were made based on the use of currently authorized revenue programs (FY 1976) and based on projected borrowing from the U.S. Treasury at a rate of 8% and from the municipal bond market at 7%.

would require $287 million* in new borrowing. If the City were to implement these additional projects the total borrowing would increase to $2.05 billion. The $2.05 billion in borrowing will require debt service in the amount of $170 million which will be approximately 13.3% of revenue in the FY 1983 and beyond periods.

*Including funding for continuing permanent improvements projects.

NEED FOR CAPITAL OUTLAY PROGRAM

Mr. COPPIE. I would like to introduce Mr. Terry Peel, Chief of Capital Improvements. To support us is Sam Starobin, Director of the City's Department of General Services who has the responsibility of actual implementation in construction.

Mr. Chairman, I begin by pointing out that for most of the years of this century, there was no meaningful comprehensive ongoing Capital Improvement Program in the District of Columbia. In the mid-1960's, this issue was identified by the City Government.

Specifically, it was addressed by the appointed Mayor, Commissioner Council Government in 1968 when Mayor Washington came into office. In partnership, we went forward to address the need for a substantial capital outlay program in the District of Columbia. That program is now peaking at a cost of about $1,600,000. I would point out to you that through the 1975 fiscal year, 182 projects have actually been approved by the city and the Congress and are either completed or in a construction stage.

Additionally, we have 62 projects that are in the 1976 or 1977 budget and 37 projects are projected for the period 1978 to 1982. Mr. Chairman, when we identified this issue, in the mid-1960's, our commitment was one essentially of renewing the capital needs for the city over a period of about 25 years, then to adjust new needs as they would be identified as we moved forward on the program.

FUNDING CAPITAL PROGRAM

I would also point out to you that all of this has been done not only in a relatively short period of time, but is done within the Capital Borrowing Authority that has been given to the city. As you know, before the Home Rule Charter the U.S. Treasury has served as the city's banker and broker in the area of capital programming. All of our borrowing has been with and through the U.S. Treasury. Through the 1975 fiscal year, we have drawn approximately a billion dollars to meet the ongoing costs of our capital program. These costs are normally over a period of 30 years. We qualify at the going Treasury interest rate which at more than 8 percent is the highest interest rate that we have had to pay.

Our commitment is, of course, to look forward to implementing the authority that was given to us in the Home Rule Charter, by financing our program from the municipal bond market. Because of the questions that have been raised about the city's municipal bond charter however, it appears now that it may be necessary to continue to use the U.S. Treasury as the city's borrowing source. I think we will know before the early summer which direction the city can proceed on its future borrowing.

But in short, we have a substantial program in the city, and I think the benefits are quite obvious. That program is now peaked and the capital budget request before you for the 1977 fiscal year is the smallest request since 1959. The total request is $35.8 million.

LEGISLATION TO CONTINUE BORROWING FROM U.S. TREASURY

Senator CHILES. The city is requesting extension to borrow from the U.S. Treasury. What is the status of that?

Mr. COPPIE. That legislation is currently pending in the Office of Management and Budget. We anticipate it will be forwarded to Congress shortly and hope it to be acted upon promptly.

Senator CHILES. What will the impact be on fiscal year 1976 and 1977, if that request is denied?

Mr. COPPIE. The impact would be about $69 million in 1976 and about $27 million in the total budget of $35 million for 1977.

Senator CHILES. Have you got some schedule about what will not be built other than dollars, if that isn't done?

Mr. Coppie. We can provide that to you, for the record.

[The information follows:]

Projects Requiring Municipal Bonds Requested in FY 1976

Project	Total Cost	Summary Justification
Public Schools		
Eaton Elementary School Modernization & Addition (10-258)	$ 3,983.0	This project is necessary in order to provide for the modernization of a 64 year old school and to bring the facility up to modern educational standards.
Langdon Elementary School Modernization (10-354)	1,618.6	This project is necessary in order to complete the modernization and addition programs initiated at Langdon in FY 1969. The plan for this project was to complete the addition and then proceed to modernize the main facility; the addition is now complete.
Miner Elementary School Site Expansion & Development (10-298)	246.9	This project provides site for the Miner Elementary School in order to bring the playground space up to minimum standards.
Kingsman Elementary School Expansion & Development (10-271)	325.2	This project provides site for the Kingsman Elementary School in order to bring the playground space up to minimum standards.
Hendly Elementary School Site Expansion & Development (10-310)	365.4	This project provides site for the Hendly Elementary School in order to bring the playground space up to minimum standards.
Terrell Junior High School Site Expansion & Development (10-384)	340.2	This project provides site for the Terrell Junior School in order to bring the playground space up to minimum standards.
Total, Public Schools	$ 6,879.3	

Project	Total Cost	Summary Justification
Public Library		
Chillum Branch Library (11-26)	$ 1,579.7	This project is necessary in order to provide adequate library services to more than 30,000 citizens in the Chillum, Lamond-Riggs area of the City.
Total, Public Library	$ 1,579.7	
Recreation		
Lincoln Center for Mentally Retarded and Physically Handicapped (HA-202)	402.6	This project is necessary in order to replace an obsolete recreation facility that is used for pre-school age children programs for the mentally retarded and physically handicapped.
Fairfax Recreation Center - Ground Development (HA-203)	257.5	This project is necessary to complete the full recreation development at the Fairfax Playground. The Fairfax Recreation Center was completed in 1969, but the surrounding grounds have remained undeveloped. This is the only large open space playground in a very densely populated (youth) area of the City.
Dakota Playground - Building & Ground Development (12-36)	713.3	This project will provide a recreation center in an area that has a large youth population, but is void of active, safe recreation facilities.
Palisades Recreation Center - Swimming Pool, Bathhouse & Ground Developments (12-83)	951.1	This project is necessary in order to provide a public swimming pool in the Palisades Area of the City. This area of the District has more than 40,000 people within a two mile radius, but no public swimming pool.

Project	Total Cost	Summary Justification
Watts Branch Recreation Center Development (HA-223)	$ 1,363.2	This project will replace an obsolete recreation building located in an area with a very dense youth population. The project will also permit the development of necessary ground development for active outdoor recreation.
Shapiro Tract Site Acquisition (12-184)	$ 2,094.0	This site acquisition will permit the City to provide open recreation space in one of the District's most densely populated neighborhoods. The site purchase will allow the City to begin to bring the open space in the Adams-Morgan neighborhood up to minimum standards.
Total, Recreation Department	$ 5,782.7	
Fire Department		
Engine Company No. 11 Replacement (14-15)	$ 1,755.5	This project permits the City to replace an obsolete Fire House and to relocate the facility in a strategic area in the 14th Street corridor.
Total, Fire Department	$ 1,755.5	
Human Resources		
Acquisition of Metropolitan Hotel and Extended Care Facility	$ 8,402.0	This project is necessary in order to replace the extended care facility, currently located at Glenn Dale, Maryland, with a modern hospital located in the City. The acquisition of the hospital will provide a $15 million savings over construction costs for modernizing the Glenn Dale facility.
Modernization of D.C. General Hospital	$ 14,085.0	This modernization is necessary in order to bring D.C. General up to joint accredidation and HEW standards for accredidation.
Total, Human Resources	$ 22,487.0	

Project	Total Cost	Summary Justification
General Services		
Permanent Improvements (24-99)	$ 5,228.3	This is a continuing project which provides major improvements to District owned facilities.
Total, General Services	$ 5,228.3	
Transportation		
Street Improvements and Extensions (28-1)	5,000.0	This is a continuing project which provides for the 630 miles of non Federal aid streets in the City and improvements to sidewalks and alleys.
Street Lighting and Communication Extensions (28-2)	100.0	This is a continuing project which provides for high intensity lighting areas in the City.
Safety Improvements (28-102)	158.0	This is a continuing project which provides matching funds for major safety improvements on District streets.
Highway Beautification (28-103)	72.0	This is a continuing project which provides matching funds for landscaping and beautifying Federal aid streets in the City.
Metro Betterments (28-106)	240.0	This is a continuing project which provides improvements to streets effected by Metro construction.
Bicycle Network (28-113)	100.0	This is a continuing project which provides matching funds for the development of the City's Bicycle Path Network.
Bridge Replacement and/or Rehabilitation (28-116)	1,922.0	This is a continuing project which provides for major bridge and replacements in the City.
Resurfacing Federal-Aid Streets (KA-153)	900.0	This is a continuing project which provides matching funds for improvements to Federal aid streets.

Project	Total Cost	Summary Justification
Traffic Operations Improvements (KA-155)	$ 60.0	This project allows the District to participate in a 70/30 matching program in order to provide the City with major highway alterations that will improve vehicle and pedestrian travel on City streets.
Total, Transportation	8,552.0	
Environmental Services		
Resource Recovery Facility (LA-152)	$ 9,651.0	This project is necessary in order for the City to proceed with interjurisdictional agreements for resource recovery. The new facility will process 650 tons of solid waste material per day, and subsequently reduce the City's cost for solid waste disposal and extend the life period of the Lorton Sanitary landfill.
Refuse Transport and Conversion System - Solid Waste Conversion Center #1 to PEPCO Plant (LA-160)	800.0	This project will enable the District to participate in a pilot project with the Potomac Electric Power Company in order to test the effects of transferring solid waste from Recovery Center #1 to the PEPCO Power Plant on Benning Road.
Vehicular Maintenance Facility (LA-157)	125.0	This project will enable the City to provide an enclosed vehicle maintenance facility for solid waste vehicles serving the Far Southeast area of the City.
Flow Metering & Monitoring Installations (LA-562)	535.0	This project will enable the City to install metering devices to better estimate suburban sewage flow into the District's sewage system.
Valve Rehabilitation at Bryant St. Pumping Station (LA-853)	150.0	This project is necessary in order to replace worn cast iron valves at the Bryant Street water pumping stations.

Project	Total Cost	Summary Justification
Environmental Services (Continued)		
Trunk and Secondary Watermains (LA-803)	$ 250.0	This is a continuing project which provides for the construction of minor, secondary and trunk watermains in advance of street paving and to reinforce weak points in the distribution system.
Replacement of Undersized and Defective Watermains (LA-850)	450.0	This is a continuing project which provides for the replacement of undersized watermains (the majority of which is 70 or 80 years old).
Relief of Flooding and Drainage Complaints (32-105)	2,850.0	This a continuing project which provides extensions of storm sewers to relieve inadequate drainage and provide flood protections.
Advance of Paving and Miscellaneous (32-505)	500.0	This is continuing project which provides sewer installations prior to the repaving of City streets.
Service Sewer Extension (32-501)	500.0	This is a continuing project which provides sewer connections and extensions throughout the City. Without this project the City cannot provide sewer connections to new development in the District.
Water Service Extension and Fire Hydrants (32-801)	1,000.0	This is a continuing project which provides water connections and extensions throughout the City. Without this project the City cannot provide water connections to new development in the District.
Renovation of Water Storage Tank (LA-854)	240.0	This project is necessary in order to reline a 30 year old water tank that provides two million gallons of water to the Anacostia Area of the District.
Total, Environmental Services	$ 17,051.0	

Project	Total Cost	Summary Justification
Office of Budget and Management Systems		
Municipal Office Building - Preliminary Survey	$ 100.0	This project is proposed in order to enable the District to determine the most efficient and effective means of meeting its office space needs.
Total, Office of Budget and Management Systems	$ 100.0	
Grand Total, All Departments	$ 69,414.5	

Mr. COPPIE. Let me say, if we are not given the authority to continue for our requirements as we see them, we think the results will be very serious. We are hopeful the Congress will give us the authority to borrow from the Treasury for all contracts.

Senator CHILES. We are skipping some questions. You can supply those for the record for us.

[The questions and answers follow:]

Office of Budget ane Management Systems
Capital Improvements Program
Construction Program for Higher Education

QUESTION:
1. Will there be any additional construction costs associated with stage three of the WTI campus?

ANSWER:
1. The 1977-1982 Capital Improvements Program does not include construction funding for the Phase III development of the Washington Technical Institute. Construction funding is not recommended until after the impact of the first two stages of construction for WTI and the first stage of construction for FCC has been experienced.

QUESTION:
2. Could you explain why you are constructing permanent campuses which will be capable of accommodating a total of 14,100 full time students when you are predicting a combined enrollment of only 10,120.

ANSWER:
2. The proposed FCC campus development will accommodate 6,100 full-time students and the first two phases of the WTI campus development will accommodate approximately 4,000 students. Accordingly, the deletion of the WTI Phase III campus development from the 1977-1982 Capital Improvements Program means that current plans are to accommodate approximately 10,100 full-time students which is consistent with the present budgeted full-time equivalent enrollment of the colleges.

FINANCING R.F.K STADIUM BONDS

QUESTION:

1. Explain why no redemption plan has been established for the outstanding stadium bonds.

ANSWER:

1. Redemption and financing plans for the R.F.K. Stadium bonds have been proposed and introduced in the Congress. On December 10, 1970 H.R. 19939 was introduced in the House; it provided for Federal redemption of the outstanding bond issue. On January 26, 1971 H.R. 2293 was introduced in the House and it also provided for Federal redemption of the outstanding bond issue. On September 14, 1971 H.R. 10654 was introduced in the House; this legislation provided for the District and Federal Governments' equally sharing redemption of the outstanding bond issue by the establishment of a sinking fund mechanism. On July 20, 1973 H.R. 9447 was introduced in the House and it contained the same cost-sharing mechanism as H.R. 10654.

On December 31, 1971 the Mayor-Commissioner of the District of Columbia appeared before the Senate Committee on the District of Columbia and said, in reference to the District and Federal Governments' sharing in bond redemption costs, that: "I believe that this proposed legislation offers an excellent solution to the problem of financing the indebtedness on the R.F.K. Stadium and I urge your favorable consideration of the proposal." On June 27, 1974, the Budget Director of the District of Columbia testified, relative to

QUESTION 1 continued

H. R. 9447, that: "we feel that H.R. 9447 provides for an orderly and equitable course of action for funding the outstanding stadium debt". Inasmuch as the R.F.K. Stadium bonds are guaranteed as to principal and interest by the United States any refinancing plan will require a Federal commitment. As in the past, the District of Columbia and the Armory Board are more than willing to cooperate in establishing an orderly course of action on redemption of the bond issue.

QUESTION:

2. Explain why the question of financial responsibility has not yet been resolved.

ANSWER:

2. The Stadium Act of September 7, 1957 states, in part: "All bonds and other securities issued by the Board under authority of this Act are hereby guaranteed as to principal and interest by the United States." In 1959, the General Counsel for the United States Treasury said: "These statutory guarantees create binding obligations of the United States." The Stadium Act provides that "not later than fifty years from the date of enactment of this Act, all right, title, and interest in and to the stadium constructed under this Act shall vest in the United States."

These statutory provisions and subsequent legal opinions point to substantial, if not complete, United States responsibility for the financing of R.F.K. Stadium.

QUESTION:

3. Explain the nature of the $13.5 million deficit in the stadium operating fund and explain the actions planned to reduce the deficit.

ANSWER:

3. The "balance sheet" for the R.F.K. Stadium follows standard accounting procedures. In standard accounting procedures, assets are defined to equal liabilities plus capital. The balance sheet for the stadium shows total assets to be about $16.0 million, of which $14.5 million is the "book" (as opposed to market value of the stadium). Total liabilities amount to $29.2 million, of which the bond issue is $19.8 million and interest payments made by the District total $9.0 million. According to standard accounting techniques, the difference between assets and liabilities is defined to be the capitalization of an enterprise. In this case, the difference between assets and liabilities indicates that the stadium is not capitalized. That is, there is no fund established for amortization of the bond issue or the $9.0 million interest advance by the District Government. In summary terms, the $13.5 million deficit reflects: 1) carrying the "book" value of the stadium on the balance sheet, 2) the lack of a sinking fund or other mechanism for eliminating the bonded indebtedness, and 3) the insufficiency of stadium revenues over the years to pay bond interest and principal.

As indicated in responses to previous questions, there are no present plans to establish a financing mechanism relative to the stadium operations and indebtedness.

STATEMENT OF COMER S. COPPIE, SPECIAL ASSISTANT TO THE MAYOR FOR BUDGET AND MANAGEMENT SYSTEMS

ACCOMPANIED BY DR. WILLIAM KRAUSE, DEPUTY DIRECTOR FOR FINANCIAL OPERATIONS

PLAN FOR BALANCING FISCAL YEAR 1977 BUDGET

Senator CHILES. Going to the balanced budget question, we notice that the commuter tax, as the city's proposed way of paying the pay raise and the Metro operating subsidy, because the commuter tax is such a matter of controversy and now specifically prohibited by the Home Rule Charter, I understand this may be a way of sending a special message to employees who live in Maryland and Virginia.

I have some concern, however, about tying the operation of the Metrorail and the employee pay raises to a controversial tax such as the commuter tax. I would like to hear from you on the overall plan to balance the budget in 1977. We will insert the justification material in the record at this point.

[The justification follows:]

BALANCED BUDGET

The District's fiscal year 1977 budget transmitted to the President shows budget authority, obligations, and expenditures in balance with anticipated revenues.

It is possible to have a balanced budget when budget authority exceeds revenues because of opening cash balances, collections of past due amounts from Federal agencies, increases in amounts owed for wages and other services, increases in undelivered orders, and differences between budget amounts and actual obligations. In fact, normally, if revenues and budget authority are in balance a cash surplus will be generated. However, no cash surplus is anticipated in fiscal year 1977, since funds will be used to reduce the advance owed to the Federal Government from prior year's operations.

In the past several years the requested budget authority has frequently exceeded revenues even though anticipated expenditures were always in balance with total cash available, as required by law.

The city's budget is basically a maintenance budget with very limited funds for new programs. New programs are primarily funded only where legally required either through new legislation or court order. Examples are increases in corrections and health care mandated by court order and rental accommodations enacted by the Council.

The budget does not include funds for pay raises in fiscal year 1977 or for the city's share of the projected deficit for Metrorail operations. Meeting these requirements is contingent on authorization for the District to tax non-resident income. Projected costs for these expenditures are in excess of $50 million.

The budget assumes full appropriation of the authorized Federal payment of $280 million and enactment of a tax and user fee package that will raise an additional $73 million in fiscal year 1977. The attached table shows the proposed changes in revenues resulting from the revenue act under the column Revenue Act Changes." Major tax changes are increases in personal income tax and sales taxes.

The attached table also shows the basic assumptions used in estimating revenues from current sources.

ASSUMPTIONS USED IN ESTIMATING REVENUE

The following table shows the basic assumptions used in estimating fiscal year 1977 District revenues from taxes and fees under current revenue authority. The same assumptions about growth in the tax base and changes in collection procedures were also used to estimate additional revenues that would be generated by the rate changes proposed or intended by the D.C. City Council as of February 20, 1976. It should be noted that the tax revenue estimates do not reflect the revenues that could be realized from devoting additional but presently unavailable resources to tax compliance and enforcement programs.

DISTRICT OF COLUMBIA NON-GRANT REVENUE ESTIMATES FOR FISCAL YEAR 1977
CURRENT AUTHORITY * AND REVENUE ACT OF 1976 as of February 20, 1976
(Thousand of Dollars)

ENERAL FUND	FISCAL YEAR 1977 Current Authority	Revenue Act Changes	New Authority	Basic Growth Assumptions in Current Authority Estimates, Comments
Property Taxes:				
Realty	$144,680	$11,300	$155,980	5% a/
Personal Tangible	12,700	2,100	14,800	4% b/
Subtotal	157,380	13,400	170,780	
Sales & Gross Receipts:				
Alcoholic Beverage	11,450	----	11,450	-3%, $150,000 additional for effect of Bicentennial
Cigarette	9,830	2,400	12,230	-3% c/
Insurance	9,740	----	9,740	7%
Motor Vehicle Excise	11,400	(550)	10,850	Static
Public Utilities, Banks, etc.	52,400	(2,500)	49,900	10% Utilities, 7% Building Associations and Banks
Sales and Use	107,600	25,500	133,100	4.25%, $18.0 million loss from Revenue Act of 1975
Subtotal	202,420	24,850	227,270	
Income Taxes:				
Individual Income (Net)	166,140	14,500	180,640	7%, $5.5 million loss from Property Tax Circuit breake
Corporation Franchise	29,950	-------	29,950	2% growth in taxable base, rate drops from 12% to 9%
Unincorporated Bus. Fran.	13,180	-------	13,180	3% growth in taxable base, rate drops from 12% to 9%
Subtotal	209,270	14,500	223,770	
Other Taxes:				
Inheritance & Estate	10,000	-------	10,000	Static
Deed Recordation	4,520	-------	4,520	2% growth
Motor Vehicle Registration	7,090	2,300	9,390	Static
Subtotal	21,610	2,300	23,910	
'OTAL, TAX REVENUES	590,680	55,050	645,730	

GENERAL FUND	FISCAL YEAR 1977 Current Authority	Revenue Act Changes	New Authority	Basic Growth Assumptions in Current Authority Estimates, Comments
Charges and Misc. Revenues:				
Licenses and Other	4,770	3,160	7,930	Static with exceptions e/
Charges for Current Services	10,455	1,020 d/	11,475	Static with exceptions f/
Fines and Forfeitures	10,700	--------	10,700	see footnote g/
Police & Fireman's Retirement	14,870	--------	14,870	see footnote h/
Miscellaneous	1,800	--------	1,800	Static
Subtotal	42,595	4,180	46,775	
TOTAL, GENERAL FUND	633,275	59,230	692,505	
HIGHWAY FUND				
Regular Account				
Gasoline Tax	24,000	-------	24,000	Static, $200,000 additional for effect of Bicentennial
Licenses & Other	10,920	2,700	13,620	Static with exceptions i/
Miscellaneous Revenues	1,380	-------	1,380	see footnote j/
Subtotal	36,300	2,700	39,000	
Motor Vehicle Parking Account	2,810	-------	2,810	static except meters, 3% growth
TOTAL HIGHWAY FUND	39,110	2,700	41,810	
SANITARY SEWAGE WORKS FUND				
Service Charges	13,410	7,800	21,210	static water consumption
Service Payment from U.S.	1,210	-------	1,210	downward adjustment due to overestimated FY75 consu
Service Payment from Md. & Va.	4,500	-------	4,500	reflects increased operating costs of expanding Treatm
Potomac Interceptor	1,615	-------	1,615	30% growth reflecting increased flows & operating cost
Miscellaneous	200	-------	200	static
TOTAL, SAN. SEWAGE WORKS FUND	20,935	7,800	28,735	

GENERAL FUND	FISCAL YEAR 1977 Current Authority	Revenue Act Changes	New Authority	Basic Growth Assumptions in Current Authority Estimates, Comments
WATER FUND				
Service Charges	14,900	3,700	18,600	static consumption
Service Payment from U.S.	1,500	------	1,500	downward adjustment due to overestimated FY75 consu
Service Payment from Va.	2,000	------	2,000	static consumption
Miscellaneous	350	------	350	static
TOTAL, WATER FUND	18,750	3,700	22,450	
METRO AREA SAN. SEW. WORKS FUND	265	------	265	likely increase to achieve $700,000 by 1980 to repay lo
TOTAL REVENUE FROM DISTRICT'S OWN SOURCES	712,335	73,430	785,765	
FEDERAL PAYMENT	280,000	-----	280,000	assumed authorized level would be appropriated
FEDERAL REVENUE SHARING	25,000	-----	25,000	static
GRAND TOTAL, DISTRICT NON-GRANT REVENUE	1,017,335	73,430	1,090,765	

a/ $11.3 million increase includes $10.0 million for increased commercial property tax rate and $1.3 million due to growth on $26.0 million shift of FY 1977 levy into interim quarter (July - September, 1976) caused by change of first half payment due date from September 30 to September 15. Interim quarter and FY 1977 estimates are based on an assumed rate of $1.83/$100 and the assumption that sufficient personnel and equipment are available to process first half realty payments on a timely basis.

b/ Personal property tax current authority estimates for the interim quarter and FY 1977 are based on an assumed $2.40/$100 rate and the assumption that sufficient personnel and equipment are available to process first half payments on a timely basis.

c/ Cigarette tax estimates are based on an assumed loss of sales in the District caused by the rate increases from 6¢ to 10¢ under the Revenue Act of 1975 and the 10¢ to 13¢ increase proposed by the Revenue Act of 1976.

d/ Additional estimated amounts that would now be deposited in Medicare Trust Fund could be deposited in the General Fund: FY 76, +$15,000, Transition Quarter, +$820,000; FY 77, +$4,120,000.

e/ Exceptions are: alcoholic beverage licenses, 1% growth; building, structure and equipment permits, 2% growth; insurance licenses, 3% growth; and vocations and professions licenses, 5% growth.

f/ Exceptions are: sanitation charges and recorder of deeds fees, 3% growth; and suveyor's office fees, 4% growth.

g/ Major component, traffic fines, is assumed to grow at 2%, fines from Superior Court D.C. cases are assumed to decline 10% annually and remainder are assumed to be static.

h/ U.S. benefit payments, 7% growth; policemen and firemen's salary deductions; 7% growth (representing negotiated pay increases and step increases) in average pay, 1.4% decline in number of policemen and no change in number of firemen; deposit for service credit, static; transfers of credit, static; E.P.S. and Park Police salary deductions, 7% growth.

i/ Driver permits revenue assumed to drop as a result of 4-year renewal cycle; title fees, slight recovery assumed; and self-unloading permits, 7% decline.

j/ Vault space, 4% growth; deposit for track removal, last payment and interest penalty due; all other, 7% decline.

Note: The change in fiscal year periods from the July 1 - June 30 period to the October 1 - September 30 period makes it difficult to discern actu growth assumptions in the FY 1977 estimates since these estimates contain an extra quarter's growth. Also, the estimate for the interim quarter between FY 1976 and FY 1977 (July 1, 1976 - September 30, 1976) has been affected by shifts in the payments pattern expected because of changes in the payment dates and/or more intensive processing of tax returns as noted in a/ and b/ above.

PAY INCREASES

Mr. COPPIE. Mr. Chairman, the budget that is before you, is balanced and is supported by a financial plan of proposed expenditures. We believe it is one of the most complete financial plans to be presented to support a budget in any recent period.

However, in support of what you are saying, the budget does not include a request for pay increases that are projected for the 1977 fiscal year.

Senator CHILES. That is $50 million?

Mr. COPPIE. It is estimated at about $50 million. As you of course know, the GS and Wage Board increase has not been authorized at this point. There is considerable speculation as to what the level of the authorization will be.

The police, fire and teacher increases have not been scheduled either. They are under city jurisdiction. The city has not taken any action on that. The estimate based on information that comes forward to us from the Personnel Office, is an annualized cost of $50 million.

Senator CHILES. The commuter rail subsidy is $6.6 million?

Mr. COPPIE. That is correct.

Senator CHILES. What happens to the balanced budget if there is no commuter tax?

Mr. COPPIE. If there is no commuter tax and those expenditures either at the level of $56.6 million more or less become a reality, it seems to be incumbent on the city to provide a financing plan for them. As it was pointed out this morning, our commitment is to the commuter tax.

I think it would be premature to talk about a back-up arrangement or the various other alternatives.

Senator CHILES. You do know there would be some impact in cooperation with other jurisdictions if D.C. did not come up with its share of operating the metro rail?

Mr. COPPIE. I think it is the commitment of the city to meet all of its legal requirements or in the case of Metro, the impact requirements. I don't think that is the issue here. If you are denied the right to tax nonresidents, it seems to me the responsibility of the city is to arrive at a viable alternative.

In our judgment, critical to the financing of the city in 1977 and beyond is the authority to tax nonresident income.

YEAR END ACCOUNTS PAYABLE

Senator CHILES. The city's estimate of the fiscal year 1977 end of the year accounts payable is $144,525,000. That is an 11-percent increase over the 1976 level of $130,300,000. The city's total budget is going up only 4 percent. What is the reason for this increase in the end of the year accounts payable? Is the city intentionally planning to slow down its paying of bills in 1977? Is this another way of balancing the budget?

Mr. COPPIE. Mr. Chairman, as you know, the accounts payable issue has been an issue of some controversy in the Congress and in the city over the last year.

Senator CHILES. It seems like the last time the Congress came down on that controversy is when you exceeded the figure of about $140 million.

Mr. COPPIE. I think that is correct. I think in direct response to the latter part of your question, the answer is no. We do not propose to deliberately defer the paying of bills. On the larger side of your question, it is important to look at the components of the accounts payable for 1977.

A substantial component is salaries and wages, which are scheduled to increase from $41.5 million at the end of 1976 to $48.1 million at the end of 1977; which is almost $7 million or approximately 50 percent of the increase. Mr. Chairman, that is as accurate as we can actually measure it based on paydays. The estimate of $48.1 million is a valid estimate in our judgment. The other increases and the other payables are undelivered orders where we go from $56.6 to $61.8 million. That is about a 9-percent increase.

In the analysis of this, we think this increase can be justified. This morning, you called on the city Auditor to review our financing plan. Specifically, he will look at this. We believe it will stand the hard scrutiny of the city Auditor's review and that it can be justified and supported as a valid financing plan for the 1977 fiscal year.

DISCOUNTS EARNED ON PAYMENT OF BILLS

Senator CHILES. It seems a little high to me. What discounts was the city able to receive in fiscal year 1975 for the timely or early payment of bills and what level of discounts do you expect in the 1976 and 1977 fiscal years?

Mr. COPPIE. For the 1975 fiscal year, I believe it was about $108 million. This year, we are projecting a discount savings of about $180,000 to $220,000. The analysis that we had done through the end of February indicated $180,000 had been saved in discounts. Projected through the end of the year, it is estimated to be about $220,000.

I am not satisfied that we are doing all that could be done here. But I can tell you this is an improvement over an earlier period. I think much more can be done.

Senator CHILES. What about 1977? Or did you give me 1977?

Mr. COPPIE. I gave you 1976, which is estimated at $220,000. We are projecting approximately this same amount in fiscal year 1977.

Senator CHILES. The city estimates that there is going to be a $12,600,000 lapse in appropriations for fiscal year 1977. That looks like a good figure. If that is your estimate, we ought to just reduce the 1977 budget by that amount, if we are not going to use those funds.

Dr. KRAUSE. The problem with trying to reduce the budget is that no matter what level you set the budget at, we are bound to have a lapse. Nobody can spend in excess of the appropriation, which means unless we can plan perfectly in every agency——

Senator CHILES. Nobody is supposed to be able to do that, but D.C. does that regularly. That hasn't seemed to apply to D.C. It is just which department is going to do it this time.

Dr. KRAUSE. I think generally that you will find in most agencies there is some lapse at the end of the year. At this point, all we can do is estimate overall what we expect it to be. We can't pin it down to particular agencies.

STATUS OF FISCAL YEAR 1977 REVENUE ACT

Senator CHILES. The 1977 budget assumes new taxes and charges of $73 million. Almost all of these require City Council actions subject to congressional approval.

What is the status of the 1977 Revenue Act and what is the outside deadline for the passage of this act in order to raise the associated $73 million for fiscal year 1977?

Mr. COPPIE. Mr. Chairman, the City Council took its action yesterday on the proposed 1976 Revenue Act to support the 1977 budget and in part, the 1976 budget in the fiscal year extended through September 30. It is now going to the Mayor for review and consideration.

In my judgement, he will sign it promptly and forward it to the Congress for its review as part of the 30-day layover period. Assuming congressional acceptance of the city's Revenue Act, I think we can anticipate an immediate enactment. That would meet the requirements associated with 1977 and also meet the cash flow requirements associated with the 1976 fiscal year.

ADDITIONAL QUESTIONS

Senator CHILES. Would you please respond to a number of questions which we will submit to you for the record?

Mr. COPPIE. I would be happy to, Mr. Chairman.

[The questions and answers follow:]

OFFICE OF BUDGET AND MANAGEMENT SYSTEMS

QUESTION:

1. In response to a question submitted in the FY 1976 budget, you indicated that the District has utilized a zero base budget approach to review selective resource categories throughout the city's budget. You also made reference to a rolling-zero base budget system as an alternative to a comprehensive ZBB approach.

What specific functional areas, departments, or programs were considered from a zero base budget perspective in FY 1977? Which ones will be treated this way in FY 1978?

ANSWER:

1. The question on zero-base budgeting (ZBB) that was raised during the FY 1976 budget review concerned the feasibility of incorporating the ZBB concept into the District budget process. The response indicated that the city has undertaken ZBB reviews in the past in selected agencies and expense categories such as equipment, ADP operations and motor vehicle purchases. The rolling ZBB concept was included in the discussion because it provides a more workable approach than comprehensive annual ZBB reviews on a city-wide basis.

As part of its FY 1977 budget review, the City Council requested the Office of Budget and Management Systems to explore the possibility of expanding ZBB techniques on a city-wide basis in conjunction with FY 1978 budget preparation. This office is currently examining the feasibility of more extensive ZBB applications within the context of the upcoming budget formulation cycle. Since plans for fiscal 1978 budget formulation are presently under development, however, the primary analytic focus on this year's budget review is not yet known. The committee will be provided with a copy of the city's budget formulation guidelines at the time the instructions are issued to District departments and agencies.

QUESTION:

2. You have stated that the budget request of $1.091 billion for FY 1977 is in balance with the city's financial plan to raise a total of $1.093 billion. However, the pending budget estimates omit anticipated pay increases and the requirements for the District's share of Metrorail operating costs. How do you justify submitting a budget that is balanced only because some anticipated expenditures have been omitted?

ANSWER:

2. Financing of the pay increases and metrorail subsidy is proposed to come from a tax on non-resident income. These items, and the revenue to finance them, are not included in the city's budget request. If the city's revenue proposal is not approved and if it is determined that the budget is to be amended to include the pay raises and rail subsidy, adjustments to the city's budget or revenue program will be necessary.

QUESTION:

3. Is it correct that when the additional $56.6 million requirements for pay raises and Metrorail deficits are included in the budget estimate, the budget is not balanced?

ANSWER:

3. It would not be correct to include these expenditure items without including the city's proposed revenue program. If the items are included without additional revenues or expenditure reductions the budget would, of course, be unbalanced. It is not the city's intent to do this.

QUESTION:

4. Does your interpretation of the requirements for submission of a balanced budget include the understanding that the financial plan can include revenues which are specifically eliminated by Public Law 93-198 from the authority of the District government to collect?

ANSWER:

4. The financial plan does not include the receipts from the proposed tax, nor does the budget include requests for pay raises and the rail subsidy.

QUESTION:

5. What reductions in expenditures or increases in taxes will be required if no additional revenue is available from non-resident income taxes?

ANSWER:

5. It is too early to speculate on what the city's proposal will be if the tax is not approved.

QUESTION:

6. The FY 1976 budget in an "austerity" year anticipates the addition of 1,224 positions with an annualized cost of $7.875 million in FY 1977, according to responses to questions submitted in the FY 1976 budget requests.

Are all of these positions now a part of the base for the FY 1977 budget? How many new positions are being requested in FY 1977 and what will be their annualized cost in FY 1978?

ANSWER:

Fiscal Year 1976 budget has been amended and the City's Fiscal Year 1976 Budget Amendment has been forwarded to the Congress for approval. The Budget Amendment now reflects a total of 835 new positions over the adjusted base. This is a decrease of 389 from the original request of 1,224 positions. Of these 835 new positions 821 are a part of the base of the Fiscal Year 1977 Budget.

The following indicates the new positions in the Fiscal Year 1977 Budget and the annualized cost in Fiscal Year 1978:

	F.Y. 1977 New Positions	F.Y. 1978 Annualization
General Operating Expenses:		
Office of the Mayor	2	.....
Council of the District of Columbia	9	.....
D.C. Auditor	5	94.9
Executive Office:		
Bicentennial Programs	1	.....
Public Library	11	.....
Education:		
Public Schools	170	47.3
Human Resources:		
Department of Human Resources ..	131	497.3
Total	329	639.5

QUESTION:

7. Has the city made obligations for expenditures in FY 1976 that would be in excess of the continuing resolution for FY 1975 budget authority?

8. If current expenditure patterns continue during the balance of FY 1976, will the city exceed authorized expenditure levels in the event that the proposed FY 1976 budget is not adopted by Congress?

ANSWER:

7. & 8. The city has made obligations at a rate that would be in excess of continuing resolution authority if no provision were made for pay raises or expenditures mandated by statue.

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QUESTION:

9. What steps have been taken to consider the feasibility of implementing a shorter work week (35 hours) to reduce personnel costs?

ANSWER:

9. Both the Budget and Personnel offices have done preliminary work on this question in the context of formulating an independent merit system. In addition, the City Auditor's office has done some preliminary work to evaluate the feasibility of reducing the work week. Some of the major considerations examined thus far in relation to shortened work week are as follows:

a. Legislative Authority. In order to implement a shorter work week it is likely the District Home Rule Charter would have to be changed or amended as would Federal law relating to the 40-hour work week (Title V, U.S.C.). Overtime laws (Fair Labor Standards Act) may also have to be changed. Section 442(3) of the District Charter reads in part:

> .....The system (District government merit system) may provide for continued participation in all or part of the Federal Civil Service System and shall provide for persons employed by the District Government immediately preceding the effective date of such system personnel benefits including but not limited to pay, tenure, leave, residence, retirement, health and life insurance, and employee disability and death benefits, all at least equal to those provided by legislation enacted by Congress, or regulation adopted pursuant thereto, and applicable to such officers and employees immediately prior to the effective date of the system established pursuant to this Act.....

b. Program Impact. A 35-hour work week has the effect of a 12.5% reduction in the amount of manpower available to discharge program responsibilities. From the standpoint of service delivery, there is little difference between a 35-hour work week and an across-the-board

personnel cutback since in either case 12.5% less labor resources would be available to perform service operations. The impact of such a manpower reduction should be an important consideration in judging the feasibility of a shorter work week.

c. Personnel. There would be an immediate negative effect on the morale of employees if pay were cut in going to a 35-hour work week because it would constitute a uniform across-the-board tax of 12.5% on all employee affected. Many employees would not be able to recoup the lost wages through additional outside employment and thus would suffer a net decline in standard of living. Employees represented by unions or associations might react to a reduced work week proposal by initiating some form of job action (slowdowns, strikes, etc.) in opposition to what amounts to a unilateral pay cut. Moreover, personnel recruitment and retention could be seriously affected by going to a 35-hour work week, especially if the Federal government retains its 40-hour week.

d. Exemptions. Some agencies with 24-hour service operations would find it difficult, if not impossible, to switch to a reduced work day. These include such agencies as Police, Fire, Corrections and certain units within the Department of Human Resources, such as D.C. General Hospital. To maintain services on a three-shift basis, as much as one-third of the city workforce might have to be exempt from a reduced work day.

e. Next steps. In order to better evaluate the feasibility of a shortened work week the following steps must be taken:

- Assess the legal ramifications of going to a shortened work week,
- Determine in detail which personnel must be left at 40 hours and/or what alternative, such as split or overlapping shifts are available as well as their costs,

- Assess the program impact from the standpoint of the effects on agency workload levels etc,
- Determine savings from energy reduction, maintenance costs, etc., available from various combinations of working hours,
- Obtain data from other cities who have reduced work hours,
- Evaluate alternatives to straight across-the-board pay cuts related to reduced work hours, such as reducing or dropping future pay increases.

QUESTION:

10. What impact would a termination of the General Revenue Sharing program have on the city's budget for FY 1976?

ANSWER:

10. There would be no impact since the program is expected to expire after the end of FY 1976. FY 1977 estimated revenues would have to be reduced by about $12.5 million.

DEPARTMENT OF GENERAL SERVICES

STATEMENT OF SAM STAROBIN, DIRECTOR, DEPARTMENT OF GENERAL SERVICES

ACCOMPANIED BY:

SONNY CAPUTO, DEPUTY DIRECTOR, DEPARTMENT OF GENERAL SERVICES

TERRY PEEL, CHIEF OF CAPITAL IMPROVEMENTS, OFFICE OF BUDGET AND MANAGEMENT SYSTEMS

CITY PROCUREMENT PROGRAM

Senator CHILES. Let us go on to the City Procurement Program. GAO has recently noted that since 1912, it has been recommended that the District establish a citywide inventory control system and centralize its supply management. The Nelson Commission in 1972 was the most recent group to make such recommendations. The Commission estimated that consolidation of the District procurement supply management system could save over $23 million with annual recurring savings of over $12 million.

A GAO report of February 10, 1976 has noted the Districts supply system is still organizationally decentralized and that each department has its own supply management procedures. In fact, with regard to the Department of Transportation, GAO has noted that each operating unit in that department has its own procedures, stocks, catalogues and ordering practices. GAO has noted there is a lack of current complete reports showing inventory balances and usage data for each item in stock.

As GAO has pointed out, these problems resulted in overstocking of items which also require more storage space and storage expense than would be necessary. The city does not have a common supply management procedure nor does it have central control.

We now would like to hear from Mr. Sam Starobin, Director of the Department of General Services.

Mr. STAROBIN. I am Sam Starobin, Director of the Department of General Services. I have a brief opening statement which I have submitted to the committee. If you care, I can submit it for the record or read it.

Senator CHILES. We will have that for the record.

[The statement follows:]

The District Government has received severe criticism for many years for its supply procedures. In every case, the criticizing source has recommended greater centralization of supply activities. In particular, the Nelsen Commission recommended total centralization of all supply activities within the Department of General Services. The District Government has not found it possible to comply with these recommendations for a number of reasons, but a major consideration is that the various recommendations offer overly simplistic solutions to very complex problems.

As a means of improving the operation of any particular governmental function, centralization, in itself, is no overall solution. While centralization can and often does lead to improved economy, there is another measure of effectiveness, and that is responsiveness. If a supply system is not adequately responsive to an agency's needs, economy becomes a secondary issue. Any supply management program must be developed after a careful analysis of the agency's needs and decisions as to centralization or decentralization of authority must provide for both economy and responsiveness. Over the past several years, the agencies pleas for the need for greater responsiveness has led to greater delegation of contracting authority, by law or Mayor's Order.

In discussing these issues, the terms procurement and supply management are often used interchangeably. They are not the same. Supply management is the more general term and includes the function of projection of demand, cataloging, procurement, receipt, allocation and storage, distribution, and disposition of surplus or excess supplies and equipment. The Department of General Services is the District's central procurement agency for supplies and services, although other agencies have specific delegations of procurement authority. Most major procurement actions flow through the Department of General Services procurement mechanism, either by means of individual procurement actions or by the use of GSA or D. C. term contracts for goods and services. However, in view of the requirement of responsiveness to meet unpredictable agency needs, the Department of General Services has delegated small purchase authority (up to $10,000) to D. C. agencies. These procurement actions are monitored after the fact. In the area of supply management, the Department of General Services issues guidance to other agencies for all facets of supply management operations by means of the Materiel

Management Manual. However, it does not have the charter or resources to monitor these activities.

Several years ago, an attempt was made to move toward centralization by means of a trial program of commodity managership. This system, which has been successfully instituted inthe Department of Defense, calls for the agency which is the principal user of a class of supplies to act as the central source for those supplies for all city agencies. This experimental program was terminated because the lead agency in this program felt itself under such stress that it could not take on the responsibility of serving other city agencies. Sober reflection on that experience has led us to propose a new approach to improvements in the District's supply management procedures.

Supply operations can be divided into two levels, wholesale and retail. The wholesale level involves the functions of central warehousing and replenishment of these warehouse stocks. The retail level is at the user's level where the operating levels of supplies are stocked and where demand data is generated. Without accurate demand data, no supply system can be expected to operate efficiently. It therefore is necessary to start any improvement program at the retail level to ensure accurate data on which to predicate other actions.

The proposal for a supply improvement program therefore involves the establishment of a group to provide guidance, training and monitorship for D. C. agencies on a continuing basis to improve their internal supply operations. This would lead to the standardization of stocked items, improved forecasting of demand, establishing accurate order quantities and the accumulation of accurate and comprehensive data on inventory. This in time could lead to meaningful central control of inventories allowing cross-servicing of agencies. After this, meaningful decisions could be made on further measures on centralization of supply functions. This deliberate step by step approach to supply management improvement promises the best prospect of overall and lasting improvement to the District's supply practices.

Mr. STAROBIN. It is true that we have received criticism on this issue over a long period of time. The situation of an essentially decentralized supply system does prevail. Many of the faults described still are in existence. We do not have a common inventory.

We do have decentralized supply programs at the various departments with separate and sometimes duplicative stockages. There are some points of centralization. We do have a centralized procurement system with general procurement responsibility within my department with certain distinct exceptions mandated either by law or by Mayor's order. In terms of supply procedure, my department is responsible for issuing guidance to the field for common supply procedures.

We do that by means of a material management manual which in very significant detail tells agencies how to run a supply business. I don't have the authority to require them to do so and direct them to do so. The guidance is here and many, if not most of the departments do try to comply.

Over the years, we have taken a good hard look at the greatest recommendations and tried to do something about them. We run essentially into the contradicting thrust to economy that comes from centralization of authority and the desire for responsiveness, which agencies want, which come from decentralization.

Both the issue of economy and responsiveness must be addressed by any system, certainly a supply system. Over the past 2 years, I am afraid the issues of responsiveness have received the greatest attention evidenced by the fact that the university bill, in effect, gives the new university and the Board of Education independent contracting authority.

Most recently, the Department of Human Resources received independent contracting authority based on their need for maximum responsiveness.

I feel that to attempt——

Senator CHILES. Isn't it possible really for that argument to be taken care of by the way you set up the central control system and how that system would work?

Mr. STAROBIN. Yes. But the point I make here is essentially this, to push arbitrarily and immediately toward, let us say, the final solution, that of centralized supply, runs immediately counter to the desires of powerful agencies, to have control over their own operations to assure responsiveness.

And it also ignores the fact that it provides, or tries to provide, an instant solution to very difficult problems. We have been giving a great deal of thought over the past years, since our attempt in commodity management failed, to see what the problem was. I think that the GAO reports over the past 6 or 8 months point to it.

The problem starts out at the retail level, at the user level. This is where really the key information is derived. Without that key information, we can't really put together a sensible system.

That key information is, "What do we have?" Also, "What do we need?", "How fast do we use it?"

SUPPLY MANAGEMENT—NEW APPROACH

In spite of all the data that has been developed, the answer is that we don't really know, nor does GAO. Our proposal, therefore, at this time, a proposal which I am working on within the executive branch and also with the City Council, is not to push immediately for centralization and run counter to the wishes of agencies and create conflict with them, but to set up a new approach.

That approach is to set up a new program of working with these agencies to organize, improve, systematize their own internal operations, conduct training, standardize forms so that we can get accurate data and answer the questions: what do we need, and how much do we actually have?

With that data, we can move into centralization of inventory control. With central inventory control, we can then move to decisions of centralization.

As I say, this is being discussed within the executive branch. It is also being discussed with the City Council. I think we have the best chance of improving our system by a deliberate step-by-step approach that gives us basic systems in place without posing a threat to agencies and thus leads into a gradual improvement of the system.

CENTRALIZED PROCUREMENT PROCEDURES

Senator CHILES. Mr. Starobin, I can understand your reluctance to proceed in view of the resistance you do receive from the agency heads; but that is a problem I don't have. I can tell you that that is another great concern that I have in this budget, the lack of centralized procedures and the dollars I see that are being lost every year bcause of that.

Mr. STAROBIN. May I comment?

Senator CHILES. Yes, sir.

Mr. STAROBIN. In terms of procedures, I think we have procedures. It is a matter now of seeing that those procedures are enforced. In terms of the savings in dollars, figures have been tossed around, $23 million in total and $12 million per year. I think those need a bit of clarification.

The Nelson Commission report indicated, on page 780 a one-time saving of $10 million in reduction of value of inventory. The language is a bit unclear.

What they said was there was a excess inventory. If we get rid of that, we get some saving, but not $10 million. They cite an annual saving of $10.4 million, $4.5 million, from increased purchases from GSA and $3.6 million from lower prices from consolidated purchases.

In those areas, we have made considerable strides. We have encouraged and fostered a greater percentage of buys from GSA. We have a GSA liaison officer with us to help agencies in getting their purchases through GSA. We have made progress there.

In consolidated buys, we have set up better than 400 term contracts for various types of materials that the city uses that are not available from GSA, which takes advantage of consolidated buys. Progress can be made toward these savings without the necessity of that final step of consolidation.

It is not that I am against the centralization, but my experience in the past few years in dealing with agencies indicates that forcing that type of a step will not be successful and can lead to the opposite result of what you want.

Senator CHILES. You hit the wall so many times, you are getting gun shy; but I haven't hit it that many times.

WAREHOUSE AND SPACE RENTAL

What amount is being included in the 1976 and 1977 budget for leased space and what is being done to reduce the need for warehouse space and to utilize properly some of the warehouse space that we now have?

Mr. STAROBIN. In the 1976 budget, we had $202,886 for the lease of warehouse space. In the 1977 budget, that figure increases to $205,745. At this time, we have no program to reduce this space. The overall supply management improvement program I speak of will get at that. Until we start developing data on really how much space we need, I can not define a program.

Senator CHILES. When do you expect to get this done?

Mr. STAROBIN. With the supply management improvement system I speak of, getting inventory data, solid inventory data, we then can begin matching warehouse needs with actual inventory needs.

The City Council is preparing a resolution now to have complete inventory data for the fall of this year. With that, by the end of this year, we would be in a position to make some conclusions as to what warehouse space is excessive.

Senator CHILES. With the employment level going down in 1977, would that allow us to also decrease leased space in 1977? You wouldn't need the same amount of space for the fewer employees?

Mr. STAROBIN. There is no particularly direct correlation between number of employees and amount of warehouse space.

Senator CHILES. I am just talking about total leased space. I am not talking about warehouses.

Mr. STAROBIN. Yes, as a matter of fact, the 1977 budget requires us to absorb approximately $1 million worth of leased office space. We projected increases in fiscal year 1977 as a result of lease renegotiation in the neighborhood of $800,000 which we have to absorb and an additional $200,000 base cut was forced upon us, making a million dollars for space which has to be absorbed in fiscal year 1977. That is roughly 200,000 square feet of space.

ADDITIONAL QUESTIONS

Senator CHILES. We have a number of additional questions we would like to submit to you for insertion in the hearing record. We would appreciate your responding to them.

Mr. STAROBIN. I would be happy to Mr. Chairman.

[The questions and answers follow:]

DEPARTMENT OF GENERAL SERVICES

QUESTION:
1. Is there any potential for savings to the District from participation in a joint procurement program with other jurisdictions in the metropolitan area through the Council of Governments?

ANSWER:
1. There is some potential for saving to the District Government from participation in a joint procurement program but it is minimal compared to the advantage to the other governmental entities involved. The District Government has the benefit of being able to participate in GSA procurement schedules which are closed to the other governments. It is not possible to calculate the potential saving at this time since we have not yet developed a listing of those commodities in which it would find it profitable to share in common purchase plans. One such commodity is salt for snow removal where some savings are possible.

QUESTION:
2. Is the District presently restricted by law from participation in joint procurement programs? Would you recommend the elimination of this restriction?

ANSWER:
2. In the absence of specific legislation, the District can only participate to the extent cited in P.L. 93-198, Part D, Sec. 731, "Agreements with United States". Further, the District's budget requires approval of the Congress; and the laws which establish the criteria for the District's methods of procurement have been established by Congress. Therefore, when a political jurisdiction which is a member of COG enters into a contract, which the District is a participant, there must be included by reference such laws as (a) Contract Work Standards Act; (b) Buy-America Act; (c) Walsh-Healey Public Contracts Act; (d) Contract Service Act; and (e) Commissioner's Order 73-51, Affirmative Action Program.

It is recommended that P. L. 93-198, Part D, Sec. 731, be amended to permit the District to participate in joint procurement programs with the members of COG, at the District's option.

QUESTION:
3. Does the Department of General Services maintain an inventory of used or surplus office equipment and supplies?

Will this surplus increase as the Department absorbs reductions in the funding for space rental?

ANSWER:
3. Yes, the Department of General Services does maintain an inventory of used or surplus office equipment and supplies.

The reduction in funding for space rental would not in itself increase the inventory of surplus office equipment and supplies; however, the contemplated reduction in District employees, particularly office employees would have this affect.

QUESTION:
4. Does the city have a policy with respect to the purchase of new office supplies and equipment when there is an inventory of used or surplus equipment?

ANSWER:
4. The District's policy as it pertains to the purchase of new office supplies and equipment when there is an inventory of used or surplus equipment is contained in the District's Materiel Management Manual (copies of pertinent pages attached).

E. Purchase Limitations

For reasons of saving public funds and to promote absolute propriety in the expenditure of public funds, the following standards apply in connection with the procurement of the following articles or services. Articles and services below may not be purchased under delegated procurement authority of this Manual, unless precluded by other stipulations set forth in connection with specific categories of items. Required statements of jusification in connection with procurements under delegated authority are subject to audit by the D.C. Office of Municipal Audit and Inspection and must be submitted attached to Copies Nos. 5, 6, and 7 of the Purchase Order Form D.C. 2620.3 or accompanying D.C. 2620.1.

1. Motor vehicles

Motor vehicles may be procured only when specifically provided for in the budget of the requisitioning agency and the District Appropriation Act. Passenger cars and trucks must be purchased under existing District or Federal specification standards unless exception can be justified through service conditions under which the vehicle will operate.

2. Office Furnishings

Rugs and executive type furniture may be ordered only for department heads, their deputies, and office division chiefs in Grade-15 and above, except wherein it is established by a statement on the No. 5, 6, and 7 copies of D.C. Form 2620.3 orders that the nature of the duties of the person for whom such equipment is requested are such as to require this type furnishings along with a statement as to the basis for arriving at this determination. The No. 5, 6, and 7 copies of D.C. 2620.3 orders for rugs and executive type furniture shall state the name and official position of the person for whom they are being ordered. The selection of all office furnishings, including rugs and executive type furnishings, is limited to those under existing District and

Federal contracts, Federal stock, or equivalent articles procurable on the open market at unit cost not in excess of similar items under contract. Also, statement as to why surplus, if available, is unacceptable with specific reasons, therefor.

3. Desk Articles

Desk articles such as pen sets, desk pads, letter trays, ash trays, calendar, calendar stands, telephone list finders, ect., other than those covered under existing contracts or available from G.S.A. Stores Stock are not properly chargeable to public funds. Executive type articles in this category can be requisitioned only for department heads, their deputies, and office or division chiefs in Grade GS-13 and above. The No. 5, 6, and 7 copies of D.C. 101 orders for Executive type articles shall state the name and official position of the person for whom they are being ordered. Surplus and excess property must be screened and certified as not available. (See Personal Property Section)

4. Ornamental Articles

Ornamental articles such as picture frames, vases, flower pots, plants, draperies, curtains, Christmas or other holiday or seasonal decorations, etc., are not properly chargeable to public funds except for institutional use or to meet operational needs, such as draperies in a projection room. Also, photographs of District personnel and other than those essential to proper performance or official duties may not be purchased from public funds. Forms for official purposes, such as meritorious awards in connection with the work of District employees, charts, maps, etc., used in connection with District operations are permissible.

CONTROL OF PERSONNEL ESCALATION

STATEMENT OF COMER S. COPPIE, SPECIAL ASSISTANT TO THE MAYOR FOR BUDGET AND MANAGEMENT SYSTEMS

ACCOMPANIED BY ANN TODD, PROGRAM ANALYSIS OFFICER, OFFICE OF BUDGET AND MANAGEMENT SYSTEMS

CITY EMPLOYMENT CEILING

Senator CHILES. We will go on to the control of personnel escalation. I am pleased to see that you decided to take decisive action with regard to personnel escalation by placing an absolute ceiling on the city in 1977.

With approximately 70 percent of the city's budget required for personnel costs, it is a necessary control to reduce the number of city employees so that the city budget is going to be brought under control.

This subcommittee has commented on the generally greater number of employees D.C. has per thousand residents, as do other cities such as Baltimore and Atlanta, for performing the same city functions.

The subcommittee will now hear from Mr. Harrod and Comer Coppie, on this item.

Mr. COPPIE. Thank you, Mr. Chairman.

This is Ms. Ann Todd from my staff. If you have time, she would like to make a brief presentation to you.

Senator CHILES. How long would that take?

Mr. COPPIE. It will take 5 to 7 minutes.

I would like to make a couple of observations that I think are relevant to the issue, however.

As you, of course, know, Mr. Chairman, city budgets are labor intensive. As you pointed out, approximately 70 percent of our budget is actually earmarked for salaries and wages. I point out to you that since 1950, in the State and local sector of the northern States, there has been about a 250 percent increase in personnel and in the District of Columbia, there has been about a 300 percent increase.

That is not surprising because of the comprehensiveness of our services, but we are not that far out of line in regard to the employment growth in the State and local sector.

However, Mr. Chairman, during the same period, there has been a very substantial increase in salaries. The average District Government employee has had his salary increased by better than 100 percent in a period of about 10 or 12 years.

REDUCING CITY'S EMPLOYMENT BASE

There is no way that this city or any other jurisdiction could continue the luxury of substantial increases in personnel and continue to address the salary measures that are very real and very obvious. It appears to us that the salary pressures will continue and that we have got to curb the employment base. I call to your attention the fact that in 1972, we had an authorized strength in the city of 41,000 employees. We had filled positions, paid for from appropriated funds, of 38,250. As of the end of February of the current fiscal year, we had 35,748.

As pointed out, our commitment is to be at 35,000 during the 1977 fiscal year. That might be too ambitious, perhaps not. I think the real point here, Mr. Chairman, is that we have addressed the need to curb the employment base of the city constructively and successfully and our commitment will continue to do that.

As we reduce employment, a fundamental question does come up. That is, is there any way we can deescalate our employment and still maintain a level of services, or to improve the quality of services?

That is going to be extraordinarily difficult. But it appears to us if we are to do the job and do it successfully, we must have a commitment to improve performance and to increase productivity. By the Home Rule Charter, the Mayor is required to submit to the public, to the City Council and to the Congress, an annual report on increased productivity and performance, a report recently submitted to you. We now have in place a performance monitoring system. What I would like to do is take five minutes of your time and go through this.

I think it would be extremely helpful to you. I think it is quite consistent with the approach you are taking in these hearings.

Ann is the authority. I will call upon her to go through it.

PERFORMANCE MONITORING SYSTEM

Ms. TODD. Mr. Chairman, I think I will give the presentation without the slides.

The performance monitoring system (PMS) is the city's attempt to improve productivity. By productivity, we are talking about two things. One is delivering more effective, higher quality services at the same cost. The other is delivering the same services at lower costs.

The city is in the position of having to address both of these concerns. The performance monitoring system is the name of the system involved in this. It is a management tool which measures the performance of city services in relationship to goals and then seeks to determine what improvements can be made and to, in fact, implement those particular improvements. The system was implemented in a Mayor's order of January 1 of this year.

INPROVED PROGRAM MANAGEMENT

PMS focuses on several areas. I will mention a few areas of our concern. One is improved program management. We feel that if improvements are to take place in city services, they will be at the program level. For that reason, we are working directly with the program managers, that is, at the Bureau or Division Chief level, in terms of better identifying their objectives, searching out alternatives to current delivery methods, and determining which alternatives are likely to be most productive.

WORK STANDARDS

A second area of concern is the development of work standards. In the development of any personnel system, work standards are useful for defining jobs. Our concern is that any work standards that are developed would be useful to the worker and be meaningful in terms of work produced.

PUBLIC ACCOUNTABILITY

Public accountability is another major issue for the City under home rule. We hope that PMS will provide information to improve the dialogue between the city, the Council, the public, and Congress on what the city's needs are and what its performance is. Too often a citizen will see, for example, a pothole in front of his house and assume that all streets have potholes. By the same token, another citizen may see no problem in that area and assume there are no problems. We think a broader view of the city's services would be more useful.

PMS now covers about 46 percent of the programs which are under the Mayor's budgetary control. That is a healthy percentage, but we are still taking a selective approach. PMS includes 70 programs within 13 agencies under the Mayor's control and includes 475 program measures.

COMPONENTS OF PMS SYSTEM

PMS has two concerns. One is program tracking. The other is special projects. The program tracking is a step-by-step approach which basically identifies measures of performance, sets performance and goals, and then compares actual performance to goals to determine what improvements can be made.

Data collection is already underway. We have developed, as I mentioned, 475 measures of performance. We do not view their development as an indicator of success for this system, but rather we are concerned with the improvements made as a result of collecting information and doing something about service delivery problems identified as a result of having performance information in many cases for the first time.

We have an example of just such an improvement. In a child health program on which data had been gathered for 1 month, we found that the children potentially infected with a type of disease were not being followed up on for treatment. In fact only 33 percent of the children were being followed up. The following month, the program examined new ways to follow up on these children. We found in 1 month's time follow-up had risen to above 90 percent. It has stayed at 90 percent and above in the 5 months since.

I think it is difficult to measure the cost effectiveness of following children potentially infected by a disease. I think we would agree, however, that the children's health is important. In a very small, but important way, we have made an improvement there.

The tracking then is aimed at improvements that can be made in the course of routine management. The projects we are involved in are ones that required citywide cooperation. These projects involve interagency task forces drawing from the Budget Office staff as well as agencies involved.

COMPLETED PMS PROJECTS

We have had two completed projects, one in the area of household refuse collection, the other in the area of housing inspection.

In household refuse collection, we determined two things after a feasibility study. One was that Wednesday bulk collection of trash

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was no longer needed because it could be taken care of on the regular Thursday and Friday pickups. The people assigned to the Wednesday bulk collection have since been assigned to street and alley cleaning.

The second improvement was the conversion from four-man to three-man crews. We found in a study that three-men crews were more productive in tons picked up per man-hour than four men. The city has moved in that direction with the cooperation of the union. I think the textbooks say that a 10 percent increase in productivity is something to be pleased with.

We are pleased here in that we are projecting a 22 percent increase in productivity. In addition, these improvements are saving the city $2.5 million annually.

The second project is the housing inspection project where it had been clear for some time that there were differing methods being used and a need for standardization to improve the efficiency and effectiveness of the inspection program. Housing inspection is traditionally an area of great citizen interest and concern. Washington is no different. For inspectional purposes we have standardized a way to look at housing in the city. We have standardized the scheduling of inspection methods so that we expect when results are in in June, we can show a 15 percent improvement in productivity as measured by housing units cleared of violations per inspection-hour. This is a continuing project. We have other projects that we could talk about in the area of emergency services, business licenses, and motor pool. Other projects are being proposed in some other areas, such as street maintenance, parking meters, and recreation maintenance. At any rate, we expect to place increased emphasis on these in-depth projects which makes our monitoring much different than other cities.

We want to insure that improvements take place as a result of the collection of data. We expect to continue the tracking at the current level and to increase the number of projects that we are involved in. A performance report will be issued at least annually. I understand the committee has a copy of the most recent annual report.

Senator CHILES. We do. Thank you, very much, for your presentation. It sounds like a very worthwhile project. We would like to follow it with you. I think it does fit very much into the mission budget approach.

Mr. COPPIE. Thank you, Mr. Chairman.

LIMITATION ON PERSONNEL EMPLOYMENT

Senator CHILES. The Mayor put a limitation on personnel employment and upward classification of positions by July 15, 1975. Is this limited freeze still in effect? What has been the effectiveness of it? How much money was saved?

Mr. COPPIE. Mr. Chairman, the freeze is still in effect. It went into effect in July of 1975. It will remain in effect through the end of the current fiscal year, at which time there will have to be a determination as to whether we will continue it and if so, in what form.

At the beginning of the fiscal year, we were at just under 37,000 employees. Currently, we are at just below 36,000. This has all been achieved through the freeze. In that context, it has been successful in terms of reducing employment. The actual savings has been about $5 million.

We point out at this point, it has been the policy of the city not to have a program of reductions in force. Whether, in fact, that can continue for the foreseeable future, is something that is now being looked at.

FILLING POSITIONS AFTER REACHING 35,000 CEILING

Senator CHILES. In view of the fiscal year 1977 proposal not to use appropriated funds and hire new employees as long as the employment totals over 35,000, what provisions are there for filling critical positions if the employment total is over 35,000?

If, for example, a doctor at D.C. Hospital left and you are over 35,000, would you be able to hire a replacement for him?

Mr. COPPIE. It appears based on the way the action has been taken, that we would not be able to meet that requirement.

Senator CHILES. It looks like you ought to have some fail-safe provision that you could exercise. I think it is good not to set it up so that the exceptions are not going to become the rule but it looks like you may have some situations where critical positions will need to be filled.

UNFUNDED POSITIONS AND AVERAGE EMPLOYMENT

How many unfunded positions are there in 1977 and what agencies are these unfunded positions in? What would be the effect of reducing the request for the authorized positions by the number of unfunded positions in fiscal year 1977?

Mr. COPPIE. I would want to provide the exact numbers for the record, in total and by agency. Let me point out to you, however, that there is always going to be some differentiation between the number of authorized positions and the filled positions for the reason that hiring is always going to be below the authorized strength.

[The information follows:]

UNFUNDED POSITIONS AND REQUEST FOR NEW POSITIONS

For each budget request where funding will be expended for permanent positions the city is required to spell out the number and type of positions. Specific authorization for those positions is then received from the Congress. Positions so authorized for a specific purpose cannot automatically be used in existing programs or new programs. Accordingly, new positions in fiscal year 1977 will authorize staffing in the requested areas.

From time to time, a number of unfunded positions build up in agencies due to required absorptions of increased cost redirections and the like, and it is true that the city could request redirection of a number of positions equal to the new requests. However, it has been our policy to remove these positions through a general across-the-board position abolishment rather than by redirection requests. For example, in fiscal year 1976, the city abolished nearly 3,000 unfunded positions, cutting the total number in half. Our policy of attrition for fiscal year 1976 and fiscal year 1977 will again create an excessive number of unfunded positions. In fiscal year 1978 we will need to again consider an across-the-board position abolishment.

PERMANENT AUTHORIZED POSITIONS
Funded and Unfunded
Fiscal Year 1977

	Permanent Authorized Request	Funded	Unfunded
General Operating Expenses:			
Office of the Mayor	31	31.0	.....
Council of the District of Columbia	116	116.0	.....
D. C. Auditor	15	12.0	3.0
Executive Office:			
Office of the Secretariat	28	28.0	.....
Office of Public Affairs	8	8.0	.....
Office of Budget and Management Systems	296	263.2	32.8
Municipal Planning Office	82	71.6	10.4
Personnel Office	70	67.0	3.0
Legislation Office	11	10.0	1.0
Office of Emergency Preparedness	7	3.5	3.5
Office of Human Rights	56	48.0	8.0
Office of Consumer Affairs	16	16.0	.....
Bicentennial Programs	1	1.0	.....
Rental Accommodations Office	45	45.0	.....
Total, Executive Office	620	561.3	58.7
Department of Finance and Revenue	542	448.0	94.0
Office of the Corporation Counsel	172	159.0	13.0
Department of General Services	547	505.8	41.2
Department of Economic Development	187	176.0	11.0
Public Library	533	493.0	40.0
Department of Manpower	24	24.0	.....
Other Independent Agencies and Offices:			
Youth Opportunity Services	8	8.0	.....
Office of Housing and Community Development	252	241.2	10.8
Parole Board	23	22.0	1.0
Department of Insurance	26	22.6	3.4
Minimum Wage and Industrial Safety Board	45	36.0	9.0
Recorder of Deeds	66	61.0	5.0
Public Service Commission	32	30.0	2.0
Board of Appeals and Review	4	4.0	.....
Board of Elections and Ethics	42	29.0	13.0
Office of the Surveyor	36	33.0	3.0
Commission on the Status of Women	2	2.0	.....
Commission on Judicial Disabilities and Tenure	1	1.0	.....
Board of Labor Relations	2	2.0	.....
Law Revision Commission	3	2.0	1.0
Total, Other Independent Agencies and Offices	542	493.8	48.2
Total, General Operating Expenses	3,329	3,019.9	309.1

	Permanent Authorized Request	Funded	Unfunded
Public Safety:			
Metropolitan Police	5,180	4,830.0	350.0
Fire Department	1,490	1,480.0	10.0
Courts:			
Appeals	61*	61.0*	.....*
Superior	985*	985.0*	.....*
D. C. Court System	70*	70.0*	.....*
Public Defender Service	89	87.0	2.0
Bail Agency	59	49.0	10.0
Total, Courts	1,264	1,252	12.0
Department of Corrections	2,100	1,960.6	139.4
National Guard	20	18.0	2.0
Total, Public Safety	10,054	9,540.6	513.4
Education:			
Public Schools	9,934*	9,650.0*	284.0*
Board of Higher Education	9	6.8	2.2
D. C. Teachers College	219	215.0	4.0
Federal City College	943	900.0	43.0
Washington Technical Institute	405	405.0	.....
Total, Education	11,510	11,176.8	333.2
Recreation:			
Recreation Department	754	713.0	41.0
Human Resources:			
Department of Human Resources	8,881	7,915.4	965.6
Transportation:			
Department of Transportation	1,421	1,275.0	146.0
Environmental Services:			
Department of Environmental Services	2,665	2,497.0	168.0
Washington Aqueduct	310	280.0	30.0
Total, Environmental Services	2,975	2,777.0	198.0
Total, District of Columbia	38,924	36,417.7	2,506.3

*City Government estimate.

Mr. COPPIE. What had happened in the city until several years ago was that we had built up a substantial number of authorized positions that just simply remained vacant over a long period of time. We have eliminated most of those. We will be glad to look at it again in consultation and cooperation with the committee and see if more can be reduced, but I think it is questionable at this time.

Senator CHILES. I can't understand why you ask Congress to approve positions each year when the more critical control figures are the end of the year ceiling on full-time permanent positions. Shouldn't we be focusing on the end of the year ceiling instead of positions, many of which are unfunded?

Mr. COPPIE. I think the positions that are unfunded are not necessarily positions that will not be filled. There is a factor that is built into the personnel allotment that is taken into consideration in the funding of our personnel strength between authorized and funded.

I think the real question is whether there are authorized positions that do not have funds to support them that can be eliminated because they simply remain vacant over some time. I think we have gotten on top of that.

ADDITIONAL QUESTIONS

Senator CHILES. Mr. Coppie, we have a number of additional questions which we would like to have inserted in the hearing record. We would appreciate it if you would see that they are answered for the record.

Mr. COPPIE. I would be happy to Mr. Chairman.

[The questions and answers follow:]

DEPARTMENT FINANCE AND REVENUE

Question. At the hearings on the fiscal year 1976 appropriations, the Department of Finance and Revenue stated that, subsequent to January 1975, 40 of its positions were abolished and 54 were vacant because of the hiring freeze. It was stated that this personnel shortage severely curtailed DFR's tax collection activities. Explain what logic there is in not granting exemptions for Revenue producing positions. (It was estimated at the 76 hearings that each revenue officer brings in about $300,000 annually.)

Answer. The original fiscal year 1976 budget request for the Department of Finance and Revenue contained the abolishment of 40 unfunded and vacant positions. These positions had become unfunded over the last several years because of base reductions and absorption of inflationary costs. In the fiscal year 1976 Budget Amendment 25 of the 40 positions were restored in the budget (22 in Tax Administration) but funding for them was removed by the City Council both in fiscal year 1976 and the 1977 budget request.

The current number of vacancies reflects basically an unusually high attrition rate in this agency during the past year. In addition, since the Department must operate under a continuing resolution pending approval of the fiscal 1976 request, the number of exemptions that can be approved must recognize the budget limitations to avoid violating the anti-deficiency act.

OFFICE OF BUDGET AND MANAGEMENT SYSTEMS

Question. Since the limitation on personnel appointments went into effect, how many exemptions have been granted for hiring new personnel? Provide details on these exemptions (Name, Position, Justification, etc.).

Answer. Attached is a listing of the exemptions that have been granted covering the period July 15, 1975 (effective date of freeze) through April 20, 1976. This listing identifies a total of 665 exemptions that have been approved giving the Department or Agencies the number of appointments and the justification.

[The information follows:]

EXEMPTIONS APPROVED FOR HIRING NEW PERSONNEL
FOR THE PERIOD JULY 15, 1975 THROUGH APRIL 20, 1976

Department/Agency	No. of Appointments	Justification
Office of the Mayor		
GS-03 Clerk-Typist	1	Because of the heavy flow of daily correspondence, and the decrease in personnel this position is needed. Would like to fill position on a part-time basis. (Indefinitely)
GS-05 Administrative Aide	1	The position Correspondence Management Officer, GS-301-10, is being reallocated to Administrative Aide GS-301-5.
GS-03 Clerk-Typist	1	Position is needed. Although employee is part-time temporary, she will be needed for full-time.
TOTAL	3	

Department/Agency	No. of Appointments	Justification
Office of Budget and Management Systems		
GS-06 Fringe Benefits Clerk (Typing)	1	Based on prior approved exemption (Exemption Request No. 75-16, dated 06-09-75), selection and commitment has been made to fill subject vacancy. This position is being filled to enable the Retirement Section to handle the current workload.
GS-02 Computer Aid (Three positions)	3	To establish three (3) positions at the GS-2 level. These psoitions are to be filled initially under 700 hr. appointments, not to exceed 12-31-75, to enable the D.C. Share Computer Center to handle the automation and processing of water billings. Funding for these positions are 100% reimburseable from the Department of Environmental Services appropriated funds; funding for subject positions has already been transferred-in to OBMS. * This amount reflects the annual rate for one (1) position.
GS-01 Clerk	1	CORRECTION: To fill position established with approval on Exemption Request No. BC-6, dtd. 08-25-75, under 700 hour appt. (part-time temporarily - not to exceed 04-30-76). Funding for this is 100% reimburseable from the Dept. of Environmental Services (funding already transferred to OBMS/D.C. Share Computer Center). * Reflects part-time bi-weekly salary rate.
GS-04 Computer Aide (72-101-025-43)	1	This position is being filled initially under an 700 hour appointment, not to exceed 12-31-75, to enable the D.C. Share Computer Center to handle the automation and processing of water billings. Funding for this position is 100% reimburseable from the Department of Environmental Services appropriated funds; funding for subject position has already been transferred-in to OBMS.

Department/Agency	No. of Appointments	Justification
Office of Budget and Management Systems (cont)		
GS-11 Supervisory Computer Specialist	1	This position is needed to continue the utilization of the automated systems in the operating agency programs and in the central management support systems. Also to strengthen the central management over the entire District ADP program.
GS-03 Computer Aid	1	Funding is to be made available from cancellation of keypunch contract. It has been determined that in-house data entry personnel will provide an efficient and continuous work flow to meet program deadlines.
GS-02 Computer Aid	1	Funding is to be made available from cancellation of keypunch contract. It has been determined that in-house data entry personnel will provide an efficient and continuous work flow to meet program deadlines.
GS-13 Computer Systems Analyst	1	This position is essential for the coordination of District-wide ADP activities.
GS-14 Supervisory Auditor (Associate Director)	1	This request is to fill the Supervisory Auditor position GS-14. This position is essential to our audit operations because it is responsible for directing and supervising nine internal auditors in the Support Services Division. This division audits and reviews all support operations and grant programs in the District Government.
GS-12 Computer Systems Analyst	1	This position is essential for the coordination of District-wide ADP activities.
GS-09 Internal Auditor	1	Request to fill one GS-9 grade level auditor position. Our audit operations have been severly restricted because of job freeze and vacancies.

Department/Agency	No. of Appointments	Justification
Office of Budget and Management Systems (cont)		
GS-03 Personnel Clerk	1	This position is essential to meet the needs of this office in implementing personnel functions and responsibilities.
GS-07 Control and Report Coordinator	1	Control Unit handles all reports and balancing of Payroll, Social Security, Health Benefits, Financial Institutions, etc. Currently the unit operates with 5 employees which is 2 below the required staff.
GS-13 Computer Specialist	1	Within the past three (3) years, Share's Systems Staff has lost three (3) people from their Systems Staff. At the same time, they have been assigned additional responsibilities in maintaining and supporting four additional Software Packages. Because of these additional responsibilities and additional demands placed on theSystems Staff by Share's Users, it is vitally important that this position be filled as soon as possible.
GS-11 Computer Programmer	1	This position is needed to continue the utilization of the automated systems in the operating agency programs and in the central management support systems. Also to strengthen the central management over the entire District ADP program.
GS-07 Payroll Supervisor	1	Detail of 5 employees to staff the Supplemental Payroll Section without adequate staff supervision to carry out required payroll functions.
GS-13 Program Analyst	1	This position is needed to meet the needs of this office in implementing the Capital Improvement Program. The Capital Improvement Unit has only two (2) appropriated positions. This position serves as head of the Unit in the absence of the Capital Improvement Coordinator.

Department/Agency	No. of Appointments	Justification
Office of Budget and Management Systems (cont)		
GS-09 Payment Audit Supervisor (72-101-056-74)	1	The current Branch Chief has announced her intention to retire in the current calendar year. This fact, plus the enormous demands placed on the District Accounting Division, Payment Audit Branch, make it imperative that we develop and maintain adequate supervision so that we can meet our responsibilities in processing payments to vendors.
GS-14 Program Analysis Officer	1	This position is needed to provide the expertise and talent to support the city's implementation of a program performance monitoring system mandate by Section 442 (a) (5) of the Home Rule Act.
GS-05 Personnel Assistant	1	This position is essential to meet the needs of this office in implementing personnel functions and responsibilities.
GS-07 Personnel Management Specialist	1	This position is essential to meet the needs of this office in implementing personnel functions and responsibilities.
GS-14 Supervisory Budget Analyst	1	This position is essential to meet the needs of this office in implementing the Capital Improvement Program.
GS-06 Voucher Examiner	1	This position is needed to provide the minimum staff in processing vouchers for payment.
GS-13 Computer Systems Analyst	1	This position is needed to provide the necessary manpower that is required to maintain the District's central payroll system, designs, install and maintain the automated position management and personnel reporting system.
GS-16 Deputy Director	1	This position is needed to provide the guidance in designing, implementing and maintaining District-wide fiscal and financial controls.
Total	27	

Department/Agency	No. of Appointments	Justification
Municipal Planning Office		
GS-13 Service Representative	1	Actions on these positions are essential in order that increased workloads and new responsibilities mandated by the Mayor and the Congress can be fullfilled. The positions were approved by Congress in FY 1975 for half year funding and other positions were redirected during the fiscal year from other agencies to MPO. Approvals were given for commitments made prior to freeze as classification actions were completed. Classification actions are still pending on certain positions.
GS-12 Community Planner	2	
GS-07 Community Planner	1	
GS-05 Secretary	2	
GS-12 Zoning Staff Assistant	1	This position is needed to provide analysis reponse to proposals for changes in zoning regulations and maps.
GS-09 Graphic Chief	1	This position is needed to provide zoning text and map changes, planned unit developments and sectional development plans.
GS-12 Legal Assistant (general)	1	Incumbent serves as top legal assistant to the D.C. Board, Zoning Adjustment. Individual is responsible for administering the legal, administrative and clercal support of a 3 person Commission.
GS-09 Zoning Assistant	1	This position is needed to provide analysis reponse to proposals for changes in zoning regulations and maps.

Department/Agency	No. of Appointments	Justification
Municipal Planning Office (cont)		
GS-05 Draftsman	1	This position is needed to provide zoning text and map changes, planned unit developments and sectional debelopment plans.
GS-12 Program Analysis	1	This position is needed to provide analytical support for the zoning process and the zoning regulatory agencies.
GS-11 Budget and Accounting Assistant	1	This position is needed to provede budgetary and accounting functions.
GS-11 Legal Assistant	1	This position is needed to porvide policy recommendations, research evaluation and statistical studies for improving the criminal justice systems of the District.
TOTAL	14	

Department/Agency	No. of Appointments	Justification
Office of Personnel		
GS-11 Position Classification Specialist	1	This position has been de-escalated from the GS-12 level and is mandatory due to workload imposed by creation of the Departments of Transportation, Housing and Community Development, the future creation of the Departments of Labor and Commerce; the normal workload within this division; and the involvement of the division in the development of the independent merit system. The GS-11 level is the lowest grade deemed feasible to ensure independent position operation and a minimum of supervision.
GS-14 Labor Management Relations Specialist	1	To provide legal support capability for Labor Management Relations Section.
GS-13 Supervisory Employee Development Specialist	1	To provide additional support for the Employee Development and Services Division due to the recent reassignment of one employee and the vacant position of Assistant Director for Employee Development and Services.
TOTAL	3	
Office of Human Rights		
GS-13 Associate Director	1	This position will provide the leadership, guidance, policy interpretation and general assistance needed to obtain the overall objectives of the community relations and compliance division.
TOTAL	1	
Office of Consumer Affairs		
GS-15 Director, Office of Consumer Affairs	1	This position is needed to provide the expertise and talent to implement a mandate to provide comprehensive protection for citizens and visitors.
TOTAL	1	

Department/Agency	No. of Appointments	Justification
Department of Finance and Revenue		
GS-14 Chief, Treasury Operations Division	1	This is a key position in the District Treasury, providing the administrative direction and support for the Treasury Operations Division. This Division is comprised of the Collection and Deposit Section and the Disbursing Section. Collection and Deposit Section functions include receipt, deposit, accounting for and reporting of all District revenue and receipts. Collections and deposits average over $43 million daily and annually exceed $1 billion. Annual workloads include over one million teller transactions, one million checks proofed and deposited, 1.5 million revenue receipt documents and 1/2 million collections made from parking meters. Disbursing Section functions include the disbursement of over 1.5 million salary checks and savings bonds and the distribution of 2.5 million related documents (i.e., time and attendance forms, earnings statements, etc.), disbursement of over 1 million checks annually covering public assistance payments, income tax refunds, D.C. Government retirees' checks, etc. Dollar value of check disbursement exceeds $1 billion annually. This position also serves as the administrative backup for the Associate Director, District Treasury/D.C. Treasurer, and in the absence of the Associate Director the incumbent acts in that capacity. This position is vital to the fiscal affairs of the District. Leaving it vacant would severely hamper District Treasury daily operations and adversely affect the city's cash flow.
GS-04 Clerk/Teller (Three positions)	3	These seasonal positions are funded on a man,months basie. Individuals are hired on short,term appointments at various periods in the year to assist in the processing of tax receipts and returns. This staff is needed for a term of up to 8 weeks to balance and deposit $73.9 million in real and personal property tax revenues.

Department/Agency	No. of Appointments	Justification
Department of Finance and Revenue -(Cont)		
GS-03 Clerk/Payment Checker (Five positions)	5	These seasonal positions are funded on a man,months basis. Individuals are hired on short-term appointments at various periods in the year to assist in the processing of tax receipts and returns. This staff is needed for a term of up to 8 weeks to balance and deposit $73.9 million in real and personal property tax revenues.
GS-15 Associate Director	1	Both the Associate Director and Digital Computer Systems Administrator (GS-330-15) positions are vacant, leaving this critical area of operations virtually leaderless. While this department intends to leave the latter position vacant, it is imperative that the former be filled. Failure to do so would impair the vital services (systems development, computer programing, and related ADP operations) provided by OPDS in support of the tax and fiscal programs of the D.C. Government.
GS-14 Supervisory Tax Auditor	1	This supervisory position is a key position in the entire tax audit program of the D.C. Government. The incumbent is responsible for the day-to-day operation of audits for individual income tax, corporation franchise tax, unincorporated business franchise tax, employers withholding tax, sales tax, and use tax. Fiduciary returns and partnership returns are also audited by this unit. Day-to-day operation of this revenue producing function must have permanent and continuous leadership.
GS-13 Supervisory Assessor	1	At these grade levels, the staff is expected to perform difficult appraisal assignments and to assume full responsibility for making assessments on all types of real estate. They must also supervise to some degree the work of employees at lower grade levels. The Rees Bill mandates that all 146,542 properties in the District be reviewed annually beginning January 1, 1976. If all 47 authorized assessor positions were filled, this
GS-13 Assessor	1	
GS-11 Assessor	1	
GS-11 Assessor	1	

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Department/Agency	No. of Appointments	Justification
Department of Finance and Revenue - (Cont)		
GS-13 Supervisory Assessor (cont) GS-13 Assessor (cont) GS-11 Assessor (cont) GS-11 Assessor (cont)		would equate to more than 3,000 parcels per position, double the accepted national standard. Even a single assessor vacancy imposes a significant additional workload on an already overburdened group. It is essential that 100% staffing in this field be maintained not only to meet requirements of law as regards annual review of all properties, but also to assure equalization. Failure to maintain equalization will produce additional litigation in the courts, and a further erosion of the tax base. The loss of the District could be substantial. It should be noted that considerable time is required to train new assessors in methods employed by the District even though they may have a general appraisal background. Automatic exemption to fill all assessor vacancies as they occur is therefore needed.
GS-9 Supervisory Cashier	1	This position is located in the Collection and Deposit Section, District Treasury and is directly involved in the preparation of daily cash deposits averaging $4.3 million. Leaving this position vacant dilutes the Cashier Unit's capacity to meet its daily workloads and adversely affects the District's daily cash flow.
GS-11 Computer Programer	1	This position services the real property area which is presently under direct Congressional and D.C. Council mandate to upgrade and enhance major assessment programs. Recently rendered court decisions relating to the real property function has added an additional need for programer services. The programing staff, as required by the Council, must make drastic modifications to the "Estimated Market Value" sub-system and "Sales Ratio" System to enable Assessment

Department/Agency	No. of Appointments	Justification
Department of Finance and Revenue - (Cont)		
		Administration to interface these programs with the Congressionally ordered automated assessment system. This effort will continue throughout calendar year 1976 and will impact during our heaviest maintenance period, when we are processing assessment notices and real property bills. This programer vacancy is critical since it reduces programing support to the real property area by 50%. While we have been able to divert one programer for the income tax area, this temporary arrangement cannot continue because of mandatory and major changes which must be made to the income tax system as the result of recent legislation.
GS-11 Assistant Supervisor	1	This position is located in the Collection and Deposit Section, District Treasury. Responsibilities include but are not limited to the supervision of operations resulting in the receipt and deposit of $4.3 million daily in District revenue and receipts. Total collections and deposits through this operation exceed $1 billion annually and represent the city's entire cash flow. Leaving this position vacant could lead to operational breakdowns that would threaten the city's long-term financial position and adversely affect the daily cash flow needed to exercise the investment authority granted under the Home Rule Act.
GS-11 Tax Auditor	1	We propose to transfer this position to the Inheritance and Estate Tax Section to replace a GS-12 position which was vacant and abolished in connection with recent reductions in authorized positions. The position we propose filling in this manner is in a small section which is responsible for audit, appraisal, and legal functions of the Inheritance and Estate Tax Laws. The professional staff of this section consisted of a total of four; one supervisor and three examiners. The vacancy results in a twenty-five percent of loss in manpower resources and is extremely detrimental to the protection of the revenues

Department/Agency	No. of Appointments	Justification
Department of Finance and Revenue -(Cont)		
GS-11 Tax Auditor (cont)		in this area. We estimate that an additional $200,000 per year in assessments would result from filling this position.
GS-11 Revenue Officer	1	The GS-11 positions involve compliance checks on the largest business entities for sales and use, employers withholding, corporation franchise and unincorporated business franchise taxes. As of September 1975, the inventory of unfiled business tax returns stood at 14,200. The need to cover the "street vendor" program plus other discovery work and the freezing of vacancies has drastically reduced the manpower available to work on business tax delinquents. Of the three remaining GS-11 positions only two are available to attempt to do the work of five. The obvious result will be an increase in unworked cases including loss of revenue on the largest business entities, approximately $500,000 per revenue officer. In addition, the 1975 Revenue Bill is expected to generate increased workloads in the Compliance and Discovery area. It has been our goal to reduce the business tax backlog to two months work, or approximately 2,000 cases. With current staffing limitations it appears that we will not be able to keep the inventory from increasing. Statistics indicate that on the average, one Revenue Officer will close approximately 1,300 cases per year. Without additional help our 1976 work plan may have to be reduced.
GS-11 Revenue Officer	1	
GS-8 Tax Examiner	1	Initial contact for over 100,000 D.C. residents or their tax representatives, whether by telephone, correspondence, or personal office visits, are made directly to the Taxpayer Assistance and Information Section. With a full staff, each examiner averages 1, 112 telephone call, 103 pieces of correspondence, and 179 visits, per month, from taxpayers relative to filing requirements, adjustments, refunds, bills, collection measures, declaration of estimated taxes, general information, and general complaints. This totals to 80,291 call, 7,488 correspondence, and 12,899 visits per year.
GS-7 Tax Examiner	1	

Department/Agency	No. of Appointments	Justification
Department of Finance and Revenue - (Cont)		
GS-7 Fiscal Planning & Research Aid (Typing)	1	The incumbent of this position provides all clerical support and secretarial services for the Assistant Director for Fiscal Planning and Research and his staff. Even when filled, this single position is barely adequate to serve the needs of this group. If the high priority functions of this staff are to be effectively performed and the mandatory services for which it is responsible provided, it is essential that this position be filled. Lack of this resources will seriously impede key programs particularly essential in view of the present and projected financial state of the District. For example, information pertaining to the revenue side of the budget (the majority of which is provided by this staff for the entire District Government) will not be available for executive review.
GS-7 Tax Examiner	1	Incumbent in this position traditionally researched and prepared for processing sales tax returns which tax returns were otherwise non-processible due to filing improprieties. Accurate and expeditious handling of these tax returns is essential; failure to properly provide disposition of these returns within thirty (30) days may result in the creation of "false" delinquencies (an added burden to the Compliance Section) or misrepresentations in critical records pertaining to tax returns received and monies paid.
GS-7 Audit Assistant	1	This position is in a unit which is responsible for the examination and review of all tax returns which are rejected by the computerized processing system. These rejected returns are examined for deficiencies and must either be corrected, billed as accounts receivable, or referred for professional audit. Any slow down in this operation results in delayed revenues, increased delinquencies, or a long delay in refunds which results in taxpayer dissatisfaction creating a poor image of the D.C. Government. These delays can cause loss of revenue and an increased loss of efficiency in time by gnerating telephone calls, correspondence and research through much of the department which would otherwise be unnecessary.

Department/Agency	No. of Appointments	Justification
Department of Finance and Revenue - (Cont)		
GS-6 Returned Check Research Specialist (Typing)	1	This position is located in the Collection and Deposit Section, District Treasury and is responsible for the research and cancellation of checks received in payment of District obligations that are subsequently returned unpaid by the payer's bank. Over 8,000 checks, totaling $1.5 million, are returned annually. Since this is one of only two positions assigned to this operation, this vacancy reduces check research and cancellation activities by 50%. Delays in making this cancellation are tantamount to giving the payer a free ride at the District's expense. Delays also increase the probability of an enforced collection, adding further still to that expense.
GS-6 Research and Control Clerk	1	This position is located in the Processing Section, District Treasury, and is a critical and intricate part of cast processing in the District Treasury. This position prepares and controls daily deposits, initiates cash adjustment journal vouchers, processes cancellations of payments, and researches unidentified checks for posting to the proper accounts. Filling this vacancy insures the required full-time compliance necessary for effective and timely research of delinquent individual and business tax accounts. The workload is consistently heavy and the cash involved is, unquestionably, an important factor in the District's overall cash flow.
GS-5 Cartographic Technician	1	Cartographic personnel provide vital support to the assessment process by, among other things, keeping land maps current. A backlog of work results in incorrect billing of taxpayers. At the present time 3 of 5 positions in this specialty area are vacant and there is no one qualified in drafting to provide supervision. To fill the void, other higher level employees have been temporarily assigned to assist in this operation. The return has been limited
GS-4 Cartographic Aid	1	
GS-4 Cartographic Aid	1	

Department/Agency	No. of Appointments	Justification
Department of Finance and Revenue -(Cont)		
GS-5 Cartographic Technician - (cont) GS-4 Cartographic Aid (cont) GS-4 Cartographic Aid (cont)		because these people do not possess specialized skills needed. At the same time, other important assessment-related functions which they normally perform are not being accomplished. The workload in the Maps and Titles Section of Assessment Administration demands a full complement of cartographic technicians and aids.
GS-5 Control Clerk	1	The duties of control clerks include schedule, batching and processing of payments and other transactions related to the collection of revenue. At present, 2 of 6 positions are vacant. As a result, the remaining personnel have been severely burdened and it has been necessary to assign supervisory personnel to assist in this operation. The breaking point will come with the approaching 1975 personal income tax season (January to June). We are required by law to make all refunds of personal income tax overpayments by June 30. If this date is not met the District is required to pay interest at the rate of 8%. Unless at least one of the control clerk positions is filled in the very near future, this situation cannot be avoided. The affect on the District and the taxpayers whose returns are delayed is apparent.
GS-5 Secretary (Typing)	1	There are only six clerical positions authorized to handle the functions of stenography, typing, filing, audit record keeping, and other essential duties for the division chief, professional tax audit staff and its supervisors. Two of these positions are now vacant, thus creating a very harmful thirty-three and a third percent of manpower loss. This often results in the necessary use of professional auditors for these functions thereby detracting from audit time and causing revenue loss estimated at about $75,000 annually. The audit staff has been seriously depleted by recent budget cuts and can not afford to lose time in performing functions which could be performed by lower cost, non-professional personnel.

Department/Agency	No. of Appointments	Justification
Department of Finance and Revenue - (cont)		
GS-4 Clerk (Typing)	1	The business tax program has no clerical support at this time. Formerly there were three clerical positions allocated to this function. There is an absolute need for this position to type correspondence and assessments, answer the telephone, refer walk-in taxpayers, sort mail and file documents. Once Compliance Assistant is now used approximately 50% of her time for this purpose, to the detriment of her own duties and we are falling behind in closing delinquent accounts. We are using approximately four revenue officer man-hours daily to perform clerical tasks. This further reduces the staffing available for revenue production. The loss is estimated to be at least $100,000 on an annual basis.
GS-5 Assessor	1	This is a full-time temporary position, one of 18 in support of the Realty Sub System that has been funded at the insistance of Congress. To date we are falling far short of the projected completion of data implementation for an automatic valuation system, with only 47,000 parcels of 138,000 encoded. This is mainly because of turnover in these positions. While we have attempted to utilize untrained personnel from other divisions to alleviate the loss of time resulting from turnover, this in itself will not be sufficient to meet the mandated deadline. We must maintain a 100% level of staffing of temporary assessors to complete the program in a limited time frame.
GS-3 Clerk	9	It is imperative that these positions be filled to provide seasonal positions in Treasury and in the Office of Tax Administration.
GS-4 Teller	3	It is imperative that these positions be filled to provide seasonal positions in Treasury and in the Office of Tax Administration.

Department/Agency	No. of Appointments	Justification
Department of Finance and Revenue - (cont)		
GS-2 Clerk	4	It is imperative that these positions be filled to provide seasonal positions in Treasury and in the Office of Tax Administration.
GS-4 Clerk	3	It is imperative that these positions be filled to provide seasonal positions in Treasury and in the Office of Tax Administration.
GS-3 Clerk/Payment Checker	8	It is imperative that these positions be filled to provide seasonal positions in Treasury and in the Office of Tax Administration.
GS-2 Mail and Supply Clerk	2	It is imperative that these positions be filled to provide seasonal positions in Treasury and in the Office of Tax Administration.
TOTAL	64	

Department/Agency	No. of Appointments	Justification
Office of the Corporation Counsel		
GS 11 Trial Attorney	1	To enable this office to function at existing levels and cope with backlogs, the filling of this vacancy is essential.
GS 11 Trial Attorney	1	To enable this office to function at existing levels and cope with backlogs, the filling of this vacancy is essential.
GS 6 Clerical Assistant (Stenographic)	1	To enable this office to function at existing levels and cope with backlogs, the filling of this vacancy is essential.
GS 7 Legal Clerk	1	This is the only position in the Office of the Corporation Counsel that provides the following essential, centralized services. Filling the vacant position is mandatory if these duties are to be performed. Planning, organizing and administering a complicated and comprehensive subject, alphabetical, and decimal file and cross-index record of all opinions and most correspondence of the entire office. Because of the diversified nature of the work and because of the numerous facets to each opinion, tremendous ingenuity is required in preparing index cards under all conceivable headings and correlating all opinions touching on the same or similar legal or factual phases of a particular topic under similar card headings so that opinions which are related only incidentally may be made readily available.
GS 6 Secretary	1	This position is the Secretary to the Chief of the Administrative Division. Incumbent types and transcribes all material relating to budget, personnel management, and other administrative matters handled by the Division for the entire Office of the Corporation Counsel. This is the only secretarial position in the Division and does all of the typing, transcribing, and receptionist duties. Prepares entries in legal docket and makes law files on all new lawsuits filed by or against the District of Columbia Government.

Department/Agency	No. of Appointments	Justification
Office of the Corporation Counsel cont'd.		
GS 6 Clerical Assistant (Stenographer)	1	This position serves as Secretary for three senior trial attorneys assigned to the Civil Proceedings Division. The incumbent plans and manages their offices, takes and transcribes dictation, keeps and flags records, and performs other internal administrative "housekeeping" functions. Keeps informed of all actions effecting the cases assigned to attorneys and reminds them of approaching deadlines. Brings to attention of attorneys, to whom assigned, all new lawsuits or claims assigned to them during their absence (at court or otherwise) and the pleadings received. With minimal supervision and/or instruction, prepares routine court orders, jury instructions, subpoenas, notices of depositions, routine releases for personal injury and property damage, or routine orders for payment of claims against the District. Prepares all drafts and finals of letters, reports, opinions, memoranda briefs, affidavits, stipulations, motions with supporting papers, etc., for attorneys to whom assigned. It is deemed absolutely essential to fill this vacancy immediately. The shortage of support staff makes it impossible for any other member of the staff to perform these vital services for these three attorneys.
GS 11 Trial Attorney	1	This vacancy in the Civil Proceedings Division of the Office of the Corporation Counsel handles civil actions in which the District of Columbia, its officers, agencies, boards, or commissions are involved. Conducts investigations of personal injury and property damage claims by and against the District; prepares formal opinions. New lawsuits handled by this Division increased about 33% in Fiscal Year 1975. Based on six months figures for Fiscal Year 1976, this increase compared to Fiscal Year 1974 is continuing. Each year continues to bring more complex litigation, particularly in the area of lawsuits for injunctive relief. Trial preparation is one of the big problems faced by personnel in this Division.

Department/Agency	No. of Appointments	Justification
Office of the Corporation Counsel cont'd.		
GS 11 Trial Attorney	1	This vacancy is in the Juvenile Division of the Office of the Corporation Counsel. The incumbent interviews, approves for filing, prepares for trial and presents evidence in proceedings relating to delinquency, neglect or need of supervision of juveniles who are within the jurisdiction of the Family Division of the Superior Court of the District; represents the District as a party to all proceedings. Prepares and files motions for transfer for criminal prosecution, consent decrees, physical and mental examinations, extension of deposition orders, and revocation of probation. Prosecutes violations of the compulsory education law and the child labor law; represents the District in contested adoption cases; and performs legal work required in proceedings under the Interstate Compact on Juveniles prosecutions of all cases in which juveniles in D. C. are charged with violations of both local and Federal law. This includes such areas as delinquency, children in need of supervision and neglected and abused children. A growing percentage of the cases handled involve serious and violent crimes. Extensive time for preparation is mandatory. The caseloads are simply too large for any attorney, no matter how experienced and diligent he might be, to handle adequately.
GS 18 Corporation Counsel	1	The position of Corporation Counsel has been vacant since December 19, 1975. As the Chief legal officer for the District of Columbia Government it is deemed mandatory that this position be filled as soon as possible.
GS 11 Trial Attorney	1	This vacancy is in the Juvenile Division of the Office of the Corporation Counsel. The incumbent interviews, approves for filing, prepares for trial and presents evidence in proceedings relating to delinquency, neglect or need of supervision of juveniles who are within the jurisdiction of the Family Division of the Superior Court of the District of Columbia; represents the District as a party to all proceedings. Prepares and files motions for transfer for criminal prosecution, consent decrees, physical and mental examinations, extension of deposition orders, and revocation of probation. Prosecutes

Department/Agency	No. of Appointments	Justification
Office of the Corporation Counsel cont'd.		violations of the compulsory education law and the child law; represents the District in contested adoption cases; and performs legal work required in proceedings under the Interstate Compact on Juveniles prosecution of all cases in which juveniles in D. C. are charged with violations of both local and Federal Law. This includes such areas as delinquency, children in need of supervision and neglected and abused children. A growing percentage of the cases handled involve serious and violent crimes. Extensive time for preparation is mandatory. The caseloads are simply too large for any attorney, no matter how experienced and diligent he might be, to handle adequately.
TOTAL	10	

Department/Agency	No. of Appointments	Justification
Department of General Services		
GS 15 Assistant Director, Bureau of Design and Engineering Supervisor, General Engineer	1	This is a top level position and is one of five appropriated positions in this bureau; three of which are now vacant. The Assistant Director provides the necessary supervision in the Bureau which serves as the professional and technical branch for all Public Works Programs assigned to this Department; i.e., architectural and engineering fields.
WG 1 Janitor	3	Cleaning of offices in the District Building requires 16 part-time cleaners. This requirement was established using GSA cleaning standards, and includes a reduced level of cleaning in some areas. Due to attrition the building is now staffed with ten cleaners and as a result, services have been greatly reduced. On occasion, when employees are out due to sickness, some areas are not serviced.
GS 9 Contracts Specialist (Negotiated Services Contract Branch) Bureau of Materiel Management	1	Effective 12/20/76, the Negotiated Services Branch of the Bureau of Materiel Management, lost the services of one of its two contract specialists, leaving the Bureau with only one contracts specialist responsible for the complete review, etc., and processing of all D. C. Negotiated Service Contracts over $2,500.00. It is impossible for one individual to give each contract the professional scrutiny it warrants and process contracts in a timely manner. It is proposed, if exemption is granted to reclassify the vacant GS-12 Contract Specialist position to a GS-9 and limit recruitment and selection within the Department. We are aware of the financial position; however, this exemption is vital to the operation of Negotiated Services Contracts programs of the D. C. Government.
	5	

Department/Agency	No. of Appointments	Justification
Department of Economic Development		
GS-04 Coding Clerk (26-40-155)	1	This position became vacant July 5, 1975. The Coding Clerk operates Key-Punch, Verifier, and CRT equipment within the Data Processing Branch, Management Division, Office of Administration. Each of these devices is an essential support element for providing computer input. A sufficient number of clerks is both necessary and essential to their operation in order to ensure adequate handling of large volumes of daily transactions prepared for computer input. It is very important that this position be refilled since paragraph 8 of Reorganization Plan No. 3 for Housing and Community Development states in part that "...The Director of DED shall provide automated processing services to the Department of Housing and Community Development for the conduct of it's building and housing code enforcement activities...".
GS-05 Investigator (26-60-049)	1	This position is located in the Office of Special Operations and became vacant September 15, 1974. An exemption was previously requested and approved on June 26, 1975, CD-75-57. This request is necessitated by the lack of upward mobility, especially for employees GS-4 and below within the Department of Economic Development. As a result, the loss of excellent employees has been numerous. It is of the utmost importance to provide incentive for our clerical staff who are extremely essential to any program/operation. It is our goal, that in establishing career development in this occupation, it will provide a method of persuasion in retaining our outstanding employees.

Department/Agency	No. of Appointments	Justification
Department of Economic Development (cont)		
GS-04 Clerk-Typist	2	Both positions are located in the Office of Special Operations and became vacant June 22, 1975, and July 5, 1975. The duties performed in these positions consist of processing the Occupational and Professional application verifications which is essential to the prompt and efficient licensing of those applicants.
GS-06 Applications Examiner (26-71-016)	1	This position is located in the Office of Licenses and Permits and became vacant on July 4, 1975. This is one of only two authorized Applications Examiners positions in the Applications Branch which is causing a serious workload problem. The major responsibilities of the Examiner consist of reviewing licensure applications for each of 22 occupational and professional categories, for completeness of provided information and sufficiency of supportive documentation. The Examiner must have complete familiarity with the policies, procedures and precedents of the Division and the various Boards and Commissions in order to review applications and the many complex documents submitted with them. A great portion of the duties involve public contact either personally, by telephone, or by mail, in which professionalism, tact and diplomacy are required at all times. Memebers of the Applications Branch staff cannot be requested to continue assuming the responsibility of this vacant position without essential services which have to be rendered to 22 Board and Commissions services by this Division, not to mention the general public, being decreased or becoming marginal.

Department/Agency	No. of Appointments	Justification
Department of Economic Development (cont)		
GS-05 Applications Clerk (Typing)	1	This position is located in the Office of Licenses and Permits and has been vacant since April27, 1975. The incumbent of this position is responsible for processing incoming applications, typing transmittal fee receipts, the preparation of Form 52 which are sent to the Office of Special Operations for verification, and the dissemination of information to the public concerning requirements for licensure. There has been a substantial increase in the workload of this Branch in the past year. The Healing Arts applications alone increased fourfold, and the Registered Nurse applications by approximately 18%.
GS-05 Adverse Action/Complaint Coordinator	1	This position is located in the Business Licenses and Permits Division of the Office of Licenses and Permits. Incumbent has the sole responsibility for receiving and processing complaints of unethical business practices from other governmental agencies and the public. Also makes all arrangements for hearings before the Board of Appeal and Review. Approximately 600 adverse actions and 150 complaint referrals are handled by this position per year.
GS-09 Auditor-Investigator	1	This position was vacated on July 24, 1975, as a result of the death of the incumbent. The incumbent of this position is responsible for: (1) auditing pawnbrokers (annual reports submitted by pawnbrokers, pawns received, interest charged, amounts received for pawns which were auctioned); (2) auditing sales and financial accounts of automobile dealers; (3) reviewing annual reports filed by charitable solicitation licensees; etc. In addition, incumbent is utilized as an investigator to help curtail existing backlogs. The auditing functions are authorized by provisions of Section 2-2007 of the D. C. Code.

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Department/Agency	No. of Appointments	Justification
Department of Economic Development (cont)		
GS-04 File Clerk	1	Previous incumbent vacated position on June 6, 1975. This left only one person in the Central Plan Room, Building Division. It is impossible for him to wait on customers who come into the Office of information, occasionally go to court and to keep up the daily filing of permits issued. A tremendous backlog has already accumulated and continues to build.
GS-12 Computer Systems Officer	1	This position is located in the Management Division, Office of Administration. The incumbent serves as Chief of the ADP Branch. He has primary responsibilities for all shop data processing operations, including both administrative and operational control.
GS-11 Budget and Accounting Analyst	1	This position is one of only 4 positions authorized in the Budget and Accounting Division, Office of Administration. The incumbent serves as Assistant Chief and also as Acting Chief in the absence of the Division supervisor. It is imperative that all positions be filled so that deadlines can be met and records kept current. In addition, we anticipate that during much of this fiscal year we will be involved with Departmental reorganizations (Department of Housing and Community Development and Department of Commerce) which creates an additional workload not normally a part of the day-to-day routine.
GS-09 Office Services Manager	1	This position became vacant July 5, 1975, and is the top position in the Office Services Unit of the Management Division, Office of Administration. It is essential to all our Departmental operations that a full range of logistical support be provided for each of their operations. This employee is Chief of the section which functions to provide supply, procurement, mail, messenger

Department/Agency	No. of Appointments	Justification
Department of Economic Development (cont)		
GS-09 Office Services Manager (cont)		and related services to each Departmental Unit. He must, obviously, be both a qualified technician and administrator, in order to deal with and supervise these functions. Also, he functions as a first-line supervisor for his own unit.
GS-11 Computer Systems Specialist	1	An exemption was approved on May 8, 1975, to fill this position. The position was advertised under our Merit Promotion Plan but due to the shortage of qualified computer systems specialists it was necessary to keep the announcement open for an extended period of time. At this time we have received five qualified applicants and are ready to certify the names to the selecting official. This position is essential to both the operational and administrative functions of this unit. The incumbent must be a highly skilled technician, responsible for planning programs, studying and designing new or improved processing systems, and developing computer routines. Also the incumbent of this position serves as Assistant Chief of the Branch and is responsible for the day-to-day operations.
GS-11 Computer Programmer	1	An exemption was approved on May 6, 1975, to fill this position. Since that time it was advertised under our Merit Promotion Plan but due to the shortage of qualified computer programmers, it was necessary to keep the announcement open for an extended period of time. As of this date we have received several qualified applicants and are now ready to certify names to the selecting offical. If an exemption is granted, we will be able to complete this action. The data processing unit of the Department has always required the services of one full-time programmer who develops computer programs, formats and structures.

Department/Agency	No. of Appointments	Justification
Department of Economic Development (cont)		
GS-04 Clerk-Typist	1	Continued use of a clerk-typist is required for the typing of correspondence, of investigative reports, travel, and refund vouchers, managers' certificates, and for the filing and updating of history cards, etc. Accurate and complete records are required by Section 23-110, D. C. Code. This vacant position is the only clerical position in Unit 7A of the Housing Inspection Branch. Supervisory personnel have had to spend several hours each week doing clerical work during the period the position has been effectively vacant. Unit 7A is involved in an experimental procedure for improving licensing inspections under the Productivity Improvement Demonstration Project; and the lack of clerical support threatens to affect the success of that effort.
GS-04 Clerk-Typing	1	
GS-04 Coding Clerk	1	There are presently 2 Coding Clerk vacancies in the ADP Unit. This position became vacant on November 19, 1975. Although the Housing Division has in effect been transferred to the Department of Housing and Community Development, the ADP function pertaining to that program is still very much the responsibility of this Department and is so stated in Reorganization Order No. 3. Consequently, there continues to be a real need for all authorized Coding Clerk positions to be filled.
GS-06 Application Examiner (Typing)	1	It is requested that permission be granted to immediately -- on an expedited basis - recruit a replacement for subject Examiner. Mrs. Phoebea C. Queen, II, former Examiner, transferred to the Office of Special Operations. We now have ONLY ONE Examiner to process at least 1500 applications during this renewal period -- an impossible task. The failure to obtain this Examiner will cause the Government to lose hundreds of thousands dollars in license fees.
TOTAL	18	

Department/Agency	No. of Appointments	Justification
Public Library		
GS-09 Assistant Branch Librarian W.T. Daniel Branch	1	Approval is requested from personnel freeze in order that the Library can fill the balance of positions for the new Watha T. Daniel Branch Library.
GS-09 Children's Librarian, W.T. Daniel Branch	1	"
GS-09 Children's Librarian, W.T. Daniel Branch	1	"
GS-07 Community Aide, W.T. Daniel Branch	1	"
GS-05 Desk Supervisor, W.T. Daniel Branch	1	"

Department/Agency	No. of Appointments	Justification
Public Library (cont)		
GS-04 Assistant Desk Supervisor, W.T. Daniel Branch	1	Approval is requested from personnel freeze in order that the Library can fill the balance of positions for the new Watha T. Daniel Branch Library.
WG-06 Building Maintenance Engineer, W.T. Daniel Branch	1	"
GS-09 Reader's Advisor, W.T. Daniel Branch	1	"
GS-09 Reader's Advisor, W.T. Daniel Branch	1	"
GS-09 Juvenile Institutions Librarian	1	This position is located in the Extension Department which provides books and library materials to juvenile institutions as part of its service. Adequate special services at present is being hindered due to the lack of required personnel in the Department. A primary concern is to develop on-premise professional library services to special institutions operated or substantially supported by the District of Columbia. Recent

Department/Agency	No. of Appointments	Justification
Public Library (cont)		
GS-09 Juvenile Institutions Librarian (cont).		resignation left this vital position vacant. The incumbent is responsible for developing and directing the Extensions Department's program for children in state-supported institutions which includes visiting institutions to determine type of services needed and the extent to which the Library can support such services; developing basic and temporary book collections for deposits in such facilities; training and supervising on-premise collections.
GS-09 Extensions Librarian, Special Serv. Div.	1	The Special Services Division of the Public Library is experiencing a crisis situation, due to the lack of required personnel to perform the numerous duties and responsibilities in that Division. Recent resignation has immobilized the professional library services for the blind and the handicapped. The incumbent visits private homes, residences for the aged, hospitals, private and special schools, etc., on a regular rotating basis in order to provide public library service to those referred; develops new techniques and initiates new programs for the blind and the handicapped; attends scheduled meetings of civic and other organizations held at the District of Columbia Public Library to publicize regular and special services offered; conducts and participates in local workshops; recommends titles and other materials to be added to the collection.

Department/Agency	No. of Appointments	Justification
Public Library (cont)		
GS-09 Reader's Advisor, Special Services Div.	1	Shortage of personnel in Special Services has created a severe crisis situation thereby affecting the services in this Division. Resignation of the present incumbent will affect services to the homebound & shut-ins; the incumbent is responsible for providing professional services for shut-ins and the homebound; provides planned reading guidance for individual patrons; fills reference requests; develops and keeps current patron's reading interests; arranges for material to be supplied by mail or by personal delivery; arranges deposit collections in nursing homes, homes for the ages; etc.; attends scheduled meetings of civic and other organizations held at the District of Columbia Public Library and other libraries to publicize services.
GS-02 Page, Watha T. Daniel Branch Library	1	The Branch Page is responsible for shelving books; filling material in the Vertical File; keeping periodicals in proper order; shifting books on shelves as assigned; working at Branch Circulation Desk as needed. Funding for the above position was authorized during the 1975 Fiscal Year. This position was inadvertencly omitted from the initial exemption requests for the Watha T. Daniel Branch which were submitted on August 22, 1975.
GS-07 Librarian, Kiosk Library	1	The D.C. General Services Department has indicated that the three kiosks will be ready for occupancy in October, 1975, and no lated than November, 1975. The Library is desirous of filling these positions as soon as possible, as not to delay the services to the public of the kiosk libraries, as well as to avoid potential damage to these library facilities if they are left unoccupied and unattended.

Department/Agency	No. of Appointments	Justification
Public Library (cont)		
GS-07 Librarian, Kiosk Library	1	The D.C. General Services Department has indicated that the three kiosks will be ready for occupancy in October, 1975, and no later than November, 1975. The Library is desirous of filling these positions as soon as possible, as not to delay the services to the public of the kiosk libraries, as well as to avoid potential damage to these library facilities if they are left unoccupied and unattended.
GS-07 Librarian, Kiosk Library	1	The D.C. General Services Department has indicated that the three kiosks will be ready for occupancy in October, 1975, and no later than November, 1975. The Library is desirous of filling these positions as soon as possible, as not to delay the services to the public of the kiosk libraries, as well as to avoid potential damage to these library facilities if they are left unoccupied and unattended.
GS-09 Reader's Advisor, Benning Branch	1	The staffing problem at the Benning Branch is currently the most critical of all the major branches in the system. In addition to the Branch Librarian, there is only one professional staff member (GS-1410-7) left (of the five originally considered to be the minimum for adequate service) and the service to the public is maintained by temporary assignments of one staff member at a time from other agencies. Under these circumstances quality of service necessarily suffers and there even are occasional interruptions in the availability of even one professional librarian in the branch.
TOTAL	17	

Department/Agency	No. of Appointments	Justification
Office of Youth Opportunity Services		
GS-06 Director I	1	Assists Outreach Coordinator at a Youth Assistance Center (YAC) in keeping the community and special agencies informed of available services and procedures for obtaining assistance from the YAC; in the conduct of special studies and research projects; and in the coordination of an outreach team. Formulates evaluations of youths referred to the YAC and their family situations and prepares an appropriate plan of action. Explores new means of organizing and assisting youth and adult groups. Participates with YAC staff and community groups in the development of a program that will meet the needs of the youths and help to strengthen community and family ties.
GS-09 Director, Specialist	1	This position is required to provide staff support to the Youth Programs Unit in assisting the organizational development of grass roots community groups who are designing and implementing programs for children and youth, with special emphasis toward programming for "hard-to-reach" or "problem" youth, and to provide assistance to community groups in writing, implementing and coordinating area and city-wide proposals, programs, and events deemed necessary or desirous by the citizenry.
GS-06 Director I	1	This position is required to provide assistance in the evaluation of skill-training, or related, shops and programs funded by the Youth Programs Unit, and to aid Neighborhood Planning Councils in the coordination of such programs throughout their Council area, and in relating them to the total District of Columbia program.
TOTAL	3	

Department/Agency	No. of Appointments	Justification
Department of Housing and Community Development		
GS-05 Secretary (Typing)	1	This position was filled on a temporary appointment basis with the intention of converting the employee to permanent status once all paperwork was completed and a determination could be made regarding available funding. There was some disruption caused by the re-organization of the Office of Housing and Community Development to the Department status. Once these matters were cleared up the request was submitted and approved based upon satisfactory resolution of the above mentioned concerns.
GS-11 Hearing Examiner	1	Continuing Housing Rent Commission temporary appointment, pending approval of legislation establishing a semi-permanent Housing Rent Commission (2 Years). Incumbent has been in a continuing temporary appointment since January 6, 1975. Hearing Examiners are extremely critical to the Housing Rent Commission.
GS-11 Hearing Examiner	1	Continuing Housing Rent Commission temporary appointment, pending approval of legislation establishing a semi-permanent Housing Rent Comaission (2 years). Incumbent has been in continuing temporary appointment since January 6, 1975. Hearing Examiners are extremely critical to the Housing Rent Commission.
TOTAL	3	

Department/Agency	No. of Appointments	Justification
Board of Parole		
GS-08 Shorthand Reporter	1	Need one (1) temporary position to fill appropriated slot while the employee is away on maternity leave. Her expected date of return is on or about October 11, 1975. Because of increased revocation hearings and the necessity to hear parolee cases before parole eligibility date, it would be impossible for the two remaining Reporters to provide summaries within the time span allotted.
GS-13 Parole Examiner	1	The Parole Examiner is responsible for conducting hearings and interviews for the Board in a variety of cases, preparing a detailed summary of said matters and submitting same to the Board along with a recommendation for action and supportive reasons for appropriate Board disposition. At present, the Board has been improvising as far as the workload of the Parole Examiner's position is concerned. It has been utilizing the services of its Parole Executive in a dual role, in an effort to prevent and avoid any major disruptions and buildup of a backlog of cases. However, such a procedure is at best a temporary palative, and it is evident that it is already eroding the very necessary services of this executive position, with its essential office functions, due to his excessive absence from his office in order to conduct hearings. The Board feels that it would be unfair and improper to continue to expect him to meet his primary responsibilities at the level expected, if it has to continue to utilize his services in this manner, and doesn't see this as being either an acceptable or economic solution to the problem. Therefore, the request as noted is submitted for your expeditious action.
GS-15 Member, Board of Parole	1	This request if to fill one of the Member positions at the District of Columbia Board of Parole. The position is required because the Board would be unable to conduct parole hearings with less than two active Members. At present, there is only 1 active member.
TOTAL	3	

Department/Agency	No. of Appointments	Justification
Department of Insurance		
GS-05 Insurance Clerk (Typing)	1	To fill this position made available by retirement on January 2, 1976.
TOTAL	1	
Public Service Commission		
GS-09 Administrative Assistant	1	This is a vital position in the day-to-day operation in the Commission. This is the key position that is responsible for the preparation of the Commission's Budget. This Division lost in FY 1975 one position and the workload can not be absorbed by remaining employees. There is a backlog in filing and etc. in this Division. The Commission is in the process of hearing several rate cases, Pepco, Taxi and WGLCo. A full staff in the Executive Office is required to carryout the statutory requirements of the Commission.
GS-07 Secretary, Stenographer	1	Act as personal secretary to the Executive Secretary of the PSC. Screen all calls directed to the Executive Secretary, handle as many requests for information as possible, refer calls to proper departments. Compose and type much of the correspondence for the Executive Secretary, specifically requests for information. Maintain files for the Executive Secretary, etc.
GS-05 Clerk-Typist	1	This position is needed to carryout the operation of this office. There are many letters and all types of correspondence to be typed and filed. Also this person will take care of the time and attendance and handle all personnel matters.
TOTAL	3	

Department/Agency	No. of Appointments	Justification
Office of the Surveyor		
GS-03 Cartographic Aid	1	This request is to fill one of our drafting positions. We have a backlog of plats that must be completed and furnished to applicants.
GS-05 Cartographic Technician	1	This request is to fill the position in the Drafting Section of Cartographic Technician, previously occupied by one of our employees who was selected to fill the position of Assistant Supervisory Cartographic Technician in the same Section. We have a backlog of plats and need to have this position filled as soon as possible.
GS-04 Cartographic Technician	1	This request is to fill the position of Cartographic Technician in the Records and Information Section, which we have been trying to fill since the first of the year. As previously stated, the vacancy of this position, together with loss of experienced personnel in the Surveyor's Office in recent years, has increased the burden of the three remaining members of the R & I Section. It is essential to fill this vacancy as quickly as possible in order to provide efficient service to the public.
GS-04 Surveying Technician	1	This request is to fill the position in the Field Section of Surveying Technician, previously occupied one of our employees who was promoted to a Grade 5 position in the same Section. The Field Section has many important functions; such as, performing all land surveys in the District, locating property corners and building locations, and performing topographic surveys, triangulation surveys, and "wall tests" for all new building construction. In order to keep our backlog of work to a minimum, we must fill this vacancy as soon as possible.

Department/Agency	No. of Appointments	Justification
Office of the Surveyor (cont)		
GS-03 Surveying Aid	1	This is to fill the position in the Field Section of Surveying Aid. Since it is extremely difficult to hire employees with surveying experience, this office is responsible for the training of new employees. It requires training of Grade 3's for at least one year before they are eligible to compete for the Grade 4 vacancies. The Field Section is responsible for many important functions and it is essential that we begin to recruit immediately.
GS-05 Surveying Technician	1	This request is to fill one of our field positions. The Field Section has many important functions; such as, performing all land surveys in the District, locating property corners and building locations, and performing topographic surveys, triangulation surveys, and "wall tests" for all new building construction. In order to keep the backlog of work to a minimum and to complete our work in a timely fashion, we must fill this vacancy as soon as possible.
GS-05 Cartographic Technician	1	This request is to fill the position in the Drafting Section of Cartographic Technician, previously occupied by one of our employees who resigned effective 11/7/75.
TOTAL	7	

Department/Agency	No. of Appointments	Justification
Metropolitan Police Department		
GS-14 Medical Officer	3	On June 26, 1975 this department received approval on a request for nine (9) W.A.E. doctors to be utilized in the Police and Fire Clinic. To date, a maximum of three positions have been filled at any one time and one of these is now vacant. Mandatory requirements of Trial Board Hearings, Retirement and Relief Board Hearings, Three and Four Alarm Fires, court room hearings as well as absences of permanent part time physicians dictates a requirement that W.A.E. doctors be on call and utilized to provide continuity in medical care for uniformed members of this department, the U.S. Park Police, Executive Protective Service, and the D.C. Fire Department. During the first quarter of FY 1976, W.A.E. doctors were utilized 351 hours for a total expenditure of $6,482.43; with the 5 percent pay raise granted federal employees on October 1, 1975 it is anticipated that during the remainder of FY 1976 expenditures will be $10,645.85 based on the remaining 549 hours originally approved for 900 hours during FY 1976.
GS-14 Medical Officer	1	In compliance with public law, the Police and Fire Clinic is required to provide medical care for sworn members of the Metropolitan Police Department, D.C. Fire Department, Executive Protective Service, and the U.S. Park Police. During the past few years, the number of female sworn members has grown considerably. The addition of these members represents a change to the workload of the Clinic, particularly in view of the fact that it must now deal with certain physical and emotional problems peculiar to this group. This action would allow the Police and Fire Clinic to treat female members for those physical and emotional problems peculiar to them while the newly hired doctor would also be available to treat other sworn members.

Department/Agency	No. of Appointments	Justification
Metropolitan Police Department (cont)		
GS-06 Computer Operator	1	The MPD computer operation is a 24-hour, 7-days-a-week service upon which the department depends for efficient operation of patrol forces and investigative functions. With 5 vacancies, it is below the level for satisfactory operation and has had to curtail leave; change operators schedules on less than 24 hour notice; operate with one person on weekends and holidays; keep the Operations Supervisor on 24 hour call to cover two supervisor vacancies. The addition of one operator will minimally alleviate the condition and problems. With FLSA and no funds for overtime pay, only supervisors may cover emergency absences.
GS-04 Time and Leave Clerk	1	This is one of two such positions authorized within the Payroll Section, Financial Management Branch. The incumbents are responsible for the receiving and processing of time and attendance records along with all other associated actions for over 5,500 departmental employees bi-weekly. It is imperative that all employees be paid on a timely and accurate basis as well as the routine maintenance of necessary files. The present workload is too great for the assigned personnel. At present there is a shortage of Time and Attendance clerks throughout the department thus precluding the transfer of one of the unit clerks to Headquarters.
GS-04 Clerk-Typist	1	This is one of two such positions authorized within the Payroll Section, Financial Management Branch. The incumbents are responsible for the receiving and processing of time and attendance records along with all other associated actions for over 5,500 departmental employees bi-weekly.

Department/Agency	No. of Appointments	Justification
Metropolitan Police Department (cont)		
GS-08 Supervisory Accounting Technician	1	Currently there are three vacant civilian positions in the Voucher Processing Unit. One of these is the Supervisory Accounting Technician and because of the limited number of personnel now in the unit and the associated backlog of work, it is imperative that a supervisor be hired to preclude a marked increase in the impairment of the bookkeeping operation of the department. It has already been determined that outside recruitment must be undertaken since no employee of the department meets the civil service requirements for this position.
GS-06 Computer Operator	1	The MPD computer operation is a 24hour, 7-days-a-week service upon which the department depends for efficient operation of patrol forces and investigative functions. With 5 vacancies, it is below the level for satisfactory operation and has had to curtail leave; change operators schedules on less than 24-hour notice; operate with one person on weekends and holidays; keep the Operations Supervisor on 24-hour call to cover two supervisor vacancies. The addition of one operator will minimally alleviate the condition and problems. With FLSA and no funds for overtime, only supervisors may cover emergency absences.
TOTAL	9	
Fire Department		
GS-11 Systems Accountant	1	This position is essential for control of budget execution, particularly to manage the many additional controls imposed by MO 75-124. The position also provides much of the basic research analysis for projecting future budget cost.
GS-05 Voucher Examiner (Typing)	1	This is one of two positions now vacant that does all vouchering for the Department and provide all clerical support for the budget. If the City Council abolishment of one of the positions stands the remaining one will be available to accomplish these tasks.
GS-05 Computer Programmer	1	This position was committed to a candidate prior to July 15, 1975 with a reporting date of August 17, 1975.
TOTAL	3	

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Department/Agency	No. of Appointments	Justification
Bail Agency		
GS-05 Interviewer	1	This request is to fill an interviewer position. The position is necessary to fulfill the Agency's statutory obligation to provide the Court with information concerning the Pretrial release potential of arrestees.
GS-05 Interviewer	1	This request is to fill an interviewer position. The position is necessary to fulfill the Agency's statutory obligation to provide the Court with information concerning the pretrial release potential of arrestees.
GS-03 Clerk	1	This request is to fill one of the positions presently vacant in the Information Processing and Notification Section. This position must be filled in order to maintain up-to-date and accurate records of defendants under Agency supervision.
GS-04 Notification Clerk	1	This request is to fill a clerical position. The position is necessary to fulfill the Agency's statutory obligation to notify defendants of scheduled court appearances.
GS-04 Rearrest Clerk	1	This request is to fill a position necessary to carry out the Agency's statutory obligation of informing the Court and the U.S. Attorney of violations of release conditions and rearrests of persons released under supervision.
GS-05 Interviewer	1	This request is to fill an interviewer position. The position is necessary to fulfill the Agency's statutory obligation to provide the Court with information concerning the pretrial release potential of arrestees.
TOTAL	6	

Department/Agency	No. of Appointments	Justification
Department of Corrections		
GS 14 Correctional Inst. Administrator (YC_1) (D.C. Jail)	2	The Department is currently functioning at a critical minimum due to an internal "freeze" imposed almost one year ago. New hires, in keeping with these internal restrictions, are required to maintain the Department's mission. We shall continue to strive not to exceed our Congressional authorization pending a supplemental appropriation for payment to the Federal Bureau of Prisons.
GS 14 Supervisory General Engineer	1	The position is critical because the individual supervises all maintenance and repair of prison facilities at Lorton. Security requirements dictate that work be accomplished in a timely and professional manner. The engineer supervises other professionals, several dozen tradesmen and inmates assigned to the facilities' maintenance and repair program.
GS 11 Executive Assistant	1	The Department is currently functioning at a critical minimum due to an internal "freeze" imposed almost one year ago. New hires, in keeping with these internal restrictions, are required to maintain the Department's mission. We shall continue to strive not to exceed our Congressional authorization pending a supplemental appropriation for payment to the Federal Bureau of Prisons.
GS 14 Correctional Institution Administrator	1	The Department is currently functioning at a critical minimum due to an internal "freeze" imposed almost one year ago. New hires, in keeping with these internal restrictions, are required to maintain the Department's mission. We shall continue to strive not to exceed our Congressional authorization pending a supplemental appropriation for payment to the Federal Bureau of Prisons.

Department/Agency	No. of Appointments	Justification
Department of Corrections cont'd.		
GS 12 Correctional Treatment Specialist	1	This position is established as the Department's Case Management Specialist in order to review, evaluate and make recommendations on (1) all psychiatric referrals; (2) all designations and removals to the Federal Bureau of Prisons; and (3) all transfers from the Federal Bureau of Prisons for all inmates (adult and youth, male and female) except 5010 (e), Youth Act cases.
GS 12 Supervisory Correctional Officer	2	This position is established as Major, New Detention Center. As such is responsible for providing overall direction and deployment of a correctional force, according to shifts and posts, in order to protect the security of the institution, maintain the discipline and decorum of inmates and encourage work production and training. This position is in our "uniformed" service which confers rank on supervisory personnel.
GS 09 Supervisory Correctional Officer GS 10 Supervisory Correctional Officer	21 7	New Positions at New Detention Center. Positions are responsible for maintaining security within the institution on the shift which they are assigned. The positions are in our "uniformed" service which confers rank of supervisory personnel.
GS 11 Supervisory Recreation Specialist	1	This position is established to coordinate all recreational activities for the adult male institutions (Central Facility, Maximum Security Facility). Staff consists of six recreation specialists. Total population for these institutions exceeds 1,700.
GS 12 Principal	1	This position is established to coordinate all educational activities (both academic and vocational) at Y.C. #2. The staff consists of five academic teachers, one vocational instructor and one recreation specialist.
GS 14 Assistant Director, Women's Program	1	This position is established as Assistant Director of Corrections (Women's Programs) in order to provide Departmental oversight to all activities for women (both incarcerees and employees) in the Department.
TOTAL	39	

Department/Agency	No. of Appointments	Justification
D.C. Public Schools		
TSA-10 Director, Hardy Middle School	1	Position needs to be filled as a result of retirement of incumbent, Frances R. Browne, 6/30/75. Replacement selected by panel, July 30/31. Administrator required for 200 students, grades 5, 6, 7, 8. The operation will not move unless a Director is appointed immediately.
TSA-06 Principal, Van Ness Elementary School	1	It is essential that administrative and supervisory service be continuous for approximately 500 elementary students and staff members to the Van Ness Elementary School. This will insure a greater possibility of providing improved educational opportunities for this community.
TSA-15 Teacher	1	The filling of these positions is required in order for the Division of Special Education, D.C.P.S., to comply with the time lines and procedures for the placement of handicapped children, as stipulated in the Waddy Decree of Mills vs. Board of Education.
TSA-10 Supervisors (Placement Specialists)	3	The filling of these positions is required in order for the Division of Special Education, D.C.P.S., to comply with time-lines and procedures for the placement of handicapped children, as stipulated in the Waddy Decree of Mills vs. Board of Education.
TSA-15 Teacher	17	These positions are required to provide adequate educational programs' staff necessary to operate educational programs for the handicapped, to comply with stipulations of the Waddy Decree of Mills vs Board of Education.
TSA-6 Principal, Randle Highlands Elementary School	1	It is essential that administrative and supervisory service be continuous for approximately 500 elementary students and staff members assigned to the Randle Highlands Elementary School. This will insure a greater possibility of providing improved educational opportunities for this community.

Department/Agency	No. of Appointments	Justification
D.C. Public Schools - (cont)		
TSA-6 Principal, Paul Junior High School	1	It is essential that administrative and supervisory service be continuous for approximately 1300 junior high school students and staff members assigned to Paul Junior High School. This will insure a greater possibility of providing improved educational opportunities for this community.
TSA-6 Principal, Lincoln Junior High School	1	It is essential that administrative and supervisory service be continuous for approximately 1200 junior high school students and staff members assigned to Lincoln Junior High school. This will insure a greater possibility of providing improved educational opportunities for this community.
GS-4 Clerk-Typist, Military Road School	1	This position was vacant throughout the school year 1974-1975 as a result of the freeze order of October, 1974. The matter of clerical services at the school has become critical and it is essential for the efficient operation of the school that the vacancy be filled.
GS-4 Clerk-Typist, Stevens School	1	This position has been vacant since 4/25/75 due to the resignation of Magaretta McNeel. It was not filled at that time because of the freeze order of October, 1974. The efficient operation of the school requires the services of a clerk-typist. No other clerical position exists at Stevens School.
GS-6 Administrative Aide, Bowen ES	1	This position becomes vacant 9/1/75 upon the retirement of Mrs. Bernice P. Browne. It is imperative that this position be filled to insure the efficient operation of the school in meeting its responsibility to the student and its educational program.. Projected enrollment 450.
GS-4 Clerk-Typist, Lafayette ES	1	Student enrollment at Lafayette for school year 1975-1976 is 675. The service of a person in this position is essential if the school is to fulfill its obligation to the pupils and to implement its educational program. Person recommended is Mrs. Kathleen Mary Mannix.

Department/Agency	No. of Appointments	Justification
D.C. Public Schools - (cont)		
GS-4 Clerk-Typist, Stoddert Elementary School	1	This is a new position which must be filled to provide essential clerical services for the operation of the school. This is the only clerical position assigned to Stoddert ES.
TSA-7B Supervising Director of Cooperative Programs	1	Request to fill an established position vacated by one who is on sabbatical leave from the school for one year. Position provides necessary supervision for staff of Cooperative Programs. Provides coordination, implementation and evaluation of Cooperative Programs; Identifies positions in industry; obtains agreements with industrial firms; and serves as a member of the State Board for the review and the disposition of applications for Cooperative Education, cooperative arrangement between industry and the schools and the accountability of expenditures under Part G of Vocational Education Amendments of 1968.
TSA-6B Principal, Bryan Elementary School	1	Principal is key officer in building. Principal at Bryan must provide for educational need of 500 students. Principal is responsible for improving instruction of teachers and maintaining school climate which is conducive to study on parts of students. This position is critical and must be filled.
TSA-6B Principal, Bryan Elementary School	1	Principal is key officer in building. Principal at Bryon must provide for educational need of 500 students. Principal is responsible for improving insturction of teachers and maintaining school climate which is conducive to study on parts of students. This position is critical and must be filled.
GS-6 Administrative Aide, Kramer Junior High	1	Kramer Junior High has no clerical help. The incumbent of this position is required to manage the office in the absence of the Principal and Assistant Principal. We cannot operate with even minimum efficiency when such a vacancy exist.

Department/Agency	No. of Appointments	Justification
D.C. Public Schools - (cont)		
TS-6B Principal, Wilson Senior High School	1	This action is necessary to replace incumbent (Mr. Maurice Jackson) on leave of absence NTEB 6/30/76. Temporary appointment of Mrs. Dorothy Brown, Assistant Principal, Wilson Senior High School is recommended.
GS-06 Administrative Aide	1	This office Manager/Secretary position is for Lincoln Junior High School which has a pupil enrollment of 1,096. The services of this position are desperately needed in order for the Principal to manage the school effectively.
GS-06 Administrative Aide, Amidon Elementary School	1	The services of this position are desperately needed in order for the Principal to manage the school effectivaly.
GS-06 Administrative Aide	1	This position is located at Richardson Annex, School for Special Education in Region III. This is the only clerical position at Richardson Annex and the demands and responsibilities of this Special Education Program necessitate the filling of this vacancy which accurred on 8/29/75.
GS-04 Educational Aide	20	These positions were originally approved by Congress in the FY'75 budget, but were frozen during that time. They are necessary to provide classroom assistance in the numerous additional Learning Centers developed this year for the handicapped, in an attempt to comply with the Madate of the Mills Decree.
WG-08 Boiler Plant Operator	1	This request is to fill a Boiler Plant Operator position at the LaSalle Elementary School. This position is the assistant of two (2) licensed positions required to provide heat and custodial supervision for this facility which houses a regular elementary program.

Department/Agency	No. of Appointments	Justification
D.C. Public Schools - (cont)		
WG-08 Boiler Plant Operator	1	This request is to fill a Boiler Plant Operator position at the Brightwood Elementary School. This position is the assistant of two (2) licensed positions required to provide heat and custodial supervision for this facility which houses a regular elementary program.
WG-09 Boiler Plant Operator	1	This request is to fill a Boiler Plant Operator position at the Lincoln School. This position is the assistant of two (2) licensed positions required to run the heating and mechanical systems of this facility which houses a regular junior high program.
WG-09 Boiler Plant Operator	1	This request is to fill a Boiler Plant Operator position at the Backus Junior High School. This position is the assistant of two (2) licensed positions required to run the heating and mechanical systems of this facility which houses a regular junior high program.
WG-10 Boiler Plant Operator	1	This request is to fill a Boiler Plant Operator position at the Garnet-Patterson Junior High School. This position is the chief of two (2) licensed positions required to run the heating and mechanical systems of this facility which houses a regular junior high program.
WG-05 Maintenance Worker (Engineering)	1	This request is to fill a Maintenance Worker (Engineering), i.e., "Repairman" position at the Garnet-patterson School. This position assist the two (2) licensed stationary engineering positions and together they provide the capacity required to repair the electrical and mechanical (ventilation) systems of this facility which houses a a regular junior high program.
WG-05 Maintenance Worker (Engineering)	1	This request is to fill a Maintenance Worker (Engineering), i.e., "Repairman" position at the Elloit School. This position assist the two (2) licensed stationary engineering positions and together they provide the capacity required to repair the electrical and mechanical (ventilation) systems of this facility which houses a regular junior high program.

Department/Agency	No. of Appointments	Justification
D.C. Public Schools - (cont)		
WG-05 Maintenance Worker (Engineering)	1	This request is to fill a Maintenance Worker (Engineering), i.e., "Repairman" position at the Washington Highlands School. This position is one of the two (2) that assist the two (2) licensed stationary engineering positions and together they provide the capacity required to repair the electrical and mechanical (ventilation) systems of this facility which houses a regular elementary program and a major community service center.
WG-05 Maintenance Worker (Engineering)	1	This request is to fill a Maintenance Worker (Engineering), i.e., "Repairman" position at the Anacostia School. This position is one of two (2) that assist the two (2) licensed stationary engineering positions and together they provide the capacity required to repair the electrical and mechanical (ventilation) systems of this facility which houses a regular senior high program.
WG-05 Maintenance Worker (Engineering)	1	This request is to fill a Maintenance Worker (Engineering), i.e., "Repairman" position at the Hine School. This position assist the two (2) licensed stationary engineering positions and together they provide the capacity required to repair the electrical and mechanical (ventilation) systems of this facility which houses a regular junior high program.
TSA-06 Principal	1	This position has recently been vacated and returned to the Division of Special Education. Because of its grade level, it is necessary that it be filled in order to provide appropriate administrative staffing required to carry out the functions of the central office in implementing the Mills Decree. This action is critical and relates directly to the need for administration and supervision required under the reorganization/recentralization of specific State level Special Education Programs.

Department/Agency	No. of Appointments	Justification
D.C. Public Schools - (cont)		
WG-07 Boiler Plant Operator	1	This request is to fill a Boiler Plant Operator position at the Langston School. This position is one of the two (2) licensed positions required to provide heat and cleaning for this facility which houses a regular elementary program.
WG-09 Locksmith	1	This request is to fill a Locksmith position in the twenty (20) position Flying Squad. This is one of four (4) positions authorized to provide repairs and mini alterations which use this trade. The Flying Squad does mini jobs, i.e., one day, in any of our over 200 school buildings.
WG-02 Janitor/School Maintenance Worker	1	This request is to fill a School Maintenance Worker position at the Scott Montgomery Elementary School. This position is one of the six (6) positions required to clean this facility which houses a regular elementary program.
WG-02 Janitor/School Maintenance Worker	1	This request is to fill a School Maintenance Worker position at the Woodrow Wilson Senior High School. This position is one of the ten (10) positions required to clean this facility which houses a regular senior high school.
WG-04 Custodian Foreman	1	This request is to fill a Custodian Foreman position at the Armstrong School. This position is the supervisor of the nine (9) position staff required to clean this facility, which houses an Adult Education Program.
GS-12 Labor Relations Specialist (Hearing Officer)	1	At present there is a backlog of sixty-five grievances waiting to be heard at the Superintendent of School's level which have been filed by the labor organizations. It is imperative that these grievances be heard as soon as possible in order not to cause irreparable harm to the labor-management relationship in the D.C. Public Schools. The Office of Labor Relations, which has been serving as the Superintendent's designee to hear grievances filed at the Superintendent's level has only a staff of four professional personnel, of which only two are in a position

Department/Agency	No. of Appointments	Justification
D.C. Public Schools - (cont)		
GS-12 Labor Relations Specialist (Hearing Officer)- cont		to work the hearing of grievances into their schedules. This office has been involved in negotiations with two different labor organizations at the same time and negotiations with a third labor organization will begin soon after the first of the new year. All of which, in addition to the daily office operations, makes it impossible to hear the grievances with any regularity or timeliness. The duties of this WAE appointee will be devoted solely and exclusively to the hearing and rendering of grievance decisions at the Superintendent's level. Therefore, the establishment and filling of this position should resolve the grievance backlog.
WG-06 Boiler Fireman	1	This request is to fill a Boiler Fireman position at the M Street heating plant. This position is required to assist the two (2) licensed positions in the operation of this high pressure plant and the related heating system which serves the Simmons and the Perry buildings. These buildings house a regular elementary program and various community service programs.
WS-05 Custodian Foreman	1	This request is to fill a Custodian Foreman position at the Spingarn School. This position is the supervisor of the twelve (12) position staff required to clean this facility, which houses a regular senior high program.
WS-03 Custodian Foreman	1	This request is to fill a Custodian Foreman position at the Langley School. This position is the supervisor of the five (5) position staff required to clean this facility, which houses a regular junior high program.
WS-01 Custodian Foreman	1	This request is to fill a Custodian position at the Kramer Junior High School. This position assists in the supervision of the seven (7) position staff required to clean this facility, which houses a regular junior high program.
WS-04 Boiler Plant Operator	1	This request is to fill a Boiler Plant Operator position

Department/Agency	No. of Appointments	Justification
D.C. Public Schools - (cont)		
WS-04 Boiler Plant Operator - (cont)		at the Wheatley Elementary School. This position is the chief of two (2) licensed positions required to heat and custodial supervision for this facility which houses a regular elementary program.
WG-08 Boiler Plant Operator	1	This request is to fill a Boiler Plant Operator position at the Slater Elementary School. This position is the chief of two (2) licensed positions required to provide heat and cleaning for this facility which houses a regular elementary program.
WG-08 Boiler Plant Operator	1	This request is to fill a Boiler Plant Operator position at the Rudolph Elementary School. This position is the assistant of two (2) licensed positions required to provide heat and custodial supervision for this facility which houses a regular elementary program.
WG-08 Boiler Plant Operator	1	This request is to fill a Boiler Plant Operator position at the Thomson Elementary School. This position is the assistant of two (2) licensed positions required to provide heat and custodial supervision for this facility which houses a regular elementary program.
WG-08 Boiler Plant Operator	1	This request is to fill a Boiler Plant Operator position at the Beers Elementary School. This position is the assistant of two (2) licensed positions required to provide heat and custodial supervision for this facility which houses a regular elementary program.
WG-08 Boiler Plant Operator	1	This request is to fill a Boiler Plant Operator position at the Old Brookland Elementary School. This position is the chief of two (2) licensed positions required to provide heat and cleaning for this facility which houses an office for special education and supplementing programs.
WG-08 Boiler Plant Operator	1	This request is to fill a Boiler Plant Operator position at the Blair Elementary School. This position is the chief

Department/Agency	No. of Appointments	Justificati
D.C. Public Schools - (cont)		
WG-08 Boiler Plant Operator - (cont)		of two (2) licensed positions required to provide heat and cleaning for this facility which houses an Adult Basic Education Program.
WG-08 Boiler Plant Operator	1	This request is to fill a Boiler Plant Operator position at the Morgan Annex Elementary School. This position is the chief of two (2) licensed positions required to provide heat and cleaning for this facility which houses a supplementing elementary program.
GS-13 Supervisory Personnel Management Specialist	1	This position has been vacant for approximately one (1) year. Further, this is a Personnel Officer for Classified Employees which administers your Classification process for the entire school system and Staffing Recruitment, and Policy Administration, for Classified employees.
GS-03 File Clerk	1	This vacant position has created a serious backlog of auditing and filing correspondence into Official Personnel Files.
GS-05 Personnel Clerk	1	This vacant position seriously hampers the operation of Processing Personnel Actions for all employees of the D.C. Public Schools.
GS-05 Staffing Clerk (Typing)	1	Position is a very crucial one in that it is located in the mail section of Teacher Personnel which has as its main functions: providing needed assistance to applicants seeking positions in the D.C. Public Schools. This is accomplished through the process of -- answering telephone inquiries; checking credentials submitted by applicants; opening and logging all mail; making personnel files on applicants; determining application folders to be sent to the Board of Examiners for certification. There are only two individuals left to carry on this massive job.

Department/Agency	No. of Appointments	Justification
D.C. Public Schools - (cont)		
GS-04 Substitute Teacher Assignment Clerk	1	The volume of calls this unit makes daily in securing substitute teachers makes it totally impossible for this operation to proceed without this position.
GS-04 Classification Clerk (Typist)	1	This vacant position has created a serious backlog of typing, filing and other duties associated with the classification processes. At present, there is only one typist assigned to type all the job descriptions for the D.C. Public School.
GS-04 Verification Clerk	1	The volume of calls and mail received daily makes it totally impossible for this operation to proceed without this position.
GS-04 Classification Clerk (Typist)	1	This vacant position has created a serious backlog of typing, filing and other duties associated with the classification processes. At present, there is only one typist assigned to type all the job descriptions for the D.C. Public Schools.
GS-15 Personnel Officer	1	This position has been vacant for approximately two years which accounts for some of the apparent ill operational procedures. Any establishment certainly needs a Personnel Officer, especially an agency as large as D.C. Public Schools.
GS-05 Administrative Clerk (Typing)	1	This vacant position seriously hampers the operation of Processing Personnel Actions for all employees of the D.C. Public Schools.
GS-04 Substitute Teacher Assignment Clerk	1	The volume of calls this unit makes daily in securing substitute teachres makes it totally impossible for this operation to proceed without this position.

Department/Agency	No. of Appointments	Justification
D.C. Public Schools - (cont)		
GS-11 Position Classification Specialist	1	Government agencies hire classifiers at a ratio of one for every 500 to 600 employees serviced, the present ratio in the Public Schools is one to 5,000. We have only two operational Classifiers which prevents us from reviewing positions that are several years old.
GS-12 Position Classification Specialist	1	Government agencies hire classifiers at a ratio of one for every 500 to 600 employees serviced, the present ratio in the Public Schools is one to 5,000. We have only two operational Classifiers which prevents us from reviewing positions that are several years old.
GS-02 Receptionist	1	To complete staffing of Washington Highland Community Facilities School. This position is needed to receive all calls, open mail, make appointments for officers and perform other duties as assigned.
GS-06 Administrative Aide	1	The administrative aide performs all clerical duties at the Armstrong Adult Education Center which has a staff of 36 full time employees and approximately 14 WAE's. The Center serves approximately 1,250 students. A recently instituted improved procedure for reporting time and attendance on a daily basis for all staff makes the services of this position even more essential. In view of the aforementioned it is requested that this position be filled immediately.
GS-06 Secretary	1	Critical need to support administration and office management. (Patterson ES) There are no clerical employees within this school.
GS-04 Clerk Typist	1	This position is critical to support the office management.
GS-06 Administrative Aide	1	This request is to fill a vacancy at Evans Junior High School created by the transfer of Mrs. Bernice Brown. The adminis-

Department/Agency	No. of Appointments	Justification
D.C. Public Schools - (cont)		
GS-06 Administrative Aide - (cont)		trative aide is a key employee in the smooth operation of any school. In order for the school to maintain an efficient operation we are requesting an early replacement.
GS-06 Secretary (Typing)	1	This position is located at Evans Junior High School, which is a Title I School with an enrollment of over 1200 students. It is imperative that this position be filled as expeditiously as possible so that the school can function efficiently without undue interruptions and hardships.
GS-04 Clerk Typist	1	This position is located at Woodson Senior High Community School. It is imperative that this position be filled as expeditiously as possible so that the school can function efficiently without undue interruptions and hardships.
GS-04 Clerk-Typist	1	This school has an enrollment of 962 students. With the decentralization of many functions to the schools it is vertually impossible for the secretary to do all of the clerical work.
GS-04 Clerk-Typist	1	I am requesting this position to be filled because supportive office help is needed for a school the size of Stanton Elementary (1330) pupils.
GS-06 Secretary	1	The incumbent of this position is required to manage the office with full authority to act in the absence of the school administrators. We cannot operate with even minimum efficiency when such a vacancy exists.
GS-06 Training Technician	1	This position is one of only two positions authorized in the High School Equivalency Office. The Training Technician assumes full responsibility for the operation of this office during the absence of the senior technician. This office cannot continue to operate at an acceptable level without the services of this position. Therefore, it is essential that this position be filled immediately.

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Department/Agency	No. of Appointments	Justification
D.C. Public Schools - (cont)		
GS-04 Clerk-Typist, Western Senior High School	1	This position is needed to produce the quality of work that is required for the size of pupil/teacher ratio at Western Senior High School.
GS-06 Secretary	1	Since many functions have been decentralized to the schools it is impossible for a school to operate effectively without a secretary.
GS-04 Clerk-Typist	1	This position is located at Aiton Elementary which is a Title I School. It is imperative that this position be filled as expeditiously as possible so that the school can function efficiently without undue interruptions and hardships.
GS-05 Administrative Clerk (Typing)	1	To staff new Walker Jones Facilities Schools. This employee is responsible for performing administrative and clerical duties pertinent to the efficient operation of the office.
GS-05 Administrative Clerk	1	The Administrative Clerk is responsible for processing the payment subsistence allowance for Veterans (amounting in excess of $135,000 per month). The immediate filling of this position is imperative. This position is assigned to the evening program.
GS-04 Clerk-Typtist	1	This position will be necessary to help to produce the quality of work taht is required for the size of the pupil/teacher ratio at Leckie Elementary.

Department/Agency	No. of Appointments	Justification
D.C. Public Schools - (cont)		
GS-06 Secretary	1	Administrative help is needed in the office since the position has been vacant since July. Hart Junior High School has 1600 students.
GS-04 Clerk-Typist	1	It is essential that this position be filled due to the unusual demands of the staff at the Seaton School.
GS-05 Administrative Clerk (Typing)	1	Incumbent came to agency as a CETA trainee with the understanding that the agency would seek to place him on the regular role if he proved competent after training. Incumbent has demonstrated quality performance. This agency seeks to honor its commitment under the intent of the CETA legislation.
GS-04 Clerk-Typist	1	This position is located at Kingsman Elementary School. It is imperative that this position be filled as expeditiously as possible so that the school can function efficiently without undue interruptions and hardships.
GS-04 Clerk-Typist	1	This school has an enrollment of 1,097 students. Also, due to its location many community activities take place there. Consequently, this position is essential for the efficient operation of the school.
GS-04 Clerk-Typist	1	This position is located at Davis Elementary School which is a Title I School with an enrollment of 912 students. It is imperative that this position be filled as expeditiously as possible so that the school can function efficiently without undue interruptions and hardships.
GS-02 Receptionist	1	To staff new Walker Jones Community Facilities School. Receives all calls, opens mail, makes appointments for officers and performs other duties as assigned.

Department/Agency	No. of Appointments	Justification
D.C. Public Schools - (cont)		
GS-04 Clerk-Typist	1	Bancroft is a large school with a large bilingual enrollment. This position has been vacant for more than a year due to various It is highly recommended that this position be filled.
GS-05 Administrative Clerk (Typing)	1	This position is critical in the operation of the unit which has the major responsibility for the preparation of the highly technical reports, especially those materials concerned with financial and budgetary reporting.
GS-06 Administrative Aide, Deal Junior High School	1	This position is needed to produce the quality of work that is required for the size of pupil/teacher ratio at Deal Junior High School.
GS-11 Labor Relations Specialist	1	This position is being requested on an emergency basis in order to provide the Office of Labor Relations with minimum staff, (4) professional personnel, to carry out required functions of negotiations, grievance hearings, and advising managment officials on items pertaining to the labor management program. Unless this position can be filled, the services provided by this office shall be severely curtailed.

Department/Agency	No. of Appointments	Justification
D.C. Public Schools - (cont)		
TSA-1B Vice Superintendent	1	The position is necessary for staffing in those areas which are essential in providing a continuous operation in the top level administrative positions which were vacated and created with the change in administration.
GS-05 Computer Aide	1	The positions are necessary for an effective operation in in the Division of Automated Information Systems. The office currently has 17 vacancies in highly technical positions. In the past 90 days, close to 2,000 hours of compensatory and overtime have been worked in order to accomplish high priority tasks. A lack of personnel has caused some tasks to remain undone.
GS-09 Computer Programmer	1	
GS-09 Computer Programmer	1	
GS-11 Computer Programmer	6	
GS-12 Computer Systems Analyst	6	
GS-13 Supv. Computer Systems Analyst	3	
GS-05 EAM Operator	1	
GS-14 Accounting Officer	1	The positions are necessary for an effective and efficient operation in the Division of Control. Personnel are needed to provide the support service in the varied technical positions for preparing the financial data for the system.
GS-13 Accounting Officer	1	
GS-12 Accountant	1	
GS-11 Accountant	2	
GS-09 Accountant	6	
GS-07 Accounting Technician	8	" " "
GS-08 Administrative Assistant	1	
GS-07 Secretary	1	
GS-05 Clerk-Typist	2	" " "
TSA-03 Executive Assistant to the Superintendent	1	This position is needed to provide administrative support in the Superintendent's office.
Total	173	

Department/Agency	No. of Appointments	Justification
Board of Higher Education		
GS-07 Administrative Aide (Stenography)	1	This request is to fill administrative aide position required to continue staff assistance to committee and Board activity.
GS-07 Administrative Aide (Stenography)	1	This request is to fill administrative aid (stenography) position temporarily during extended illness of permanent employee.
	2	
D. C. Teachers College		
Administrative III Acting Dean, Academic Support	1	The position of Academic Dean at the D. C. Teachers College has been vacant since the retirement of Dr. Matthew J. Whitehead in June, 1974. It is urgent that this vacancy be filled if the academic program is to continue to survive. In past years there has been deep respect for this office at the College and a vast amount of responsibility has been vested in the person appointed to coordinate and administer the wide range of academic programs in operation in the institution. Further, it is urgent, especially in this transitional period, that the vacancy at the Teachers College be filled by one who has deep and abiding concerns for the interest of the College and its goals; who has intimate knowledge of the academic program; who is aware of the needs of the College; and who can bring a "feeling" of stability to an institution and a faculty that have known stability over a number of years. A Dean is needed at this particular time in the history of the District of Columbia Teachers College to pull together and to administer the academic program so that the College will not be at a disadvantage in entering into the proposed consolidation with the Federal City College and Washington Technical Institute scheduled for September, 1976.
	1	

Department/Agency	No. of Appointments	Justification
Federal City College		
Administrative XIV Administrative Affairs Assistant	1	On August 15, 1975, the Administrative Affairs Assistant for the Department of Community Education resigned to accept another position with the Government Services Administration. As a result, there is presently one GS 5/4 (Clerk Typist) employee to handle all administrative matters within the Department and to handle all typing for the Chairman and eight (8) full-time faculty members. The workload is more than this one individual can handle.
Administrative XIV Administrative Affairs Assistant	1	The nature of the programs of the School of Continuing Education results in a continuation flow of personnel. Many appointments are new positions and require that position descriptions be drafted. Incumbent in this position coordinates these functions; handles a payroll of over 250 employees; performs all other personnel related duties including formulation of Manning Charts and organization charts; and in addition serves as secretary to the Assistant to the Dean for Personnel and Finance.
GS 4 Clerk Typist	1	The position of receptionist-typist in the athletic department is a key responsibility in the proper functioning of the athletic department. The receptionist-typist is the first person to greet all visitors to the athletic office--students and guests included. It is important that she be professional in demeanor, personable, and convey warmth in her welcome to the public. Similarly, in her phone manner she must be able to be pleasant, efficient and intelligent in handling callers who may range from Senators and Congressmen to student enthusiasts seeking the location of a game or team. There is a steady load of typing also as an integral part of the receptionist-typist's responsibilities.

Department/Agency Federal City College cont'd.	No. of Appointments	Justification
Administrative XIII Academic Affairs Assistant	1	This position is needed to replace the Academic Affairs Assistant in charge of the Graduate School Office who resigned. This is one of two clerical positions in this office for the entire Graduate School.
GS 6 Secretary (Stenographer)	1	It is impossible for the Political Science Department to function without clerical assistance. This is merely a replacement in a position which is already in the budget. This position was vacated on August 1, 1975.
Administrative XIV Administrative Assistant	1	To replace former employee who resigned on October 4, 1973, as Administrative Assistant, Division of Fine Arts, Department of Art.
Administrative XI Assistant Community Educator II	1	Position is essential to the efficient operation of the School of Continuing Education. Incumbent must devise administrative policy for a large and expanding school. Also responsible for effecting the implementation of new programs which are being approved at an ever increasing rate. Replacement for former employee who resigned September 15, 1975.
GS 8 Physical Science Technician	1	To prepare chemical compounds necessary for experiments in laboratory classes; to requisition supplies and chemicals necessary for the laboratories; to secure laboratories and outside equipment from possible theft or damage; and to maintain laboratories in a sanitary condition. (Interdisciplinary Science Department; School of Natural and Applied Health Science)
GS 5 Clerk (Stenographer)	1	This person is needed to serve a full-time faculty of seven (7) and a part-time faculty of six (6) throughout the Fiscal Year (e.g., to handle the telephone, perform administrative duties, type up exams and classroom materials, xerox materials, sort out mail, etc.). Also, since our student ratio is constantly increasing, someone is needed to handle their questions. (Interdisciplinary Science Department; School of Natural and Applied Health Science)

Department/Agency	No. of Appointments	Justification
Federal City College cont'd.		
Administrative V Director of Athletics	1	The Athletic Director is a vital position in the College because he is responsible for our total athletic program. For the past year, FCC has been without a full-time athletic director which has been a serious detriment to our athletic program.
Administrative X Education Programs Specialist	1	Utilizing present staffing levels at FCC and the DCTC there is presently one (1) counselor available for every 452 students attending FCC and one (1) counselor for every 336 students attending DCTC. Our counselors are involved in educational and career development counseling, job market and graduate school opportunity counseling, personal, social/emotional counseling, marital and family counseling. With the tremendously complex urban commuter student, that the Division of Student Affairs services at FCC/DCTC, we must be ever cognizent of the many problems inherent in our urban student's endeavors to seek higher education. We must also be available to take the time that is necessary to properly counsel those students who ask for and need our professional help and advice.
Administrative XIV Senior Media Intern	1	Position is organizationally located in Technical Services Department, cateloging unit. Technical Services orders, receives, catalogs, labels, and processes all library materials for the undergraduate, graduate and special collections. The functions of the Department directly influence the operations of all other library components since the library's only products are service and information, and Technical Services provides the resources to deliver both. A key element to materials, preparation is the current classification and cataloging of material (using Library of Congress Standards). This position is one of two responsible for handling approximately 600 books weekly, in addition to 800 other related materials which cannot be utilized by students and public until the cataloging process is completed. The loss of the incumbent will cause a processing delay of 20% (items per week) or a dollar loss of some $16.00.

Department/Agency	No. of Appointments	Justification
Federal City College cont'd.		
GS-09 Supervisor, Purchasing Agent	1	This position is needed to provided staff in procuring goods and services.
Administrative XIV Senior Administrative Affairs Assistant	1	It is impossible for the Sociology Department to function without clerical assistance. This is the only clerical position in the Sociology Department. This is a replacement for an employee who was reassigned to the Economics Department.
GS 4 Clerk-Typist	1	This position is necessary because we have only one other secretary to work for the entire nursing division. Our faculty are constantly creating modules, pre-tests and post-tests. As a result we have a heavier than average typing load. This is also a replacement for a clerk-typist who is on leave-of-absence for one year.
WG 6 Vehicle Operator	1	Federal City College has only two driver positions to man the two heavy/hydraulic vans used for all moves, deliveries, and assigned drayage. The failure to fill this vacancy will result in a 50% reduction in trucking capacity. The spread of college buildings around the central metro area and the remote warehousing facility would suffer severely in routing servicing without this replacement.
Administrative III Executive Assistant to the President	1	To assist Board of Higher Education and the Colleges in preparing for transition to University District of Columbia Trustee governance.
	17	

Department/Agency	No. of Appointments	Justification
-- D.C. Department of Recreation		
BR-06 Pre-School Leaders	12	The Cooperative Play Program is a free, half-day early childhood education program which operates from September - May annually. The staff who directs the program at each center are employed on a part-time basis and is specially trained in the discipline of early childhood education. Without this staff, 49 cooperative play centers will not be able to operate. 2,450 children and parents who have already registered will be denied opportunities for socialization, growth and development that this program affords during these most formative years. Moreover, for more than thirty-five years parents of all social economic levels have depended on this program for educational/recreational experiences for their children. Leaders are hired in September and terminated in May.
BR-05 Pre-School Leaders	23	The Cooperative Play Program is a free, half-day early childhood education program which operates from September- May annually. The staff who directs the program at each center are employed on a part-time basis and is specially trained in the discipline of early childhood education. Without this staff, 49 cooperative paly centers will not be able to operate. 2,450 children and parents who have already registered will be denied opportunities for socialization, growth and development that this program affords during these most formative years. Moreover, for more than thirty-five years parents of all social economic levels have depended on this program for educational/recreational experiences for their children. Leaders are hired in September and terminated in May.
BR-04 Pre-School Leaders	14	The Cooperative Play Program is a free, half-day early childhood education program which operates from September- May annually. The staff who directs the program at each center are employed on a part-time basis and is specially trained in the discipline of early childhood education. Without this staff, 49 cooperative play centers will not

Department/Agency	No. of Appointments	Justification
D.C. Department of Recreation - (cont)		
BR-04 Pre-School Leaders - (cont)		be able to operate. 2,450 children and parents who have already registered will be denied opportunities for socialization, growth and development that this program affords during these most formative years. Moreover, for more than thirty-five years parents of all social economic levels have depended on this program for educational/recreational experiences for their children. Leaders are hired in September and terminated in May.
WG-06 Bus Driver	1	The Cooperative Play Program a publicly funded early childhood education program for boys and girls 3-5 years of age. This program has been in long standing need of a twenty five passenger bus and driver to provide educational trips for our children during these most formative years. Without this bus and driver the children would not be afforded opportunities for first hand experiences. Moreover, the unsafeness in car pooling and the rising costs of rental busses leave this program with no other alternatives.
BR-03 Recreation Assistant III	1	Inorder to operate the "Shop" (manual arts) phase of the program, this position must be filled and by a person qualified to operate high-powered tools and machinery. This position will allow the operation of the only major "shop" program we conduct for the handicapped. Participants from the other centers utilize this program, in addition to clients from residential facilities such as, Forest Haven, St. Elizabeths Hospital for Sick Children, etc.
BR-02 Recreation Assistant I	1	This Adult Activity Program has an enrollment of 30-32 severly disabled adults (an age population where the demand for services has increased over 100% in the past two years). This position needs to be filled inorder to retain the enrollment level, maintain the quality of services, have an aide on the bus, and allow the program to operate if an employee is absent, because the staff

Department/Agency	No. of Appointments	Justification
D.C. Department of Recreation - (cont)		
BR-02 Recreation Assistant I - (cont)		consists of only four positions plus a bus driver. Additionally, this position needs to be filled for safety of the clients -- staff -- client ratio of 1 to 8. This position is located at the only adult center serving the SE-SW area.
BR-3 Recreation Assistant II	1	It is necessary that this position be filled because of the following: (1) serves as an aide to the bus driver when picking up and delivering the mentally and physically handicapped clients; (2) will not have to cancel the program when a staff member is absent due to insufficient staff; (3) can operate with a functionally safe staff/client ratio; (4) will not have to reduce the enrollment and/or the hours of service; (5) will be able to continue operating the current level of program for the deaf, (the only organized recreation program for the deaf); (6) this center provides the only preschool program for the SE and SW handicapped residents.
BR-04 Recreation Assistant III	1	It is necessary that this position be filled because of the following: (1) will not have to reduce the enrollment and/or the hours of service; (2) serves as an aide to the bus driver when picking up and delivering the mentally and physically handicapped clients; (3) can operate with a functionally safe staff/client ratio; (4) will not have to cancel the program when a staff member is absent due to insufficient staff; (5) this center provides the only recreation program for the orthopedic and health impaired for the entire city; (6) will be able to continue operating the current level of In-School and after school programs for the orthopedic and health impafred.

Department/Agency	No. of Appointments	Justification
D.C. Department of Recreation - (cont)		
BR-03 Recreation Assistant II	1	This position serves the critical role of a bus-aide in addition to supporting the professional staff with the implementation of the therapeutic recreation services. With many of the handicapped clients begin hyperactive and epileptic it is a must that an aide accompany the bus driver during pick-up and delivery of participants. This position's function relieves the professional staff to concentrate directly on the delivery of services as well as to provide individual leadership when required by some of the participants. This is the only Center serving handicapped preschoolers in the NW and NE areas.
BR-05 Recreation Leader I	1	This vacancy is one of only two professional positions at this center. If forced to remain vacant, the quality and quantity of the therapeutic recreation services would automatically, be affected by a decline, also the enrollment. The paraprofessional staff of two (one is vacant) is not qualified to assume the responsibility of this position, and there would not be anyone to assume the role of the Director in her absence. This Center provides the only preschool program for mentally and physically handicapped children in the NW and NE area of D.C. We would be forced to drop or not accept a significant number of clients because of insufficient staff. This population requires much individual attention.
BR-05 Recreation Leader I	1	Previous incumbent - an electronic and light technician - unexpectedly left the Department with two weeks of Department and community shows (23 in number) to be staged and presented between now and September 15, and without this technical service, the shows will have to be cancelled.
BR-08 Recreation Specialist	1	Due to the hours of operation at Chevy Chase Recreation Center - 9 a.m. - 8 p.m. weekdays and half-day operations on Saturdays, an additional staff member is needed to meet

Department/Agency	No. of Appointments	Justification
D.C. Department of Recreation - (cont)		
GS-08 Recreation Specialist - (cont)		the needs of the community and help carry out existing programs. Since the attendance at the center has shown a daily increase, and the community expects programs to be offered and carried through, this person is of vital importance. He would assume certain responsibilities - carrying out a crafts program, teaching skills in athletic activities, filling out administrative assignments when needed, checking for safety precautions, and, at times, assuming the responsibilities of the Director in his absence.
GS-09 Recreation Specialist	1	Position at Ft. Stevens Recreation Center, Area 1 - This center is one of the most highly concentrated center in use, in Service Area I. The center is populated by high-middle income bracket. These people request a variety and quality recreation program. Very intense and vocal community participation in seeing that Ft. Stevens is humming all the time. The vacant position needs to be filled immediately. There are only two classified positions at this unit. One part time per diem.
BR-02 Recreation Assistant I	1	This vacancy serves as a Co-oped position for the training of college and university field placement students (graduate and undergrade). This position also constitutes the fourth staff position at this Center which is the only program serving the adult handicapped population in the NW and near NE section of D.C. The current demand for services for this age group (21 yrs. and above) is crucial, however, we would have to drop or refuse a significant number if this position remains vacant. The average enrollment of 35 would have to be drastically cut due to insufficient staff. However, if the enrollment was maintained at the current number it would create a hazardous environment and affect TR service.

Department/Agency	No. of Appointments	Justification
D.C. Department of Recreation - (cont)		
GS-11 Assistant Area Manager	1	During the past year the area of our city referred to as Anacostia and more appropriately the far northeast, has seen a void in sufficient management personnel for providing supervision for some 75 classified workers and some 9 part-time workers. The incumbent in the Assistant Manager's position is responsible for a variety of coordinating situations and programs in that area. This is the staff member who makes the wheels turn and coordinates programs with others throughout the city. There is no way that our programs can operate successfully without the filling of this position. The position operates in an area of high low-income population with a juvenile delinquency rate dis-similar with the rest of the city. With coming of the fall we cannot risk housing inferior programs due to the lack of adequate supervision.
GS-12 Supervisory Recreation Specialist Area Manager	1	Area Manager's position in Area III is one of the most important in the organizational structure of the Department of Recreation. The incumbent is responsible for supervising all recreational activities in the far northeast section of our city. This particular area which is synonymous with Ward 7 is one of the most heavily populated in our city. It comprises 5 housing projects within estimated population of some 6,901 youth and adults. The area has 4 large community centers with an estimated operating budget of 339,288.60; 8 major centers with an estimated budget of 722,505; and 3 neighborhood units operating on an estimated budget of 102,739.70 which completes the network of centers in that area. Without doubt, unsatisfactory supervision of new facilities there would be continuous unrest similar to those experienced during the hot years 1968-69. For many years this area was reportedly the forgotten area and although there are good facilities they must have good management. The manager in this instance is the key figure in maintaining the spirit of the community and staff in a manner consis-

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Department/Agency	No. of Appointments	Justification
D.C. Department of Recreation - (cont)		
GS-12 Supervisory Recreation Specialist Area Manager - (cont)		tant with the operation of sound recreation system plans for Washington, D.C. We must fill this position at once to maintain the stability of the area.
GS-06 Accounting Technician	1	The incumbent has served in this position for a period of one year and has more than adequately met maximum requirements at a sustained level for performing functions in the Accounting Office. This promotion is highly recommended through our merit promotion plan in order to encourage job tenure of employees who are dedicated to the successful operation of the Agency.
GS-11 Supervisory Recreation Specialist Assistant Area Manager	1	This position, located in the model Cities area of our city, is one of the most critical of those within the city. Due to the large population requiring staff for the centers in this area, the manager has been especially hand-pressed to provide satisfactory management supervision. In addition to that, the manager has been called upon many, many times to do extra management tasks on the Division and Departmental level leaving the area management problems to the center directors themselves or a lesser qualified individual. This position has gone vacant too long and the community has been asking emphatically that we do fill the position with the best qualified person we can find. We feel we can no longer offer the inner city less than topnotch management and need the position filled as soon as possible. The management staff in this area supervises 13 centers with a population approximating 79,000. There is no way to meet this demand for adequate supervision in this area. The incumbent will serve as a full assistant to the manager.
ER-06 Recreation Leader II	1	Employee is returning to former year-round position, which was temporarily occupied by Summer Personnel. Service is needed for continuity of existing program.

Department/Agency	No. of Appointments	Justification
D.C. Department of Recreation - (cont)		
BR-01 Recreation Aide II (Locker Aide)	1	Washington Highland Swimming Pool is located in a densely populated area in the far Southeast Area. A female locker aide is needed for security, safety and well being for all the female clients. We have lost all our Locker Aides and permission is hereby requested to fill this position.
BR-01 Recreation Aide II (locker Aide)	2	There are no locker aides hired at the present time for Cardozo Pool. Boys and girls have no way of checking their clothes. We only have one manager and one lifeguard at this pool. Cardozo Pool is situated in a high crime area. Little girls are changing in the foyer, posing a great threat to themselves from males who are running around in the halls. Males are also changing their clothes on the steps, which also poses a great problem to themselves from other males. Also theft of their clothes has been a big problem. For the safety and well being of these clients we request permission to fill (2) part-time locker aide positions.
WG-09 Plumber	1	This request is to fill a position vacated by the retirement of the incumbent. Plumbers are a vital craft in the accomplishment of work in the Maintenance Division. The North Branch is authorized 3 plumbers who are responsible for maintaining 15 swimming pools and 36 recreation buildings and many outside drinking fountains which seem to be attractive targets for all kinds of vandalism. At the present time the North Maintenance Branch has only one plumber worker WG-7 on board. The other plumber WG-10 is incapacitated by back trouble and is not working. It is doubtful if he will ever return to work. This position is vitally needed to prepare and maintain the swimming pools and accomplish other work to maintain health standards.

Department/Agency	No. of Appointments	Justification
D.C. Department of Recreation - (cont)		
WG-04 Motor Vehicle Operator	1	This employee drives a 2-1/2 ton dump truck approximately 90% of the time. The remaining 10% he drives trash compactor (3 ton). He drives the first trash compactor whenever the driver is off. The proposed action is to fill a Motor Vehicle Operator position which is vacant in our Landscape Section. The incumbent in this position is highly qualified and is accomplishing an essential task for this Department where only one Motor Vehicle Operator position is authorized. This proposed change is essential to meet Civil Service classification requirements.
BR-04 Recreation Assistant III	1	In a typical month the Stagecraft section of the Cultural Activities Division supplies sound for some 60 Department and community programs and events. At maximum strength the sound unit had only two technicians. One technician resigned in August and a replacement was requested but to date has not been forthcoming. The present emergency was caused when the remaining technician found it necessary to go on leave without pay. Unless we are allowed to hire a technician to handle sophisticated equipment the Division has no sound capability.
BR-03 Recreation Assistant II (Life Guard)	1	Employee is required to fill vacancy occupied by year-round employee who is taking a new job. The position is necessary for continuation of existing program and services. Woodson Senior High Pool is located in a low economic and densely populated area. If this position is not filled, the pool will have to be closed down for lack of a qualified instructor.
BR-01 Recreation Aide (Locker Aide)	1	Employee is required to fill vacancy occupied by year-round employee who has returned to school. The position is necessary for continuation of existing programs and services. Sharpe Health Pool needs a part-time female locker aide to look after the physically handicapped female patients. For the safety and health of these

Department/Agency	No. of Appointments	Justification
D.C. Department of Recreation - (cont)		
BR-01 Recreation Aide (Locker Aide) - (cont)		clients, permission is hereby requested to fill this position immediately. We have only a manager and lifeguard to operate this pool for the physically handicapped patients.
BR-01 Recreation Aide, II	1	Employee is required to fill vacancy occupied by year-round employee who is taking a new job. The position is necessary for continuation of existing program and services. A female locker aide is needed for security, safety and well being for all the female clients, we request permission to hire a part-time Locker Aide (17-3-161) because Capitol East Natatorium is located in a densely populated area and is heavily used.
BR-01 Recreation Aide (Custodian)	1	Employee is required to fill vacancy due to the resignation of year-round employee. The position is necessary for the continuation of existing programs and services. A custodian is urgently needed as there was only one custodian at this unit. Capital East Natatorium is located in a densely populated area and is heavily used. This severe usage leads to a rapid buildup of dirt. Unclean conditions cannot be tolerated in a swimming pool. This could lead to serious health hazards.
BR-02 Recreation Assistant I	1	Employee is required to full vacancy due to promotion of previous incumbent. The position is necessary for the continuation of existing programs and services. Mamie D. Lee pool urgently needs a part-time lifeguard and swimming instructor to look after the mentally retarded patrons. For the safety and health of these clients permission is hereby requested to fill this position immediately. This position is critical, we are dealing with handicapped clients.

Department/Agency	No. of Appointments	Justification
D.C. Department of Recreation - (cont)		
BR-01 Recreation Aide II (Locker Aide)	1	Mamie D. Lee pool needs a part-time female locker aide to look after the mentally retarded female patients. For the safety and health of these clients permission is hereby requested to fill this position immediately. We have only a manager and lifeguard to operate this pool for the mentally retarded patients. It is vital that we have this person to give the necessary aid in carrying out this program.
WG-10 Electrician	1	This request is to fill a vacancy in the Crafts Section, Maintenance Division South. This position is needed to keep our 95 recreation centers and the electrical systems in compliance with the D.C. Electrical and National Code. Also to repair hazardous and unreliable wiring to be consistent with specifications.
GS-05 Roving Leader Aide	1	There are over 5,000 Spanish speaking people in the Kalorama area. The Roving Leader Aide assigned to work in that area resigned and returned to his country. There is a great need to replace this worker to provide the necessary needs of the young Latino and also to enable Spanish speaking youths to develop leadership roles in the community. Many Latin youths need a Spanish speaking Roving Leader to help them negotiate the system in terms of finding jobs, staying in school and being able to deal with the many complex problems they are faced with daily. It is essential that this position be filled in order to keep down growing hostilities in the Latino community. Permission is hereby requested to fill this position.
GS-15 Deputy Director	1	This position represents the filling of the Deputy position for the Department of Recreation with primary responsibility for the day to day operation of the department. Incumbent will supervise eight division director's who have the responsibility for recreation programs, Budget and Administration, Personnel, Planning, Research, Design and Development and Maintenance. In addition, the incumbent will serve as Director in the absence of the Director of Recreation. Failure to fill this position will result in a major impact on the efficiency of the Department.
Total	80	

Department/Agency	No. of Appointments	Justification
Department of Human Resources, Payments Assistance Administration		
GS 15 Deputy Administrator (67-210-1)	1	This position is needed to provide the overall support and direction required to administer the payment functions to clients of various programs administered by DHR.
GS 14 Administrative Officer (67-210-22)	1	This position is needed to coordinate the functions of financial management, personnel, procurement and supply, administrative services and related activities.
GS 14 Eligibility Determination Officer (67-267-1)	1	This position is needed to provide the investigative expertise necessary to maintain eligibility and proper payment for public assistance cases.
GS 14 Chief, Operations Division (67-222-3)	1	This position is needed to determine initial and continuing eligibility for Public Assistance, Medical Assistance, Emergency Assistance and Food Stamps.
GS 13 Chief, Central Serviced Division (67-240-7)	1	This position is needed to provide support services to Operations Divisions.
GS 15 Payments and Collections Officer (67-231-1)	1	This position is needed for all Payments Assistance Administration's payment functions. The Bureau also bills and collects reimbursements for medical services provided by DHR.
SUB-TOTAL	6	

Department/Agency	No. of Appointments	Justification
Department of Human Resources, Executive Direction and Support cont'd.		
GS 15 Chief, Comprehensive Social Rehabilitation Planner, OPSAA (60-130-1)	1 1	To administer the Guaranteed Student Loan Program.
GS 15 Chief, Research and Statistics Division, OPSAA (21-1-48)	1	To administer the Guaranteed Student Loan Program.
GS 15 Chief, Social Services Branch, OPSAA (60-625-142)	1	To administer the Guaranteed Student Loan Program.
GS 15 Chief, Office of Inspection and Program Analysis, OIPA (21-100-29)	1	This position is needed to provide the leadership in conducting inquiries into complaints, grievances, problems and incidents affecting the Department.
GS 15 Chief, Management Analysis Division, OIPA (13-1-162)	1	This position is needed to analyze and monitor the accomplishment of Management Planning System objectives.
GS 15 Special Assistant (13-1-163)	1	Serves as Special Assistant to the Director as a resource person on communication methods and techniques to heads and senior officials of the five administrations and staff offices of the department. Correlates information obtained with relevant program, manpower, budgetary information, cost benefit studies and other evaluative data.
GS-17 Deputy Director, Office of the Director	1	These positions are needed for planning, implementing and administering the District of Columbia health and social service programs, services and facilities and for promoting other programs designed to effectively maintain and improve the health and well-being of the people of the District of Columbia, including prevention and control and disease, provision of medical and health care, prevention and treatment of drug addiction, institutional care of the mentally ill and retarded, related medical and paramedical services, social welfare programs, vocational rehabilitation and veterans' services.
GS-15 Executive Officer, Office of the Director	1	
GS-12 Administrative Specialist, Office of the Director	1	
GS-07 Secretary, Office of the Director	1	
GS-13 Labor Relations Office	1	
GS-15 Special Assistant to the Director, Office of the Director	1	

Department/Agency	No. of Appointments	Justification
Department of Human Resources, Executive Direction and Support		
GS 5 Accounting Clerk (45-1-109)	1	This request is to fill the Accounting Clerk position in the Payment Section, Fiscal Accounting Division. It is necessary to fill this position in order that bills are paid properly.
GS 11 Operating Accountant (21-1-243)	1	This request is to fill the Operating Accountant position in the Fiscal Accounting Division. This position is needed by the Funds Control and Reports Branch.
GS 6 Accounting Technician (85-40-0212)	1	This request is to fill the Accounting Technician position in the Fiscal Accounting Division. This position is needed by the Funds Control and Reports Branch.
GS 12 Systems Accountant (21-1-125)	1	This request is to fill the Systems Accountant position in the Fiscal Accounting Division. The immediate recruitment of a Systems Accountant is necessary in order to redesign present systems and procedures. The position will also be used to meet other systems requirements in the Office of the Controller.
GS 14 Deputy Budget Officer (67-180-2)	1	The increasingly tight financial status of the District and the Department requires the addition of a Deputy Budget Officer who can increase the supervision and direction provided to the decentralized budget teams, develop and implement new procedures to more effectively control the allocation and reallocation of resources and develop with ADP ways to more efficiently perform the detailed budgetary workload.
GS 15 Deputy Associate Director, Office of Planning and State Agency Affairs (21-100-75)	1	This request is to fill the Deputy Associate Director position to administer the Guaranteed Student Loan Program and acts as the State Coordinator for the HEW Higher Education General Information Survey.

Department/Agency	No. of Appointments	Justification
Department of Human Resources, Executive Direction and Support cont'd.		
GS 12 Employee Development Specialist (67-624-183 and 67-453-40)	2	It is absolutely essential that the Human Resources Services Training Branch be permitted to fill this GS-12 staff development position in order for the Division of Training and Career Development to fulfill the mandated requirements under DHR's State Plan for staff development and the mandate for training under the new Title XX amendment to the Social Security Act. Current available staff in HRSTB are insufficient to accomplish the above training tasks we well as to deliver the scheduled classes in our current FY 1976 catalog.
GS 12 Policy and Procedures Specialist (67-150-129)	1	The mission of this office is determined by the actions of the U. S. Congress, the DHEW, the USDA, the Mayor, The City Council, the Courts, and the Director. To carry out the intent of the laws, regulations and policies, the processes necessary to bring the Department in conformance with Federal/local requirements are mandatory. The lack of resources necessary to fulfill these functions results in monetary losses to the District because of noncompliance with Federal requirements, audit exceptions and improper application of policies. Being able to fill this vacancy will result in timely and adequate implementation of laws and regulations, thereby assuring the District maximum benefits from Federal financial participation and more effective utilization of Program staff thru policy and procedural directives which are released to meet Federal/local implementation deadlines. Hence, the net result will also be the improved delivery of services to the client. The monetary impact of the salary of a GS-12 position in no way approaches the millions of dollars that we are subject to lose without having this position filled expediously.
GS 6 Secretary (Steno)	1	This is a clerical support position, and the only secretary in the office which prepares policy and procedural instructions and plans for staff providing social and rehabilitation services under federally mandated programs. Without adequate staff for this work, programs flounder and federal reimbursements are in jeopardy.

Department/Agency	No. of Appointments	Justification
Department of Human Resources, Executive Direction and Support cont'd.		
GS 5 Personnel Clerk	1	Mayor's Order 75-124 stipulated that OBMS would give special consideration to exemption requests submitted for the purpose of placing employees hired under the PSE Program into permanent positions. Accordingly, this request is submitted to accommodate an employee hired under the CETA Program who will subsequently assist our Personnel Office in carrying out mandatory personnel activities related to the processing of SF-52's, computing SCD's, conducting exit interviews, and other activities related to the total personnel processing of newly appointed, terminated and transferred employees. It should be noted that our Personnel Office is already understaffed and in need of quality staff.
SUB-TOTAL	24	
Department of Human Resources, Community Health and Hospital Administration		
GS 15 Administrative Officer (21-1-165)	1	This position is needed to provide liasion activities with Personnel, Procurement, Administrative Services, Management Analysis, etc., for all program components.
GS 16 Chief, Community Health Center, North (21-1-2)	1	This position is needed to provide leadership in comprehensive family centered community based ambulatory health care services to eligible residents.
GS 16 Chief, Community Health Centers, South (21-1-333)	1	This position is needed to provide leadership in comprehensive family centered community based ambulatory health care services to eligible residents.

Department/Agency	No. of Appointments	Justification
Department of Human Resources, Community Health and Hospital Administration cont'd.		
GS 17 Executive Director, Glenn Dale Hospital (49-1-1)	1	This position is needed to provide leadership at the Glenn Dale Hospital for chronic diseases and Tuberculosis.
GS 9 Occupational Health Nurse (21-11-75)	1	This unit located in the District Building serves the needs of employees of the Office of the Mayor, the D. C. City Council and the administrative offices of several D.C. Government agencies in addition to those of the DHR. In calendar year 1974 this amounted to 1,886 individual visits to the unit. The nurse in this health unit has also provided emergency services to a number of visitors who frequently come to the building to carry on Government business.
GS 15 Executive Director, D. C. Village (67-440-6)	1	This position is needed to provide leadership for the D.C. Village in medical and rehabililative services for aged and infirm residents of the District of Columbia.
GS-16 Chief, Bureau of Clinical Services (21-8-25)	1	This position is needed to provide leadership and general supervision and administrative direction and support to the Bureau's component divisions.
SUB-TOTAL	7	

Department/Agency	No. of Appointments	Justification
Department of Human Resources, Narcotics Treatment Administration		
GS 15 Chief, Bureau of Treatment Services (21-10-921)	1	This position is needed to plan, coordinate treatment and rehabilitation services of the NTA. Recommends policies and procedures deemed necessary to carry out services suited to the needs of the community. Complies with guidelines, regulations and available resources.
GS 11 Pharmacist (21-10-677)	1	To recruit a qualified registered pharmacist for the NTA in an existing D. C. funded position. NTA's only pharmacist is resigning, and continuance of a pharmacist at NTA is absolutely necessary to comply with FDA and other regulations.
GS 9 Registered Nurse (21-10-676 23D) (21-10-666 23E) (21-10-704 23E)	3	To assist in administering services to the community through the Clinic Operations Division. Such services as methadone medication, urine testing for unauthorized drug use and abstinence treatment.
GS 13 Medical Officer (61-73-43A 23J)	3	This position is needed to provide medical treatment to patients, and give medical examinations when required by the Narcotics Treatment Administration or as applicable.
GS 15 Medical Officer (21-10-924)	1	To provide medical services to the public as required by the Narcotics Treatment Administration.
SUB-TOTAL	9	

Department/Agency	No. of Appointments	Justification
Department of Human Resources, Social Rehabilitation Administration		
GS 15 Chief, Institutional Care Services Division (67-610-1)	1	To provide leadership and general supervision and administrative direction and support to the Bureau's component divisions.
GS 14 Manager, Northeast Service Center, (67-263-1)	1	This position is needed to develop new programs within the division and negotiate with community and professional groups supporting and/or administering programs associated with the community.
GS 14 Manager, Congress Heights (67-281-2)	1	This position is needed to develop new programs within the division and negotiate with community and professional groups supporting and/or administering programs associated with the community.
GS 14 Chief, Division of Support Services (85-20-0101)	1	To provide leadership and general supervision and administrative direction and support to the Bureau's component divisions.
GS 05 Social Service Representative (67-621-21)	1	The position of Social Service Representive, GS-5, has been previously exempted from the freeze. We understand from the Personnel Office that we must request another exemption to the freeze so that this valuable position may be filled. Personnel has been working to the point that selection from the register is to take place. All necessary papers are attached. It is essential that additional staff be provided this office in order to meet increasing demands for assistance.
GS 14 Chief, Vocational Support Division (85-20-0101)	1	To provide leadership and general supervision and administrative direction and support to the Bureau's component divisions.
SUB-TOTAL	6	

Department/Agency	No. of Appointments	Justification
Department of Human Resources, Mental Health Administration		
GS 07 Statistical Clerk (25-5-3)	1	Forest Haven appointments are exempted from Mayor's Order 75-124 through 12/31/75. Reference: Memorandum from Mr. Coppie to Mr. Yeldell, subject "Exemption to Mayor's Order 75-124," dated August 6, 1975.
GS 07 Administrative Assistant (25-5-5)	1	Forest Haven appointments are exempted from Mayor's Order 75-124 through 12/31/75. Reference: Memorandum from Mr. Coppie to Mr. Yeldell, subject "Exemption to Mayor's Order 75-124," dated August 6, 1975.
SPC Psychology Intern (45-9-337) (21-10-219) (45-9-338)	3	To maintain accreditation with the American Psychological Association for accreditation of our Mental Health facilities. The services provided for patients and the psychology students that provide it at no cost to the D. C. Government more than offset the funds for this Intern. The Intern that is currently on board will terminate his appointment on September 14, 1975.
GS 07 Secretary (Steno) (45-8-285)	1	To provide secretarial services for the new Residential Treatment Center scheduled for opening. Filling of this position in last quarter of FY 1975 required by Congressional Committee.
GS 15 Medical Officer (Psychiatry) (21-10-299C)	1	To provide medical coverage for the Forensic Psychiatry Office. A full compliment of professional staff is necessary to keep the terms of the agreement made to Superior Court for screening of District of Columbia prisoner patients to determine which persons require further evaluation and under what conditions. This Office is committed to conducting the complete pre-trial mental examinations on those persons not requiring hospitalization.
GS 09 Vocational Rehabilitation Specialist (25-5-29)	1	Forest Haven appointments are exempted from Mayor's Order 75-124 through 12/31/75. Reference: Memorandum from Mr. Coppie to Mr. Yeldell, subject: "Exemptions to Mayor's Order 75-124," dated August 6, 1975.

Department/Agency	No. of Appointments	Justification
Department of Human Resources, Mental Health Administration cont'd.		
GS 14 Medical Officer (21-10-13C)	1	To provide medical treatment for patients at the Area BCMHC. The physician who has applied for this position has reemployment rights by virtue of military services. He was released from the United States Air Force in August 1975.
GS 16 Deputy Administrator, (21-32-7)	1	This position is needed to provide leadership and direction for 1,300 employees who provide for the mental health care needs of the total District of Columbia Community.
GS 14 Administrative Officer (21-10-4)	1	The position of Administrative Officer will be actively working to expand and perfect programs for children and youth in consonance with the DHR Comprehensive Child Care Plan, especially programs involving residential, day treatment and the Public Schools.
GS 15 Director, Area B Residential Treatment for Children (21-10-409)	1	This position is needed for planning, implementing and administering the District of Columbia health and social service programs, services and facilities and for promoting other programs designed to effectively maintain and improve the health and well-being of the people of the District of Columbia.
GS 16 Chief, Bureau of Alcohol Treatment and Prevention (21-10-68)	1	This position is needed to provide leadership and general supervision and administrative direction and support to the Bureau's component divisions.
GS 16 Chief, Rehabilitation Center for Alcoholics (21-10-161)	1	This position is needed to provide leadership and general supervision and administrative direction and support to the Bureau's component divisions.

Department/Agency			No. of Appointments	Justification
Department of Human Resources, Mental Health Administration cont'd.				
GS 12	Medical Officer (Psy)	(63-21-20A) (36/80 hrs) (63-21-23A) (40/80 hrs)	2	To provide medical coverage for the Emergency Admissions Service located at the Area C Community Mental Health Center.
GS 15	Medical Officer (Psy)	(21-10-15A) (40/80 hrs)	1	To provide medical coverage in the Clinical Services Unit at Area C Community Mental Health Clinic.
GS 15	Medical Officer (Psy)	(45-9-74C) (16/80 hrs)	1	To provide medical coverage for the Developmental Services Center.
GS 12	Medical Officer (G.P.)	(21-32-65) (16/80 hrs)	1	Resident is part of our psychiatric coverage for Area A CMHC Youth Services.
		SUB-TOTAL	19	
		GRAND TOTAL	71	

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Department/Agency	No. of Appointments	Justification
Department of Transportation (General Fund) 027		
GS 3 Clerk	3	These temporary employees are required to assist in processing and approval of approximately 11,000 PCS licenses and insurance filings for the 1976-1977 year. The current staff is inadequate to meet the increased workload during this issuance period.
SUB-TOTAL	3	
Department of Transportation (Highway Fund) 727		
GS 8 Secretary Stenography	1	This position was vacated on July 12, 1975. It serves as the secretary to the Deputy Director of the department. It is imperative to recruit for and fill this position as soon as possible to handle the large amount of correspondence and to provide for dictation, telephone coverage and other important secretarial duties.
GS 3 Clerk (Typing)	1	Nine months ago the Department of Motor Vehicles agreed to provide on-the-job training for two Spanish Speaking residents under the CETA program, and to target two permanent positions for them upon completion of the training. One employee has already been placed in a permanent position prior to the current restrictions; this will take care of the remaining commitment. The employee's services are badly needed in the Permit Control Division.
GS 4 Accounting and Auditing Clerk	1	This position in the Cost Accounting Section, Office of Administration, is vital to the processing of reimbursement vouchers for work performed for Federal and other D.C. agencies. During this period of critical fund shortages, it is more important than ever for the department to bill for and collect reimbursements in a timely manner.

Department/Agency	No. of Appointments	Justification
Department of Transportation (Highway Fund) 727 cont'd.		
GS 3 Clerk	8	This temporary appointment is required for assistance in the sale of approximately 250,000 new and renewal motor vehicle registrations, the research and updating of records and preparation and mailing of approximately 70,000 renewal stickers.
GS 3 Clerk	1	This temporary appointment is required from March 15, 1976 through June 30, 1976, to assist with the daily auditing of all transactions related to the annual vehicle reregistration. This will primarily include handling a portion of defective check, underpayment and refund cases.
SUB-TOTAL	12	
Department of Transportation (Capital Fund) 783		
WG 5 Traffic Counter Mechanic Helper	1	This position, being funded from Capital Outlay, was exempt from provisions of Mayor's Order 75-124, dated July 7, 1975; therefore, a commitment was made to fill this position, with the incumbent to report on duty on August 4, 1975. It was not determined until Monday, August 4, after the employee had reported for duty, that Mayor's Order 75-95, dated July 31, 1975, also placed restrictions on filling Capital Outlay positions.
GS 7 Civil Engineer	1	This position, being funded from Capital Outaly, was exempt from provisions of Mayor's Order 75-124, dated July 7, 1975; therefore, a commitment was made to fill this position, with the incumbent to report on duty on August 4, 1975. It was not determined until Monday, August 4, after the employee had reported for duty, that Mayor's Order 75-95, dated July 31, 1975, also placed restrictions on filling Capital Outlay positions.

Department/Agency	No. of Appointments	Justification
Department of Transportation (Capital Fund) 783 cont'd.		
GS 7 Construction Inspector	2	This position, funded from Capital Outlay, calls for a night shift from 3:30 p.m., to 12 midnight. The inspector monitors all Metro and public utility night construction activities to insure compliance with provisions of the construction permit. This is a very important function of the department, and is partially reimbursable from METRO.
GS 5 Editorial Clerk (Typing)	1	This position, funded from Capital Outlay, is located in the Contract Documents Section. This section prepares all of the specification and bid documents for advertisement of the department's construction contracts. Filling this position will avoid the necessity of overtime to meet advertising and award deadlines.
GS 7 Secretary (Stenography)	1	This position serves as secretary to the Acting Assistant Director of the Office of Transportation Policies and Plans. It is requested the department fill this position to provide necessary secretarial duties including dictation, typing, telephone coverage, etc., for this office. It has been vacant since 8/17/75.
GS 5 Secretary (Stenography)	1	This position was vacated on August 15, 1975. It serves as the only secretary (steno) position located in the Public Space and Permits Branch. It is imperative to recruit for and fill this position as soon as possible to handle secretarial duties in this area.
SUB-TOTAL	7	
GRAND TOTAL	22	

Department/Agency	No. of Appointments	Justification
Department of Environmental Services		
GS-07 Supervisory Consumer Service Representative	1	The Meter Branch of Budget Subcategory LA-320- Water Distribution is responsible for the procurement, maintenance, testing, repairing, installation, and removal of the approximately 130,000 water meters that are in use in the District of Columbia. The Consumer Service Office of this Branch is responsible for all communications and records of the Branch. The senior and only supervisory position in this office (Supervisory Consumer Service Representative - GS-7) has been vacant since the death of the incumbent on March 29, 1975. This position should be filled, as soon as possible.
GS-12 Supervisory Sanitary Engineer	1	The position to be filled is one of the more critical control positions in the Bureau of Wastewater Treatment. The incumbent controls the thickening and digestion processes at Blue Plains. It requires constant monitoring to control the anerobic bacterial process for digestion of raw biological and chemical sludges produced by the wastewater treatment processes. It is vital that an adequate staff of qualified engineers be maintained at the plant to insure proper operation. The subject position is a critical part of that staff.
GS-13 Mobile Equipment Manager	1	It is essential that this position, Mobile Equipment Manager, be filled in order to provide leadership, direction, planning, organization and control of the mobile fleet operations of the entire department. It is extremely critical to fill this position which carries responsibility for providing the vehicles for all department operations, including refuse collections, street cleaning, water and sewer operations, refuse transfer and disposal functions, etc. The position has been vacant since February 16, 1975.

Department/Agency	No. of Appointments	Justification
Department of Environmental Services (cont)		
GS-13 Program Coordinator	1	This position is essential to coordinate the Department's Comprehensive Program to control litter which was established in the FY 1975 Clean City Program. Committment was made to fill the vacancy prior to 7-15-75.
GS-06 Secretary (Steno)	1	The secretarial position for the Chief, Bureau of Wastewater Treatment was vacated 7/20/75. This has left an administrative and clerical void in the major supervisory control area of the Wastewater Treatment Plant. In addition to the routine, the incumbent has a major responsibility in the generation and preparation of monthly operating data as required by the EPA - NPDES permit, which allows the District to discharge plant effluent into the Potomac River. The loss of this employee has caused problems through delay in presenting required material and information. Currently, clerks with the assistance of WYC summer employees are attempting to cover this area. This is but a stop-gap measure and, obviously must end shortly. Hopefully, if this request is approved, the successful applicant would come from within the Department where previous experience of Departmental operations would be beneficial. If such is the case, then there would be no increase in Departmental strength and less than a full position cost increase in payroll expenditures.
GS-05 Supply Clerk	1	The Supply Division is authorized four GS-2005-5 Supply Clerk positions. Only one is now filled. The incumbent of that position is working full time on activities relating to the D.C. Wastewater Treatment Plant at Blue Plains. Because of the three vacancies, however, the stock record card and issue ticket processing activities relating to water and sewer operations have been, of necessity, stopped. Until these three positions are filled, this issue ticket processing stoppage will continue.

Department/Agency	No. of Appointments	Justification
Department of Environmental Services (cont)		
WG-09 Sewage Disposal Plant Operator	1	A reduction-in- force of the 100% federally funded EPA-DC Wastewater Treatment Pilot Plant has been made necessary by a reduction in Federal funding effective October 1, 1975. The work force, currently numbering 27, must be reduced by 3, to 24 to stay within the new revised budget. The employees leaving the Pilot Plant are highly trained in the various aspects of wastewater treatment. The Bureau of Wastewater Treatment has need of the skills of two of these employees, Mr. Peter Green and Mr. Hayden Bunchfield. Vacant positions have been identified and it is requested that these two employees be reassigned to the treatment plant. At the Pilot Plant, they are classified as Sewage Disposal Plant Operator GS-10-02.
WG-09 Sewage Disposal Plant Operator	1	A reduction-in-force of the 100% federally funded EPA-DC Wastewater Treatment Pilot Plant has been made necessary by a reduction in Federal funding effective October 1, 1975. The work force, currently numbering 27, must be reduced by 3, to 24 to stay within the new revised budget. The employees leaving the Pilot Plant are highly trained in the various aspects of wastewater treatment. The Bureau of Wastewater Treatment has need of the skills of two of these employees, Mr. Peter Green and Mr. Hayden Bunchfield. Vacant positions have been identified and it is requested that these two employees be reassigned to the treatment plant. At the Pilot Plant they are classified as Sewage Disposal Plant Operators WG-10-02
GS-05 Special Computer Bill and Audit Clerk	1	In order to eliminate the backlog in the Special Billing Section, brought about by Mayor Washington's decision to automate the D.C. Government's billing system and not having the sufficient, experienced personnel for the more complex problems, such as processing 500 refunds, rendering delinquent notices and receiving duplicate payments, handling 150 bad checks per month, and auditing 200 bills-to-date daily.

Department/Agency	No. of Appointments	Justification
Department of Environmental Services (cont)		
WG-05 Auto and Engineering Equipment Mechanic Helper	1	This request is in compliance with Classification Survey and careful evaluation of our needs in order to support the recent establishment of an On-Site Branch. This position commands a considerable training period due to the various diversified and/or specialized equipment the Division is responsible to maintain in repair and is essential in order to maintain the fleet in operable condition now and in the future.
WG-05 Auto and Engineering Equipment Mechanic Helper	1	This request is in compliance with Classification Survey and careful evaluation of our needs in order to support the recent establishment of an On-Site Branch. This position commands a considerable training period due to the various diversified and/or specialized equipment the Division is responsible to maintain in repair and is essential in order to maintain the fleet in operable condition now and in the future.
WG-05 Auto and Engineering Equipment Mechanic Helper	1	This request is in compliance with Classification Survey and careful evaluation of our needs in order to support the recent establishment of an On-Site Branch. This position commands a considerable training period due to the various diversified and/or specialized equipment the Division is responsible to maintain in repair and is essential in order to maintain the fleet in operable condition now and in the future.
GS-04 Clerk-Typist	1	This request is in compliance with the revised Organizational Structure of the Division and subsequent classification survey. This position serves a dual purpose; it is necessary to provide the clerical support so essential in this type operation as well as assisting in the performance of the tools and parts function as needed.

Department/Agency	No. of Appointments	Justification
Department of Environmental Services (cont)		
WG-06 Tools and Parts Attendant	1	This request is in compliance with the revised organizational structure of the Division and subsequent classification survey. This position is required as it is a key position in this type of operation and overall efficiency of the Division is highly dependent on it.
GS-09 Civil Engineering Technician	1	This position was filled as a result of Vacancy Announcement 75-42, which selection was made prior to 7/15/75. As a member of the Technician Pool, Construction Engineering Division, this position is essential function of the effective administration of our capital construction project. Serving under an engineer, the technician would be in charge of a project or field assignment, such as contracts involving the complex Metro construction, various construction projects in the expansion of the Water Pollution Control Plant, various water and sewer projects throughout the District of Columbia. Technicians are available for guidance in policy, procedures and unusual construction features, for interpretation of plans and specifications and referral of problems involving modification to design or specifications and need for changes in schedules or contracts.
GS-05 Secretary	1	The incumbent of this position not only serves as the Secretary to the Chief, Budget and Finance Division, but is the only typist available to seven employees of the Budget Section. Duties include, in addition to the Chief's correspondence, the typing of all budget documents, i.e., Departmental Budget submission to the Mayor, Mayor's Budget to the Council (Department's portion), Department's budget to Congress, apportionments and all financial planning documents, transfer vouchers adjusting expenditures, reimbursement vouchers for services performed by the Department for others, etc. At the present time the work is being performed at the GS-9 and GS-13 level. Budget deadlines will not be met unless this position is filled.

Department/Agency	No. of Appointments	Justification
Department of Environmental Services (cont)		
GS-03 Water Meter Reader	1	To eliminate the Water Revenue Branch from experiencing a set back in its billing operation during automation, because of the high turnover rate of Meter Readers. It is requested that the Division be granted authority to hire one(1) Meter Reader. This position is a result of resignation of Mr. Reginald McNair.
GS-03 Special Computing Billing and Audit Clerk	1	To eliminate the backlog in Water Revenue Division in the Special Computing Billing and Audit Section, brought about by automation, the high turnover of employees, and inexperienced personnel. It is requested that the Division be granted authority to hire one (1) Special Computing Billing and Audit Clerk at the Department's earliest convenience. This vacancy is a result of a resignation, which occurred on August 11, 1975.
WG-07 Water Meter Inspector Helper Driver	1	To eliminate the backlog in the Division caused by the loss of experienced personnel, and the operations of a manual and automated system. It is requested that the Division be granted authority to hire one (1) Water Meter Inspector Helper Driver at the Department's earliest convenience. This vacancy is a result of disability retirement of Mr. Franklin Bowman, requested September 8, 1975.
GS-12 Deputy Chief Water Revenue Division	1	It is imperative that the position of Deputy Chief of the Water Revenue Division be filled in order to provide supervision, direction and planning during the presence and absence of the chief. This Division consists of ninety-nine (99) employees with a budget of 1 million and is responsible for the collection of 22 million dollars in revenue yearly. This position is essential in relieving the day-to-day pressure from the Chief, administrating 250,000 water and sewer bills to D.C. residents, assuming the responsibility of the Division in the absence of the Chief and responsibility of the implementation of an automated system during the next year. This position has been vacant since March 3, 1975, and detailing has been unsatisfactory in establishing the type of supervision needed.

Department/Agency	No. of Appointments	Justification
Department of Environmental Services (cont)		
GS-04 Environmental Corpsman	1	This employee worked with the Corps under the CETA Program as an Environmental Aide. During the early part of the year (1975), he was converted to a Probationary Appointment as an Environmental Corpsman. The duties and assignments performed include any area of the Department's Operations.
GS-03 Health Education Aide	1	A reduction in the rodent control budget for FY 1976 resulted in the loss of much needed personnel. This position is requested so as to strenghten the rodent control program in the city.
GS-13 Executive Assistant	1	The Director's Office is being reorganized. The Directors of Engineering and Construction, Solid Waste Management and Water Resources Management will now be reporting to the Director instead of the Deputy Director as in the past. The Deputy Director position has been vacant since February and is now being abolished. To reduce the burden on the Director a GS-13 Executive Assistant position is being established. This job is required to assist the Director in making studies, performing the more detailed duties of the Director's position, and providing an information link with the Administrations.
GS-11 Special Assistant	1	The Director's Office is being reorganized. The Directors of Engineering and Construction, Solid Waste Management and Water Resources Management will now be reporting to the Director instead of the Deputy Director as in the past. The Deputy Director position has been vacant since February and is now being abolished. To reduce the burden on the Director a GS-13 Executive Assistant position is being established. The Special Assistant's job, which has been vacant since May is to be filled at a GS-11 level. This job is required to assist the Director in making studies, performing the more detailed duties of the Director's position, and providing an information link with the Administrations.

Department/Agency	No. of Appointments	Justification
Department of Environmental Services (cont)		
GS-12 Regional Chief Waste Collection Areas	1	This position has been vacant since July, 1973, at the sacrifice of senior level supervision of the Bureau's operations. However, the time has come in view of proposed reorganizations within the Bureau that this critical position can no longer be comprised and should be filled to provide more effective supervision and field leadership and much needed assistance; both technical and administrative to Area Chiefs. Funding for this position for the next six (6) months will require the expenditures of approximately $9,200.00
GS-14 Supervisory Civil Engineer	1	The incumbent in this position is responsible for keeping Water Resources Management Administration (and the City) knowledgeable of all actual, pending and proposed Federal laws and regulations pertaining to water resources and to plan for the implementation thereof. The incumbent must keep informed of and participate in various local and regional planning studies involving nearby states and local jurisdictions as well as all new technological advances in the methodologies of water and wastewater treatment and be avle to assess the impact of such new processes on the city's water and wastewater systems. Though this is an operating position, it is currently being financed (approximately 90%) by Federal water and wastewater grants to the City. Incumbent is responsible for the preparing of the city's Water Resources Plan both current and future. Request permission to recruit for and fill this position.

Department/Agency	No. of Appointments	Justification
Department of Environmental Services (cont)		
GS-11 Supervisory Sanitarian	1	Incumbent was in a grant funded position with the War on Rats Project. Commitment was made to convert employee to an existing appropriated vacancy rather than terminate the employee's services due to lack of funding under the War on Rats Project.
GS-06 Consumer Service Representative	1	One of the functions of the Distribution Branch is to provide 24 hour, seven (7) days a week emergency service to consumers with water and sewer problems. To provide this service a minimum of four (4) GS-6 employees are required. On September 5, 1975, one of the four shift employees resigned to go into private business requiring the rest of the Consumer Services employees to take turns in covering his shift on overtime, 16 days or 128 hours per month. Using an average 15% leave factor, an additional 9 days or 72 hours per month must also be worked on overtime to provide complete coverage. Besides the three, GS-6 shift employees and the Consumer Services Unit Supervisor, only one additional GS-5 employee can, according to his job description, be required to work overtime. An individual can work only a limited number of 16 hour days without becoming mentally and physically tired. A tired employee in this particular position can become responsible for serious damage to personal and public property and even endanger the lives of the emergency crew members by providing inaccurate information. This position must be filled to provide the necessary minimum service to the consumers.
GS-05 Sanitarian	1	Incumbent was in a grant funded position with the War on Rats Project. Prior to July 15, a commitment was made to convert employee as an existing appropriated vacancy rather than terminate the employee's service due to lack of funding.

Department/Agency	No. of Appointments	Justification
Department of Environmental Services (cont)		
GS-05 Clerk-Typist	1	This position is essential in the staffing of the Bureau of Consumer Health Services. Maintenance of a base level of productivity during the Bicentennial Celebration is critical in qualifying for continued funding under the FDA contract. This position was vacated during FY 1975 and therefore, qualifies for funding under FY 1976 budget restraints. This position was filled before the freeze - Mary Lou Foster - effective date 7/20/75.
GS-13 Branch Chief - Maintenance	1	Following re-organization of the Water Resources Management Administration in May 1972, it was determined that the most efficient organization for the Sewer Services Division (Budget subcategory 330-Sewage Collection) should consist of three (3) Branches: (1) Potomac Interceptor Branch - maintain and repair the Potomac Interceptor Sewer which is located outside of the District. (2) Maintenance Branch - maintain the sewers within the District including complaints, investigations and catch basin garage trap cleaning. (3) Repair Branch - perform all repairs to District sewer lines and appurtenances. Each branch was to be the responsibility of a qualified engineer (Branch Chief) and due to size and complexities of the systems, the Maintenance and Repair Branches would also have qualified engineers as Deputy Chiefs. It is requested that authorization to advertize and recruit for Maintenance Branch Chief GS-13, Maintenance Branch Deputy Chief GS-12, and Repair Branch Chief GS-12, be granted to permit more efficient, economical on-going operations and assimulation of new mandated functions.
GS-12 Branch Chief - Repairs	1	Following re-organization of the Water Resources Management Administration in May 1972, it was determined that the most efficient organization for the Sewer Services Division (Budget subcategory 330 - Sewage Collection) should consist of three (3) Branches: (1) Potomac Interceptor Branch - maintain and repair the Potomac Interceptor Sewer which is located outside of the District.

Department/Agency	No. of Appointments	Justification
Department of Environmental Services (cont)		
GS-12 Branch Chief - Repairs - (cont)		(2) Maintenance Branch - maintain the sewers within the District including complaints, investigations and catch basin and garage trap cleaning. (3) Repair Branch - perform all repairs to District sewer lines and appurtenances. Each branch was to be the responsibility of a qualified engineer (Branch Chief) and due to size and complexities of the systems, the Maintenance and Repair Branches would also have qualified engineers as Deputy Branch Chiefs.
GS-12 Deputy Branch Chief - Maintenance	1	Each branch was to be the responsibility of a qualified engineer (Branch Chief) and due to size and complexities of the systems, the Maintenance and Repair Branches would also have qualified engineers as Deputy Branch Chiefs. It is requested that authorization to advertize and recruit for Maintenance Branch Chief GS-13, Maintenance Branch Chief GS-12, and Repair Branch Chief GS-12, be granted to permit more efficient, economical on-going operations and assimulation of new mandated functions.
GS-03 Special Computing Billing and Audit Clerk	1	In order to eliminate future backlogs in the Water Revenue Division brought about by operating a manual and automated system with no increase in personnel. It is imperative that this Division operate with its allocated staff of ninety-nine (99) employees, therefore, it is requested that a Special Computing Billing and Audit Clerk GS-3 be hired at the Department's earliest convenience.
GS-03 Special Computing Billing and Audit Clerk	1	In order to eliminate the backlog in the Water Revenue Division, Special Billing Section, brought about by the Mayor's decision to automate the D.C. Government's billing system and not having sufficient, experienced personnel for the more complex problems in various sections. It is requested that a Special Computing Billing and Audit Clerk be hired at the Department's earliest convenience.

Department/Agency	No. of Appointments	Justification
Department of Environmental Services (cont)		
GS-03 Special Computing Billing and Audit Clerk	1	In order to eliminate future backlogs in the Water Revenue Division brought about by operating a manual and automated system with no increase in personnel. It is imperative that this Division operate with its alocated staff of ninety nine (99) employees, therefore, it is requested that a Special Computing Billing and Audit Clerk GS-3 be hired at the Department's earliest convenience.
GS-03 Special Computing Billing and Audit Clerk	1	To eliminate further delays in our billing system, due to the high turnover rate of employees in our Accounting Section and the dual systems in operation in this Division. It is requested that, authority be granted to hire one (1) Special Computing Billing and Audit Clerk at the Department's earliest convenience.
GS-03 Special Computing Billing and Audit Clerk	1	To enable the Water Revenue Division from experiencing setback in its billing operation, because of the high turnover rate of machine operators and computing clerks, it is requested that a Special Computing Billing and Audit Clerk be hired as soon as possible.
GS-11 Employee Development Specialist	1	In conjunction with the Department's Affirmative Action Plan for the Engineering and Construction Administration and the anticipated capital outlay program for the Department, a number of positions were funded by capital outlay. The severe curtailment of capital outlay funding for 1976 has had a major impact on funds available to support these overhead positions. In order to avoid a reduction-in-force situation in the personnel Division,

Department/Agency	No. of Appointments	Justification
Department of Environmental Services (cont)		
GS-11 Employee Development Specialist (cont)		it is recommended that the existing vacancy in the Personnel Division be filled by the reassignment of an employee who is presently funded by Capital Outlay. It is considered essential to retain the service of a trained employee, especially in view of the reduction-in-force potential existing in the Department and the workload it would create for the Personnel Division.
GS-12 Supervisory Civil Engineer (Asst. Branch Chief)	1	Because of the aging of the water system, reduction of manpower due to budgetory limitations and lower production of the employees, much greater day to day supervision of the Branch is required. The Branch Chief to be able to perform his regular duties, needs assistance in running the day to day activities of the Branch. Every good management principle states that someone in a lower position should be trained to take over a higher position in case of illness or if some other reason causes the position to be vacated. Presently there is no one in the Distribution Branch. A good, efficient, organization always provides for continuity in its administration. Request subject exemption be approved to allow recruitment of this vital position.
GS-11 Supervisory Sanitary Engineer	1	The Bureau of Wastewater Treatment can no longer keep positions vacant. New facilities coming on line combined with requirements of the NPDES permit mandate maximum utilization of all authorized positions. Request permission to recruit for a qualified engineer to fill this vacant supervisory position.
WG-09 Sewage Disposal Plant Operator	1	The subject position is journeyman (top) level plant operator assigned to dewatering of solids processes. Generation of solids will increase significantly as a result of the more stringent effluent standards of the NPDES permit effective January 1, 1976. Request permission to recruit for this vacant position.

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Department/Agency	No. of Appointments	Justification
Department of Environmental Services (cont)		
WG-09 Sewage Disposal Plant Operator	1	The subject position is journeyman (top) level plant operator assigned to dewatering of solids processes, and was vacated on September 8, 1975, when the incumbent retired. Generation of solids will increase significantly as a result of the more stringent effluent standards of the NPDES permit effective January 1, 1976. Request permission to recruit for a qualified operator to fill this vacant position.
WG-09 Sewage Disposal Plant Operator	1	The subject position is journeyman (top) level plant operator assigned to secondary treatment processes and was rendered vacant by the resignation of the incumbent on July 22, 1975. New additional secondary facilities are scheduled to go on line in mid 1976. More stringent effluent standards as scheduled in the NPDES permit are effective January 1, 1976. Meeting these standards will require additional chemical application combined with maximum process control.
WG-09 Sewage Disposal Plant Operator	1	The subject position is journeyman (top) level plant operator assigned to secondary treatment processes and was rendered vacant by the retirement of the incumbent on November 19, 1975. Request permission to recruit for a qualified plant operator to fill this vacant position.
WG-09 Sewage Disposal Plant Operator	1	The subject position is journeyman (top) level plant operator assigned to secondary treatment processes. New additional secondary facilities are scheduled to go on line in mid 1976. Request permission to recruit for a qualified plant operator to fill this vacant position.
WG-09 Sewage Disposal Plant Operator	1	The subject position is journeyman (top) level plant operator assigned to primary treatment processes and was rendered vacant by the retirement of the incumbent on July 31, 1975. Request permission to recruit for a qualified plant operator to fill this vacant position.

Department/Agency	No. of Appointments	Justification
Department of Environmental Services (cont)		
WG-09 Sewage Disposal Plant Operator	1	The subject position is journeyman (top) level plant operator assigned primary to treatment processes and was rendered vacant by the resignation of the incumbent on June 21, 1975. Request permission to recruit for a qualified plant operator to fill this vacant position.
WS-15 Water Services General Foreman	1	Without a General Foreman to oversee the Field Engineering Section, the Branch cannot operate efficiently and in the long run more money will be wasted by the less efficient operation than saved by not filling the position. Request subject exemption be approved to allow recruitment of this vital position.
GS-14 Supervisory Hydraulic Engineer	1	This is a key position in the Bureau of Design and Engineering, occupied by the Chief, Hydraulic Control Branch, who serves as an authority for the Department of Environmental Services and the D.C. Government on Hydraulic Engineering Problems.
GS-05 Secretary (Typing)	1	In conjunction with the Department's Affirmative Action Plan for the Engineering and Construction Administration and the anticipated capital outlay program for the Department, a number of positions were funded by capital outlay. The severe curtailment of capital outlay funding for 1976 has had a major impact on funds available to support these overhead positions. In order to avoid a reduction-in-force situation in the Office of Environmental Planning and Management, it is recommended that the existing vacancy in the OEP & M be filled by the reassignment of an employee who is presently funded by capital outlay.

Department/Agency	No. of Appointments	Justification
Department of Environmental Services (cont)		
GS-07 Computer Programmer	1	In order to avoid a reduction-in-force situation in the Office of Environmental Planning & Management, it is recommended that the existing vacancy in the OEP & M be filled by the reassignment of an employee who is presently funded by capital outlay.
GS-11 Technical Information Specialist	1	In order to avoid a reduction-in-force situation in the Office of Environmental Planning and Management, it is recommended that the existing vacancy in the OEP & M be filled by the reassignment of an employee who is presently funded by capital outlay. It is considered essential to retain the services of a trained employee, especially in view of the reduction-in-force potential existing in the Department and the workload it would create for the Office of Environmental Planning and Management.
WG-09 Sewage Disposal Plant Operator	1	The subject position is journeyman (top) level plant operator assigned to dewatering of solids processes. Generation of solids will increase significantly as a result of the more stringent effluent standards of the NPDES permit effective January 1, 1976. Request permission to recruit for a qualified plant operator to fill this vacant position.
WG-09 Sewage Disposal Plant Operator	1	The subject position is journeyman (top) level plant operator assigned to dewatering of solics processes. Generation of solids will increase significantly as a result of the more stringent effluent standards of the NPDES permit effective January 1, 1976. Request permission to recruit for a qualified plant operator to fill this vacant position.
GS-05 Sanitary Engineer	1	Incumbent has served his two year intern period, and is now ready for permanent assignment to a position at the Wastewater Treatment Plant, financed by operating funds. Since Mr. Dakita's salary is currently financed from the Department Capital Outlay Funds, OBMS permission is required under the current freeze to assign him to an operating position.
GS-12 Deputy Chief, MEMD Operations	1	This request is to fill the Deputy of Operations Position in compliance with revised organizational structure and classification survey. This position is required to administer Department and/or Division's programs, plan for the future, supervise, direct and/or oversee overall day-to-day operations.

Department/Agency	No. of Appointments	Justification
Department of Environmental Services (cont)		
WG-06 Tools and Parts Attendant	1	This request is in compliance with the revised organizational structure of the Division and subsequent classification survey. This position is required as it is a key position in this type of operation and overall efficiency of the Division is highly dependent on it.
GS-05 Purchasing Agent	1	In conjunction with the expansion of the Wastewater Treatment Plant for the Engineering and Construction Administration within the capital outlay program for the Department, a number of positions were funded by capital outlay to meet increased supply demands. The severe curtailment of capital outlay funding for 1976 has had a major impact on funds available to support these overhead positions. In order to avoid a reduction-in-force situation in the Supply Management and Administrative Services Division, Office of Executive Management, it is recommended that the existing vacancy in the SM&ASD be filled by reassignment of an employee (currently serving in a "Bridge Position"), who is presently funded by capital outlay. It is considered essential to retain the services of a trained employee, with an established record of exceptional dependability, competency, and proficiency and performing at a grade seven level, specially in view of the reduction-in-force potential existing in the Department and the workload already created through reduction in position.
TOTAL	59	
TOTAL DISTRICT	665	

STATEMENT OF KENNETH BACK, DIRECTOR, DEPARTMENT OF FINANCE AND REVENUE

ACCOMPANIED BY MR. BILLY COOK, ASSISTANT DIRECTOR, DEPARTMENT OF FINANCE AND REVENUE

PROSECUTION OF TAX VIOLATORS

Senator CHILES. Let us go on to the collection of revenues and fees. A recent Post article noted that a number of suspected tax violation cases, the number prosecuted by the city dropped from 158 three years ago to only seven in the fiscal year ending June 30, 1975.

As a result, the city's revenue for prosecuting tax violations dwindled from a million dollars in fiscal 1973 to about $80,000 last year. This subcommittee has often raised the issue of inadequate effort by the city to collect taxes.

In 1971, the subcommittee noted that the city's tax collection enforcement was not adequate. It provided the city with 63 new positions and associated funds for this purpose. During the recent hearings during the 1976 budget, the committee asked why no positions were getting to those people who did not file tax returns or report all of their income.

GAO reported in March 1975 that about 80,000 Washington residents who were liable for D.C. income taxes failed to file income tax returns between 1966 and 1971. In addition to the problem in collecting taxes, there seems to be a problem of inadequate efforts to collect fees.

Articles in the Post and Star noted $5 million in D.C. parking meter fees have been embezzled. The Post, on January 20, 1976, noted that Metro estimates it loses about a million dollars each year from short fares.

The subcommittee is concerned with the city's overall performance to collect the revenue that the city is entitled to, especially in view of the fact that the city is again proposing to raise D.C. taxes which are already among the highest in the nation.

To speak to this we have Kenneth Back, Director of the Department of Finance and Revenue.

Mr. BACK. Mr. Chairman, I have with me Mr. Cook. I don't know in what order you would like me to address these issues. I have no prepared statement to talk from.

Senator CHILES. I have some questions. We will just start from there.

During the hearings on the 1976 budget, you submitted information on delinquent tax accounts. That information showed that the number of delinquent accounts increased from 28,100 in 1973 to 44,289 in 1975, representing $7,224,832 and $12,277,785.

DELINQUENT TAX RATE

I asked you this morning what had happened to the delinquent rate in 1976 to date. I think you told me that it is still going up. Do you have any hard figures for me now?

Mr. BACK. We have figures up to December 31, 1976.

Senator CHILES. Give me those figures.

Mr. COOK. Under delinquent business accounts and income tax accounts, business and personal account, the amount is $14,849,131 as of December 31, 1976.

Senator CHILES. How many accounts does that represent?

Mr. COOK. That represents 39,759 individual and business accounts and 15,267 under delinquent business tax returns, two different categories, for a total of 55,026.

A similar total in 1975 was 44,289. In 1974 it was 34,185. In 1973 it was 28,100.

Mr. BACK. Let me explain the difference between these two. One of them is the delinquent account category where all administrative steps to collect have been taken. That is a 39,859 account figure. The other is a delinquent return, where a taxpayer, who is filing his returns and all of a sudden doesn't file it anymore.

We have to go after him to make an assessment. With present resources there is no question but the delinquent accounts will continue to grow. There is no way to handle it. We have made a lot of improvements as far as systems are concerned, and as far as data processing procedures are concerned.

MANPOWER REQUIREMENTS TO HANDLE DELINQUENT ACCOUNTS

Senator CHILES. How much manpower do you need to get on top of these delinquent accounts?

Mr. BACK. Mr. Chairman, that is a difficult question to answer right off the top of my head. But in the 1977 budget that the Mayor submitted, he proposed funding for 25 previously vacant and abolished positions.

Those positions are still in the budget as authorized positions but they are not funded in fiscal year 1977. Also, we came before this committee last year and justified 29 positions to administer the Revenue Act of 1975 and the Property Tax Revision Act of 1974.

I have no knowledge as to whether these positions are going to be granted for fiscal year 1976 but they are not funded for fiscal year 1977. The 25 positions that the Mayor asked to be restored and funded in fiscal year 1977 we had said would produce revenue of $4.2 million. Many of them were to be used in this delinquent account area. Some of them were to be used in the area of what the GAO referred to as the Federal match program. When we came before you last year you asked us why we were not requesting resources for the Federal match program. As I recall, we indicated we were studying the matter and we would be requesting needed funds for this in fiscal year 1977. We have now studied the matter and have made a number of procedural improvements.

Also, we have further computerized the operation to give us more productivity with the manpower we have.

Mr. COOK. We requested eight positions for the Federal match program. Each position would bring in approximately $75,000. Those positions in the fiscal year 1977 budget are unfunded. We requested 12 positions for the delinquency program. Each position is unfunded. Each of those positions, GS–7 officers, would bring in approximately $300,000.

Senator CHILES. I am concerned with the overall situation. I am concerned with the fees. I am concerned with the income tax collection. I am concerned with the delinquency situation.

I am concerned with prosecutions. What I would like to know and what I would like to have from you is a plan in each one of these areas and what you are able to do now and what you would be able to do based on additional manpower in each one of these areas.

PROSECUTION OF DELINQUENT TAX RETURNS

Mr. BACK. The prosecution area, Mr. Chairman, of course is the responsibility of the Corporation Counsel. We refer cases for prosecution to them.

Senator CHILES. We will get that from Corporation Counsel.

Mr. BACK. Of course, the prosecution program is the last step in the delinquent collection or filing process. We don't normally make a lot of money by prosecutions but you have to have some of them.

Senator CHILES. If the people know there are no prosecutions, then you are not going to have much success in the other steps.

Mr. BACK. There is quite a backlog in prosecutions.

We have a backlog of 539 cases which have been referred for prosecution right now.

Senator CHILES. You mean that you have referred over to counsel?

Mr. BACK. Yes, sir.

Senator CHILES. How old are those cases?

Mr. BACK. I don't know that we have them aged here. But some of them are several years old.

Senator CHILES. I would like to have a breakdown of the cases, where they are in the system and how old they are.

[The information follows:]

GOVERNMENT OF THE DISTRICT OF COLUMBIA
EXECUTIVE OFFICE

MAY 1[illegible]

Honorable Lawton M. Chiles, Jr.
Chairman
Subcommittee on Appropriations for
the District of Columbia
United States Senate
Room 2107 - Dirksen Office Building
Washington, D. C. 20510

Dear Mr. Chairman:

At the hearings on the City's FY 1977 Budget on April 7, 1976, Mr. Kenneth Back, Director of the Department of Finance and Revenue stated that 539 cases relating to the collection of delinquent taxes had been referred to the Corporation Counsel for prosecution.

In a letter dated April 16, 1976, I requested Mr. John Risher, Jr., Corporation Counsel, to review this matter and inform me of the status of these cases.

Mr. Risher, in his letter of April 28, 1976, indicated that he was coordinating this matter with the Department of Finance and Revenue and that he would provide the status of the 539 cases by May 14, 1976.

I am enclosing a copy of the May 14, 1976, letter from the Corporation Counsel which outlines the deposition of the 539 cases.

If I can be of further assistance, please feel free to contact me.

Sincerely,

Comer S. Coppie
Special Assistant to the
Mayor

Government of the District of Columbia

OFFICE OF THE CORPORATION COUNSEL
DISTRICT BUILDING
WASHINGTON, D. C. 20004

May 14, 1976

TO: Comer S. Coppie
Special Assistant to the Mayor

FROM: John R. Risher, Jr.
Corporation Counsel, D. C

SUBJ: Congressional Testimony on Collection of Delinquent Taxes (CCO #1263)

On April 7, 1976, Mr. Kenneth Back, Director of the Department of Finance and Revenue, in testimony, before Senator Chiles, stated in response to a question by Senator Chiles that: "We have a backlog of 539 cases which have been referred for prosecution right now." The figure of 539 refers to all cases submitted from the three divisions of Tax Administration, Department of Finance and Revenue, to the Office of the Corporation Counsel, for criminal prosecution, during the period July 1, 1969, through April 30, 1976. In my memorandum of April 28, 1976, I informed you that on May 14, 1976, you would be given an accurate accounting by my Office of the status of these 539 criminal tax cases. The following is a status report on the total of the referred cases.

365 of the cases have been closed; of these 60 cases were closed because of the inability to serve the defendant with process or with a warrant, 77 were "no papered," primarily because this Office concluded that the cases had no prosecutorial merit, and 4 were marked nolle prosequi. The remainder of the "closed cases," i.e., 224, were tried.

With respect to the remaining 174 cases which are pending, a number pertain to the same taxpayer. My Office is continuing its evaluation of this inventory; as of this date 41 of these cases have been determined to have prosecutorial merit. My Office and the Department of Finance and Revenue will maintain compatible records of the status of these cases and all future referrals.

Tax Prosecution Activity

Fiscal Year	Opening Inventory	Referred to Corp. Counsel for Prosecution	Total	Disposed of by Corp. Counsel	Ending Inventory
1973	233	360	593	158	438
1974	435	135	570	85	485
1975	485	58	543	7	536
1976	536	5	541	2	539*

* Most of the Fiscal Year 1976 closing inventory of cases referred for prosecution are more than 3 years old.

Government of the District of Columbia

OFFICE OF THE CORPORATION COUNSEL
DISTRICT BUILDING
WASHINGTON, D. C. 20004

April 28, 1976

TO: Comer S. Coppie
Special Assistant to the Mayor

FROM: John R. Risher, Jr.
Corporation Counsel, D.C.

SUBJECT: Congressional Testimony on Collection of Delinquent Taxes (CCO #1263)

This is in reply to your memorandum requesting this Office's comment on the statistical report of the Department of Finance and Revenue ("DFR"), concerning its collection-cases. That report reflects that DFR, since the commencement of fiscal year 1973, has referred approximately one-third of its total inventory to this office, and that slightly in excess of one-half of these referrals, i.e. 306 are pending. This Office's reports, on the other hand, indicate that of the referrals 103 are pending.

It was only upon receipt of the DFR statistics that I became aware that DFR does not employ the same method of accounting for its referral as is employed by this Office*, nor does the DFR report reflect all of the referrals which this Office previously concluded did not warrant prosecution, or could not be successfully prosecuted. Therefore, the different "pending" figures used by DFR and my Taxation Division do not necessarily mean that the figures would differ if the same accounting method was followed by both. Accordingly, henceforth a unified joint system of accounting will be employed, and as of May 14, 1976, you will be presented with an accurate accounting by my office of the status of all tax matters referred to my office as of April 30, 1976.

*Apparently, the DFR statistics are based upon a count of the liable parties, e.g. a single instance of liability for failure of a corporate entity to remit its employer tax is counted as two (2) referrals, since both the employer-corporation and its principal official are liable. The Taxation Division's statistics, by comparison, reflect only the number of criminal informations actually filed.

Mr. BACK. I think the District of Columbia has good tax administration overall. We carry out a lot of administrative programs. As you know, we have a revenue system that is comparable to the State, county and city governments elsewhere. We have good programs in all of tax administration areas. It is in the delinquent area where the shortage of manpower is so crucial. Departmental-wide, I have 61 vacancies right now out of a total of 490 authorized positions.

Senator CHILES. Are those funded or unfunded?

Mr. BACK. For fiscal year 1977, 490 are funded, plus 53 unfunded positions. They are frozen positions, of course.

Senator CHILES. As I was saying this morning, there is, I think, certain responsibilities that this subcommittee is going to try to take on if we are going to try to pay out the Federal dollars. How you compare to any other city in the country or any other State in the country isn't that much of my concern because I don't have any jurisdiction over them.

But I do have some jurisdiction over you all. If we are going to pay out the Federal dollars out of here, I am going to feel like the city is doing everything in its power to enforce the taxes that it has and to collect the taxes and fees that are out there.

Mr. BACK. In the material that we supplied to the committee, we list about a dozen areas where we are making efforts to improve operations to get the most for the dollar.

Senator CHILES. While you are doing this in submitting this report to us, I want the same information for the 1976 budget as well as 1977 so we will have both of those times before us.

[The information follows:]

ADDITIONAL RESOURCES NEEDED FOR WORKING DELINQUENT ACCOUNTS

As of June 30, 1973, unassessed delinquent business tax returns totaled 3,677 with estimated taxes due of $564,000. At that time, uncollected individual and business tax accounts referred for enforcement action totaled 24,423 with taxes due of $6,660,832. As of December 31, 1976, the unassessed delinquent business tax returns totaled 15,267 with estimated taxes due of $2,348,000. Also, as of December 31, 1976, uncollected individual and business tax accounts referred for enforcement action totaled 39,759 with taxes due of $12,521,131.

Business tax assessments and individual and business tax collections as a result of enforcement action during fiscal years 1974, 1975, and 1976 (estimated) totaled $65,888,000, increasing from $21,593,000 in fiscal year 1974 to $24,100,000 in fiscal year 1976.

Accordingly, it can be seen that delinquencies are growing at such a rate that despite significant amounts of assessments and collections, the inventories of tax delinquents are increasing rapidly. There are three fundamental reasons for this situation: the first being the general economic conditions; the second is the increased tax burdens resulting from tax law changes; and the third is the lack of sufficient resources to promptly follow-up on tax delinquencies when they are discovered.

It is our estimate that these delinquent inventories can be reduced to reasonable levels with full funding of all authorized positions in Tax Administration (239) as reflected in the 1976 and 1977 budget requests. This will require additional funding of presently unfunded positions (51) and related costs in the amount of $822,600 plus additional ADP support of $148,000. Since all unfunded positions were not originally authorized for these particular functions, this estimate assumes redirection of positions as necessary.

Application of the indicated additional funding is estimated to result in at least $10 million in additional collection annually after hiring and training is accomplished. Because of necessary recruiting and training time, it is expected that the new employees will generate between $6 million and $7 million in fiscal year 1977. Additional revenues will also accrue from improved voluntary compliance which will emanate from the stepped-up compliance levels.

The approach and funding requirements discussed above do not take into consideration any other areas in which additional resources could be effectively utilized. For example, 7 additional positions at an estimated cost of $82,900 would be necessary to expand our Federal Match Program to the point where substantially all mismatches could be worked. Other areas include expansion of audit programs and programs to discover unregistered businesses.

OFFICE OF THE SURVEYOR

Senator CHILES. I notice that the city has requested $422,000 for the Office of the Surveyor. That compares with $449,100 requested in 1976. Why does the city feel it is necessary to rely so heavily on appropriated funds for this function?

That office ought to be remitting money to the city.

Mr. COPPIE. They are remitting money to the city which is deposited in the general fund. Funds from the general fund are used to finance the operations of District agencies, including the Office of the Surveyor.

Senator CHILES. How much are they remitting?

Mr. COPPIE. I would have to provide that for the record.

[The information follows:]

FUNDS REMITTED TO GENERAL FUND FROM FEES CHARGED BY SURVEYOR

Program measures	Fiscal year 1975	1976	1977
Fees collected for the general fund	138,000	141,800	148,000
Value of free work to district agencies	24,500	15,000	15,800

The Surveyor is in the process of updating present fee schedules, which will result in additional funds remitted to the city.

Senator CHILES. I am just concerned that the appropriated figure is not going down any as I thought we discussed in 1976. We are getting ready to do something about that.

You are going to have to change the fee schedule or something. It doesn't look like anything is happening in this area.

I think the rest of these questions we will submit for the record.

[CLERK'S NOTE.—The questions and answers are preceded by a letter which highlights the key elements of the plan to collect delinquent taxes.]

GOVERNMENT OF THE DISTRICT OF COLUMBIA
EXECUTIVE OFFICE

MAY 10 1976

Dear Senator Chiles:

In response to your concern in the area of tax assessment and tax administration expressed during the recent hearings on the Fiscal 1977 Budget, there is attached a proposed plan prepared by the Department of Finance and Revenue in the format of answers to specific questions requested by the Subcommittee.

However, I would like to briefly highlight some of the key elements in the plan which relate to the collection of FY 1976 and FY 1977 tax delinquencies and resources required to address these delinquencies.

Estimated delinquent taxes as of December 31, 1975 (FY'76) amounted to $14.8 million. As of the close of Fiscal 1977, delinquent taxes are estimated at $18 million. Resources required to address the delinquency backlogs are approval of the Fiscal 1976 Budget request as amended, and in Fiscal 1977, full funding of 57 positions and $689,075 the details of which are discussed on pages 3 and 7 of the attached plan. There are additional resources required in the area of data processing and other areas which are necessary to support and effectively utilize the above positions. This is outlined in detail in the attached plan.

Total resources required at a minimum in addition to the $9.0 million in the Fiscal 1977 request to allow the Department of Finance and Revenue to adequately comply with existing legal requirements in the administration of D. C. tax laws amount to $2,604,000 including 65 new positions. This also includes the 57 positions and $689,075 in the tax administration for the delinquent tax program.

Application of these resources in Fiscal 1977 will yield approximately $8 million in additional revenue in Fiscal 1977 and up to $10 million on a 12-month basis each year thereafter assuming the resources requested in the attached document are provided.

Additional revenue which cannot be measured will also be generated from improved voluntary compliance and a reduction of the delinquent tax inventory to reasonable levels will occur. The attached question and answer format will provide specific details on each of the Department's program areas.

There is a User Charge Review Committee in the Executive Office of the Mayor which annually reviews the license and permit fees recommended by the agencies. This committee then makes recommendations to the Mayor on all proposed user charge rates. Once these rates are established the respective District agencies are responsible for the collection of the fees and the deposit of the funds in the Office of the D. C. Treasury which is an office of the Department of Finance and Revenue.

If you have any further questions or require any further information, please do not hesitate to contact me.

Sincerely,

Comer S. Coppie
Special Assistant to the
Mayor

QUESTION:

1. Will the requested 542 positions and $9.1 million for the Department of Finance and Revenue enable the Department to do everything it wants to do or is required to do in the area of Tax Assessment and Administration?

ANSWER:

1. The 542 positions and $9.1 million requested in fiscal year 1977 for the Department of Finance and Revenue will not be sufficient for this agency to adequately meet current legal requirements and goals in achieving a reasonable level of effective tax administration. Of the 542 positions requested, 75 are unfunded within the overall personal services funding level of $7.2 million for this Department. Full year funding of these positions in fiscal year 1977 would require an additional $1,069,200*. These 75 unfunded positions consists of 28 positions requested in the regular 1976 budget, 25 positions requested in the fiscal year 1976 budget amendment representing restored positions abolished earlier in the fiscal year 1976 budget process, all of which are unfunded in the fiscal year 1977 budget, and 22 presently authorized positions which must remain vacant throughout the year in order to stay within the appropriation for personal services.

After careful analysis of our most urgent needs to effectively and efficiently administer the District's tax program (the details which are attached) the Department of Finance and Revenue would need at a minimum, full funding of all 542 positions requested in the fiscal year 1977 budget plus 65 additional new positions and related costs. Funds required for these additional new positions total $878,600*. A number of "other object" resources, e.g., ADP support, a feasibility study for computerizing income taxes and a data retrieval system, motor vehicles, microfilming capability, audit travel and special equipment would increase our funds requirement by $656,300. The total additional funding needed in fiscal year 1977 amounts to $2,604,100.

*Note: Additional personal services request have been adjusted for a 5% lapse allowance.

It should be noted that this request and the additional revenue projections made are based on the assumption that the fiscal 1976 budget as amended will be approved. It also assumes that this department will not be subjected to personnel freezes or personnel limitations during fiscal year 1977. Adding the additional resources requested to this department's fiscal year 1977 budget will result in better tax administration, better taxpayer compliance and additional revenues of at least $10 million per year on a full year annual basis. Because of necessary recruiting and training time, it is expected that the resources requested will generate approximately $8 million in fiscal year 1977. Additional revenues which cannot be estimated will also be realized from improved voluntary compliance, since taxpayers will soon become aware of the Departments improved compliance program and will automatically begin to police themselves more rigorous when reporting and filing tax returns. Moreover, it should be emphasized that an investment of $2,604,100 will return an estimated $3 million in 1977, providing a highly favorable cost/benefit ratio, while at the same time making a significant contribution to the overall equity of the District tax system.

A summary of the resource requirements by budget category within the Department is as follows:

Program Category	Resource needs to fund unfunded positions, present 1977 Budget	Resource needs for new positions	Other Objects
Administration (Fiscal Planning & Research	$80,800	$ - - -	$210,000
Office of Program and Data Systems	70,700	- - -	236,400
Assessment Administration	153,000	96,800	70,900
Tax Administration	718,200	739,000	92,000
D.C. Treasury	46,500	42,800	47,000
	$1,069,200	$878,600	$656,300

QUESTION:
1.(a) Review the valuation of all real estate in the District annually as required by the Real Property Tax Revision Act of 1974.

ANSWER:

1.(a) The resources required to comply with Section 421(b) of Public Law 93-407 (requiring an annual assessment of all D.C. properties for fiscal year 1978) was requested in the fiscal year 1976 and fiscal year 1977 budgets. Specifically 10 GS-6 Assessment Aid Positions were requested in the fiscal year 1976 budget. These positions are unfunded in the 1977 budget. Incumbents in these positions are required to perform a number of functions including but not limited to performing para-professional duties for the assessors in order that the assessor might increase his professional productivity.

Full year funding of these 10 positions and related costs in 1977 is $104,000.

The original fiscal year 1977 budget request for this program, subsequently removed during the budget process, included 5 additional assessors needed to appraise commercial properties. While the computer assisted mass appraisal system will contribute significantly in the appraisal of residential properties, the present assessment program for the complex commercial properties is largely manual. Heretofore these properties, numbering approximately 20,000, were reviewed over a two-year period by an average of 12 assessors. In order to review and assess these properties annually with the present staff, each assessor would be required to review and reassess 1,666 properties. Due to the complex nature of these properties and in order to maintain a reasonable degree of equalization and equity among and between them, while at the same time meeting legal requirements, it is necessary to increase the number of assessors to review and assess commercial properties by five.

Full year funding requirements for these five positions and related costs are $96,777.

69-502 O - 76 - 22

The requirements for use of vehicles to complete field assignments will increase. At present only four vehicles are assigned to support 60 assessors and personal property tax auditors. The requirement of an annual assessment of all properties (approximately 146,600) will double the need for field reviews. In order to meet this need, we will need 10 additional vehicles in fiscal year 1977, costing $44,000.

The computer assisted mass appraisal system requires a massive data collection and transcription operation to create the essential property data base necessary to the implementation of the system. Funds have been granted in previous years to accentuate these activities in order that the system can become operational at the earliest possible date. In this regard, additional materials, including record cards, tape measures, drafting equipment, desk calculators, file cabinets for the security of legally confidential documents and related items are necessary, amounting to $16,963.

QUESTION:

1. (b) Followup on all identified potential income tax nonfilers.

ANSWER:

1. (b) It is assumed that this question relates to the Federal Match program. With present resources we have been able to followup on all mismatches (those who are discovered to have filed a Federal income tax return Form 1040, but who have not filed a D. C. personal income tax return, Form D-40) having Federal Adjusted Gross incomes of over $10,000 and a small percentage of those with incomes under $10,000. While we have implemented new streamlined procedures in this program which will increase productivity, present resources are not sufficient to followup on all mismatches.

In a recent GAO audit report on this program, the GAO recommended that the department followup on all mismatches. With present resources available, an estimated 4,370 cases with resulting revenues estimated at $2.8 million can be worked. Full year funding of the present eight unfunded positions for this program presently included in the 1977 budget would provide sufficient resources to work substantially all mismatches, and close approximately 12,000 cases, with corresponding assessments totaling an estimated $3,450,000. Funding requirements for these eight unfunded positions total $109,575 with a favorable cost/benefit ratio of $650,000 returned for an expenditure of $109,575.

QUESTION:

1.(c) Establish a program for checking on the filing and reporting of income not subject to withholding.

ANSWER:

1.(c) We have a limited manual program at the present time for checking on the filing and reporting of income not subject to withholding. This program is quite limited, however, because the computer systems have not yet been developed to make the necessary matches, and manual matches are relatively much less efficient than a computer-based matching system.

For some applications, such as matching information returns against dividends and interest income reported on tax returns, the total resource requirements for a full scale program cannot be reasonably estimated until resources for increased computerization of the individual income tax system, which is discussed in 1(f) below, are actually made available.

While numerous different types of checks could be made, we believe that a reasonable program could be established with eight additional fully-funded positions. These positions would be used initially to followup on mismatches resulting from comparisons of filing lists with D-2s (W-2s), motor vehicle permits, and tapes received from the military services con-

taining names of individuals claiming domicile in the District. Other matching techniques could be substituted from time to time to broaden the coverage and protect the revenue base.

The funding required for the eight additional positions not presently in the fiscal year 1977 budget and related costs totals $101,055. Although a precise and definitive estimate of revenues (assessments) generated from application of these eight positions is not presently available, it is thought that a least $300,000 could be expected.

QUESTION:

1. (d) Eliminate the backlogs of delinquent tax cases.

ANSWER:

1. (d) As of June 30, 1973, unassessed delinquent business tax returns totaled 3,677 with estimated taxes due of $564,000. At that time, uncollected individual and business tax accounts referred for enforcement action totaled 24,423 with taxes due of $6,660,832. As of December 31, 1975, the unassessed delinquent business tax returns totaled 15,267 with estimated taxes due of $2,348,000. Also, as of December 31, 1975, uncollected individual and business tax accounts referred for enforcement action totaled 39,759 with taxes due of $12,521,131.

Business tax assessments and individual and business tax collections as a result of enforcement action taken during the three fiscal years 1974, 1975, and 1976 (estimated) totaled $65,888,000, increasing from $21,593,000 in fiscal year 1974 to $24,100,000 in fiscal year 1976.

Accordingly, it can be seen that delinquencies are growing at such a rate that despite significant amounts of assessments and collections ($65.8 million over the three most recent years), the inventories of tax delinquents are increasing rapidly. There are three fundamental reasons for this situation: the first being the general economic conditions; the second is the increased tax burdens resulting from tax law changes; and

the third is the lack of sufficient resources to promptly followup on tax delinquencies when they are discovered.

We estimate that these delinquent inventories can be reduced to a reasonable level with full funding in fiscal year 1977 of 49 positions. Of these 49 positions, eight are included but unfunded in the fiscal year 1977 budget. Funding of these eight positions plus 41 additional positions in the 1977 budget and related costs total $679,500.

Application of this $679,500 in additional funding is estimated to result in at least $10 million in additional collections annually after personnel hiring and training is accomplished. Because of necessary recruiting and training time, it is expected that the new employees will generate approximately $7 million in fiscal year 1977. Significant additional revenues which cannot be estimated will also accrue from improved voluntary compliance which will emanate from the stepped-up compliance levels, since this action will soon become evident to taxpayers who will police themselves more rigorously in tax reporting.

Other Resource Needs For Tax Administration as Requested.

Audit: In order to audit 5% of D.C. tax returns for all major types of D.C. taxes administered by this department, full-year funding for fiscal year 1977 and subsequent years of 19 positions would be necessary. These 19 positions are presently included but unfunded in the 1977 budget.

In summary, funding of the 19 presently included but unfunded positions in the 1977 budget is requested at a cost of $327,200.

The increased audit levels are extremely desirable in terms of their positive effect on increasing voluntary compliance and protection of the revenue base. Moreover, with these increased resources some additional time can be allocated to badly needed tax forms improvements and simplification which will reduce taxpayer errors and improve our taxpayer information and education program. Our past experience also indicates that the additional audits performed will more than pay for their costs in

additional collections resulting from audit assessments. For example, with resources presently available, we project 300 sales and use tax audits and $665,000 in assessments in fiscal year 1977--with the additional resources included above, we project 650 sales and use tax audits and $1,400,000 in assessments for the same period. Overall, for a cost of approximately $327,200 additional estimated revenues of approximately $1.0 million can be realized, providing a favorable cost benefit ratio.

Travel Money for Out-of-Town Audits: Assuming approval of the present fiscal year 1977 budget, $2,400 will be available for travel expenses necessary to perform audits of out-of-town corporations. We believe that at least $10,000 for this purpose is necessary to support a reasonable out-of-town audit program.

It should be noted that our experience in performing out-of-town audits has indicated that these audits pay good returns. For example, in fiscal year 1975 we spent $1,264 on out-of-town audits and the revenues generated were $203,000. We believe that foreign taxpayers should be subject to audits in a manner somewhat similar to our own D.C. taxpayers.

Compliance Program for Professionals: The Revenue Act of 1975 extended the unincorporated business tax to various professional groups such as lawyers, doctors, etc. Although we have publicized this new tax provision extensively in order to obtain voluntary compliance with filing requirements, the present resources available are insufficient to establish a reasonable compliance program to identify non-filers and followup in an appropriate manner.

To establish a program which would provide a minimum of compliance effort would require a total of six positions. The present fiscal year 1977 budget contains two unfunded positions for this program. In addition to funding these two positions, four additional positions would be required, providing total funding requirements of $84,900 in fiscal year

1977. An investment of $84,900 would generate an estimated $300,000 in additional compliance revenues from this tax source.

Street Vendor Compliance Program: Under existing regulations, we must explain the sales tax law and obtain a partial prepayment of sales taxes from street vendors before they can obtain a permit to vend. Between June 1974 and March 1976, 4,853 vendors were registered for sales taxes. This effort plus a minimum followup to solicit final returns from registrants requires about three man-years annually.

Inasmuch as an increase in vendor applications for sales tax registration is anticipated and additional compliance efforts to obtain returns is warranted, we believe that adequate justification exists for one additional position for this program, if current legal requirements are to be met adequately.

The funding required for this additional position and related costs totals $14,300.

Other Business Discovery Programs: We utilize our available resources on numerous programs to discover businesses which are liable for D.C. taxes but which have failed to register and file and pay such taxes. We employ the most productive techniques (based on our experience) on a regular basis and periodically employ other techniques to increase the scope of our compliance coverage.

One technique which we use periodically but which we believe warrants inclusion in our regular program involves use of information on domestic and foreign corporations registered with the Recorder of Deeds. Resources are not presently available to use this technique on a continuing basis as a part of our regular discovery programs. One additional position would be necessary.

The funding required for this additional position and related costs totals $14,200 with an estimated return in additional revenues of approximately $80,000.

Taxpayer Information and Assistance: Requests by taxpayers for information and assistance on various tax questions has been increasing at a rapid rate, and is expected to continue to do so, while the resources available for providing this essential service have remained constant.

As a result of this situation, the average time to respond to telephone contacts increased from 1.5 minutes in fiscal year 1975 to three minutes in fiscal year 1976. We receive hundreds of complaints from taxpayers who state that prior attempts to contact us by phone resulted in telephone busy signals and being put on hold for well over five minutes (the tax technicians were answering calls from other taxpayers). Also, because of this same situation, the average time to respond to correspondence increased from six days in fiscal year 1975 to ten days in fiscal year 1976. During our busiest season, much longer delays are common.

In order to provide faster and better service to the taxpaying public five additional positions are warranted.

The funding necessary for these five positions and related costs totals $51,539. These five positions are currently included but are not funded in the present fiscal year 1977 budget.

Tax Registration: The registration section performs numerous functions, two of which are:

1. To receive, review and perform record research on registration applications; maintain a card file on each application; prepare source documents used by Data Systems for establishing new registration and/or additional tax liability, file records on the total active master index file tape; prepare source documents for update changes to existing records, and assure completeness prior to actual mailing of the various business tax returns.

2. To research, resolve and prepare for processing non-processible returns or payments remitted in the areas of Corporate and

Unincorporated Franchise Taxes, Employees' Withholding, and Sales Tax.

In both of the above areas, as well as others, workloads have increased while available staff has not. As a result, the time to get new taxpayers on the rolls and process returns and payments which are not processible as received is increasing. For example, in fiscal year 1975 it took an average of ten work-days after receipt of a registration application to process it--in fiscal year 1976 it took an average of 14.7 work-days. Also, workloads are such that we presently must permit up to 30 calendar days in turn-around time to prepare unprocessible returns and payments for processing. A maximum of ten work-days in both of these areas would permit our systems to operate more smoothly (prevent many duplicate billings for example), improve cash flow, and improve our services to the taxpayers.

In order to handle the increased workloads and reduce processing time to a reasonable number of working days, seven additional positions are needed.

The funding necessary for these seven positions and related costs totals $67,057. Again, these positions are included but are not funded in the fiscal year 1977 budget.

Tax Return Filing and Retrieval: The present system for filing and retrieving tax returns is antiquated and the file space is grossly inadequate. Continuation of the present system will require expansion of the file room which is estimated to cost at least $47,000. As a better alternative, we propose that resources in the amount of $40,000 be made available for the introduction of microfilming capability in the department. Microfilming capability would not only reduce the high cost of expansion but would also increase the efficiency of returns processing and information retrieval.

Records and Forms Maintenance: Two positions are needed to promptly fill forms requests from taxpayers, insure maximum available shelving space through the process of retiring tax returns to the Federal

Records Center, deliver mail and inter-office correspondence, and reduce present filing backlogs and prevent them from occurring in the future (filing of: various tax returns, additional payment documents, correspondence in registration jackets, assessment change documents).

The funding necessary for these two positions and related costs totals $19,881. One of these positions is presently included but unfunded in the fiscal year 1977 budget.

In addition to the above responses to question 1(a), (b), (c) and (d), the computer system and other requirements for these questions as well as 1(e) and (f) are presented below.

QUESTION:

1. (e) and (f) (e) Establish a management information system which will facilitate the analysis and evaluation of the tax compliance program, and (f) Complete the computerization of the business tax system and perform a feasibility study for computerizing the individual income tax system.

ANSWER:

1. (e) and (f). Resource Needs for Modernization and Installation of Computer Systems: In order to achieve a maximum degree of productivity from existing and new personnel and to handle ever increasing workloads, it is imperative that a significant increase in the use of modern computer systems be introduced to replace the present largely manual tax and revenue administrative programs. Over the long run, this approach of increasing the level of technology for the processing, accounting and control of the mass volumes of tax and revenue documents will pay high returns in terms of improved tax administration, increased equity in the tax system, increased revenues from the existing tax laws and revenue programs, and a reduced time required for income tax refunds to be returned to taxpayers, etc. Moreover, a greater use of modern computer systems is the only feasible way by which we can comply with existing legal requirements, with respect to an annual assessment program for all D.C. properties for the

real property tax, identify on a timely basis and administer present tax delinquency programs equitably, introduce a modern income tax processing system and followup timely on potential income tax non-filers, establish a reasonable program for checking on filing and reporting of those income sources not subject to withholding and establish a modern responsive management information program.

The original 1976 budget request included $200,000 for a feasibility study to introduce a modern computerized income tax and a data retrieval system. Also included in the 1976 budget were two GS-12 positions to strengthen the department's technical capabilities in the systems area. The funding of these two positions in the 1977 budget is needed plus the $200,000 feasibility study.

Additionally, the computer hardware, computer software and related resources needed for a phased implementation of a modern computer system for personal income and business taxes, including tax delinquencies, the real estate tax and to meet the computer systems requirements in reference to these programs specifically mentioned in questions 1(a), (b), (c), (d), (e) and (f) are presented below along with a brief discussion of the related activities involved.

Priorities of the fiscal year 1977 work program include continued development of the new real property assessment system and major modifications to other segments in the real property area; major expansion of the individual income tax system; and design, and installation of a new business tax program. A large portion of the increases are for conversion to on-line, terminal based, data entry and retrieval which reduces the potential for error, increases productivity of tax administration personnel and provides capability for greater data manipulation (aggregation, multiplication, etc.) in reporting.

In the area of property tax, the development of an on-line data entry and correction capability by use of terminals will support the massive

information collection effort needed to fully implement the automated assessment system. Terminals will assist in the analysis and delivery to assessors of information based on real estate sales which are a major input into the approximately 110,000 residential properties which must continue to be on an annual basis. Teleprocessing through terminals will minimize data handling and reduce the time required to make changes of assessed values for properties as determined by the assessors to maintain current data for each property and to identify and correct various data errors.

In the income tax area extensive modification of existing systems and installation of new systems are required. Modification of the Federal Match program is required to: (1) expand program coverage by following up on substantially all unmatched (potentially non-filed) D.C. income tax returns pursuant to the GAO recommendation; (2) increase tax assessments, with corresponding revenue increase; and (3) provide improved taxpayer equity. Other modifications will improve reporting and processing of tax returns and collections by the D.C. Treasury and will expedite the processing of returns. The ultimate development will provide a system based on the "master file" system similar to that used by the U.S. Internal Revenue Service and several state tax agencies. It is anticipated that all terminal facilities within the Department can be used to meet peak demands in any one tax area.

A new business tax system (to replace an almost exclusively manual system) must be developed if the District is to provide timely processing, accounting, control and collection of the various taxes associated with the diverse types of enterprises within the city. Management and timely collection of the (rapidly increasing) inventory of delinquent business tax accounts requires greater use of automated data processing systems than is presently available in this area. This need was noted in a recent GAO report of the business tax area.

The research and program evaluation areas of the Department of Finance and Revenue at present works almost exclusively with aggregated data and summaries produced by operating divisions of the Department. While large segments of the potential automated data base remain in manual form, there are areas in which data is stored in the computer and could be analyzed if the equipment were available. During the past year the number of requests for data and the level of detail needed for adequate answering of questions submitted by the City Council, Executive Branch agencies and Congress, have increased. As the data uses increase (especially by the Council) the requests for information will rise. And with a greater diversity of data being stored in the computer, the answers will be more complete and will be produced in a more timely manner. The information supplied will be used by members of the Executive and Legislative branches in making major policy decisions with respect to tax policy. Moreover, this is just one aspect of an over-all need for an improved management information and program evaluation system which would result from introduction of these computer systems.

The specific needs and associated costs are presented below, along with a summary of all increases for this program category.

1. Technical assistance of a one-time nature, by contract, is required to assist in development and implementation of on-line (remote terminal, immediate retrieval and entry) data systems in several areas. These will be highly specialized tasks in the areas of business taxes and Treasury required in the changeover to automatic and on-line terminal operation. Present department staff will participate and gain the necessary experience to maintain these systems in the future. A total

of 24 man-months will be needed (six months-telecommunications system design, eight months project management, testing and in-house training of staff and ten months of programing) plus $5,000 for support services. Fiscal year 1977 costs for this: $80,000.

2. Computer terminals installation and rental as follows:

Property Tax (Annual Assessment Program)	FY 1977
9 CRT, low speed - total	
1 High speed printer (400 LPM)	
3 Printer terminals	
1 Control unit, microprocessor	
Total Cost	$23,340
Business Tax	
10 CRT low speed/typewriter type	
1 Printer unit	
1 Control unit[1/]	
Total Cost	$19,710
Treasury Functions Documents Processing	
10 Special finance terminals	
1 Control unit[1/]	
1 Printer unit	
Total Cost	$19,710
Income Tax Systems Support	
11 CRT low speed/typewriter	
1 Printer unit	
1 Control unit	
Total Cost	$20,700
Total increase for telecommunications equipment above	$83,460

		FY 1977
3.	One time installation charges for cabling and electrical outlets, and shipping charges for 25 units	$10,780 2/
4.	Disk file storage equipment installed in share center to support all on-line systems	$15,000
5.	Communications front end process costs in share center	$12,000
6.	Communications systems software support by share center/technical assistance, 1/2 man year	$12,000
7.	Data base software support by share center	$ 6,000
8.	On site telecommunications programer class training	$ 2,500 2/
9.	On site VSAM software class training	$ 2,500 2/
10.	Terminal user manuals and class training	$ 2,500 2/
11.	Increased costs of computer supplies, price increases	$ 9,700
	Grand total increases	$236,440
	Total continuing costs on annual basis	$138,160

1/ Control units to be redundant in the event of breakdown since all functions must be operating without failure.

2/ One time costs - $98,280

Other Resource Needs:

Resource Needs to Meet Certain Statutory Requirements. Public Law 93-198 (the Home Rule Charter), Title IV of Public Law 93-407 (the D. C. Real Property Tax Revision Act) and the requirements for information, analysis and research emanating from the D. C. City Council have more than doubled the workloads of the Department's Fiscal Planning and Research staff. The new property tax law and the Home Rule Charter, both make it a requirement of law that several tax analyses and various studies be prepared each year. Furthermore, to begin to comply with Section 602 of the Revenue Act of 1975, requiring a study of the tax impact and distribution of all D. C. taxes as well as the requirements for a number of specific major tax studies contained in Titles 8 and 9 of the Revenue Act of 1976, now under Congressional review, additional resources for the Fiscal Planning and Research staff are required.

To comply with the numerous statutory requirements noted above, 3 GS-13 Financial Economists and 1 GS-5 Clerk were included and fully justified in the 1976 budget. The present fiscal year 1977 budget now under Congressional review includes these positions but they are not funded. It is essential that funds be included in the fiscal year 1977 budget for these four positions in the amount of $80, 800 if these various legal re[illegible]nts are to be satisfied.

Unlike many other jurisdictions, we presently do not hav[illegible]ient resources to adequately perform current and long range revenue [illegible]ng. Revenue planning, corresponding revenue estimates, data for an[illegible] in predictions of the future of the District economy as well as analys[illegible] the present performance of the D. C. economy and its relationships t[illegible] economics of the adjacent states is badly needed. Moreover, [illegible] data is analyzed by manual methods and unlike many other jurisdictions, we cannot make use of presently developed, highly useful economic models. Costs to make on-going use of these models and a large amount of highly

useful data and information is relatively inexpensive in terms of the many beneficial results to which this information may be put in revenue planning, economic forecasting and for other general planning functions. Cost to obtain this information for D. C. is estimated at $10,000 annually. Funds in the amount of $10,000 should be included in our fiscal year 1977 budget if we are to begin to utilize these econometric models and obtain a large amount of needed information on the D. C. economy.

The $200,000 for the computer systems feasibility study for the income taxes and a data retrieval and management information system was fully justified in the testimony we presented to Congress during the fiscal year 1976 budget hearings.

Resource Needs in D.C. Treasury. This program category is responsible for the receipt, security, accounting and deposit of all D. C. revenues totaling over one billion dollars annually; the receipt and processing of tax documents and payments, the preparation of tax documents for introduction into the ADP systems; the security and disbursement of D. C. checks for salaries, public assistance, police, fire and teachers retirement, tax refunds, daily voucher payments and U. S. Savings Bonds; and the billing of tax delinquent tax accounts.

Seven additional positions are required in order to: (1) receive and process on a timely basis approximately 340,000 new and uncontrollable workload units and related payments resulting from the enactment of the Revenue Act of 1975; (2) the ability to handle on a timely basis the increase in workload (approximately 9.5% annually in workload units--where collection transactions alone will reach 4,190,000 in fiscal year 1977) resulting from existing revenue and related programs. In terms of funding, three of these seven positions are included in the fiscal year 1977 budget but unfunded. Funding for these three positions and authorization and funding for four additionl positions amounts to $89,300.

In order to increase productivity of existing and requested personnel funds are also needed for replacing old, outdated equipment (cash registers, check writing equipment, etc.). Present equipment is old and outdated and is subject to frequent breakdowns and expensive repairs. This equipment need amounts to $47.000.

SUBCOMMITTEE RECESS

Senator CHILES. The subcommittee will stand in recess until 10 o'clock tomorrow morning.

[Whereupon, at 4 p.m., Wednesday, April 7, the subcommittee was recessed, to reconvene at 10 a.m., Thursday, April 8.]

DISTRICT OF COLUMBIA APPROPRIATIONS FOR FISCAL YEAR 1977

THURSDAY, APRIL 8, 1976

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 10:10 a.m., in room 1223, Everett McKinley Dirksen Office Building, Hon. Lawton Chiles (chairman) presiding.
Present: Senator Chiles.

DISTRICT OF COLUMBIA

PUBLIC SAFETY AND JUSTICE

STATEMENT OF COMER S. COPPIE, DIRECTOR, OFFICE OF BUDGET AND MANAGEMENT SYSTEMS

ACCOMPANIED BY:

HAROLD H. GREENE, CHIEF JUDGE, SUPERIOR COURT
J. PATRICK HICKEY, DIRECTOR, PUBLIC DEFENDER SERVICE
DELBERT C. JACKSON, DIRECTOR, DEPARTMENT OF CORRECTIONS
MAURICE CULLINANE, CHIEF, METROPOLITAN POLICE DEPARTMENT
BURTON W. JOHNSON, CHIEF, FIRE DEPARTMENT
GEORGE RODERICKS, DIRECTOR, OFFICE OF CIVIL DEFENSE
REVEREND H. ALBION FERRELL, CHAIRMAN, D.C. PAROLE BOARD
DR. SHARI KHARASCH, CHAIRPERSON, BOARD OF ELECTIONS AND ETHICS

PREPARED STATEMENT

Senator CHILES. The subcommittee will now consider the budget estimate of several agencies in the Public Safety and Justice category. We will insert the justification material in the record at this point.
[The information follows:]

Legislative History

The public safety and justice agencies have been established and organized by Congressional enactments and by organization orders. For example, in 1861 a metropolitan police district and a police force for the District of Columbia was created. Federal statutes created a Supreme Court for the District of Columbia in 1863 and a Court of Appeals in 1893. Authority for operation of prisons and a fire department can be traced to Federal statutes enacted in the early part of the nineteenth century. A department of corrections was first created by statute in 1946, and the principal functions of the present department were established by an organization order in 1953.

The executive agencies (as distinct from the courts and related legal agencies) owe their present organizational and functional configuration to organization orders issued by: 1) the former Board of Commissioners pursuant to the Organic Act of 1878; 2) the Mayor-Commissioner pursuant to authority provided by Reorganization Plan Number Three of 1967; and most recently, the Mayor pursuant to the Self-Government Act of 1973.

A recent important legislative development for judicial agencies is the Court Reform and Criminal Procedures Act of 1970 which provided for an expanded local court structure, and revised earlier statutes creating the Public Defender Service and the Bail Agency.

The legislative requirements for current programs for the prosecution and treatment of prisoners dictate that all local convicted criminal code violators are committed to the Attorney General. Except for prosecutions (which are conducted by the U. S. Attorney for the District of Columbia), the Attorney General has delegated his authority and responsibility for the care and custody of prisoners to the Mayor. It should also be noted that Federal statutes on the treatment of prisoners have been made applicable to the District of Columbia. An example of this is the Federal Youth Corrections Act which applies to the District of Columbia correctional system.

The program responsibilities of agencies and departments in the public safety and justice area are directed to protection of life and property and the administration of justice. These responsibilities can be described as

classical statements of program goals and objectives. Both the police and fire programs are charged with protection of life and property. From that basic charge, the present organization and functions have evolved. Similarly, the organization of the courts and related agencies derives from their basic responsibility to administer justice.

Program Highlights

The public safety and justice functions cover a range of services, programs and facilities, which in most jurisdiction would be financed by several levels of government. By virture of its unified governmental status, the District of Columbia is responsible for public safety and criminal justice activities which would normally be shared between city, county and state governments. The scope of the public safety functional area is also strongly influenced by Federal authority and program initiatives.

Present public safety program scope largely reflects reaction to the increase in the level of reported crime which occurred in the 1960's. The President's Commission on Crime in the District of Columbia published a benchmark study in 1966; this study was the basis for the present organization of the Police and Corrections Departments. The Commission was the genesis of programs directed to the rehabilitative treatment of criminal offenders, primarily narcotic code violators.

The Omnibus Crime Control and Safe Streets Act of 1968 required the establishment of a criminal justice planning capability for the District. Under this legislation, the District receives LEAA block grant funding which is allocated to program and agencies following the priorities established in an approved state plan. Funding under this program amounts to about $2,000,000 annually.

The Court Reform Act of 1970 effectively doubled the number of judges in the District's court system and established an improved court administrative mechanism including a court executive office with management responsibilities.

Criminal activity as measured by reported crimes has decreased substantially over the past several years. Following are the crime index offense totals of the past five years:

Crime Index	FY 1970	FY 1971	FY 1972	FY 1973	FY 1974	FY 1975
Offenses (thousands)	89.3	75.4	62.0	49.0	62.5	56.9

Work, however, as measured by calls for police service, investigations, court prosecutions and the prison population shows an upward movement. Superior Court felony indictments and dispositions, which are important indicators of judicial workload, shows the following trend:

	CY-72	CY-73	CY-74
Felony Defendants indicted:	2,348	3,354	3,514
Felony Defendant dispositions:	2,175	2,178	4,422

Department of Corrections workload as measured by population statistics parallels the increasing felony caseload of the Superior Court:

Population	Jan. 1972	Jan. 1974	Jan. 1976	Mar. 1976
Institutions	3,800	2,810	3,150	3,350
Halfway-Houses ...	370	300	250	240
Parole	1,600	2,320	2,870	2,890
Total	5,770	5,430	6,270	6,480

Program initiatives taken in the late 1960's and early 1970's account for a relative "peaking" of correctional population in 1972 compared to previous years. As seen in the above statistics, the population of correctional institutions decreased between 1972 and the present. During the same period, the parole population substantially increased, which has resulted in a net gain in total correctional population. Correctional population trends since the beginning of 1976 indicate an accelerated increase in institutional population. This increase has resulted in plans to continue to use the old D. C. Jail even upon completion of the new Detention Center. If sustained, the

rise in prison population will require an increasing commitment of resources allocated to custody, care and rehabilitation of inmates.

Program workload of the city's fire suppression and emergency medical (ambulance) functions reflects increasing service demands as measured by fire unit responses, fire alarms and ambulance unit responses. The latter workload category has shown the most dramatic increase, rising from a level of sixty-four thousand responses in FY 1972 to eighty-two thousand responses in FY 1975. The Emergency Ambulance Service is operated by the Fire Department and is presently undergoing a program of converting its employees from uniform fireman to civilian emergency medical technicians. An important program initiative in the Fire Department is the ongoing conversion of "street" alarm boxes from telegraphic communications to voice communications. This program should result in improved fire unit responses and a decreased false alarms rate.

The major program components of the public safety and justice area -- police, courts, corrections and fire -- are complimented by several staff agencies principally concerned with the administration of justice. These agencies are directed to programs in the areas of inmate release from institutions (Bail Agency and Board of Parole); indigent criminal defense (Public Defender and Courts); judicial conduct and appointment (Tenure and Nomination Commission); revision of the D. C. Code (Law Revision Commission) and supervision of elections and ethics (Board of Elections).

Resource Requirements

A five year overview of operating budget expenditures shows a twenty-eight percent increase in operating budget dollar amounts between FY 1973 and the proposed FY 1977 operating budget. Over the same time period, the authorized staffing level has decreased slightly.

The growth in budgetary requirements is due to several factors, including across-the-board salary increases; program expansion, and non-personnel inflationary increases. The impact of salary increases on resource requirements is most vividly seen in the budgetary growth of the

Police Department. This agency is currently under a hiring freeze program and has undergone a substantial reduction in authorized staffing. The police officer compliment was 5,000 officers in FY 1973, while the projected strength for FY 1977 is at a level of 4,200 officers. The operating budget over this same time period has increased by seventeen percent. This growth can be wholly attributed to the 1974 pay increase action which was a sixteen percent increment to salary and pension payments plus the "natural" growth in the number of persons on the pension rolls.

The Fire Department, whose personnel are governed by the same salary plans as police employees, shows a twenty-six percent budgetary growth as compared to the Police figure of seventeen percent. This larger growth rate is a direct result of an almost constant staffing authorization between FY 1973 and FY 1977 in contrast to the Police reduction. That is, the resources allocated to the Fire Department will "buy" in FY 1977 about the same level of service as purchased in FY 1973, but a twenty-six percent increase in cost.

The Department of Corrections budget growth over the FY 1973-FY 1977 period shows a seventy percent increase. This relatively substantial increase reflects a combination of salary increases, program expansion and non-personnel inflationary cost increases. While salary increases can be considered to be "uncontrollable", it should be noted that inflationary cost increases and program expansions in correctional programs also largely reflect mandated actions. Approximately one-quarter of the Corrections operating budget is allocated to non-personnel items which must be purchased to provide for daily care and custody of inmates. Such expenditures are dictated by inmate population levels. Similarly, program expansions such as the opening of the Detention Center in early 1976 reflect requirements which are not subject to wide discretion in the allocation of resources.

Several program expansions having important budgetary impact were influenced by Federal initiative. For example, the 1968 and 1969 recommendations to expand the police force received strong Presidential support. The Department of Corrections' second Youth Center was put into operation as a direct

result of a U. S. District Court order. The expansion of the court system has required a new court house which is now under construction. In Fiscal Year 1975, the City was required to finance a $2,000,000 increase in the cost of indigent defense after the Federal Judiciary failed to include these costs in its budget.

Corrollary to the importance of Federal influence on public safety and justice program scope is the Federal influence on the cost of programs. The present salary and benefit structure of police, firemen and judges is the product of Federal statutes. This is especially important factor in current considerations relative to pension benefits and the cost of program funding. As has been indicated in other forums, the District Government has taken the position that there is Federal responsibility for financing the unfunded police and firemen's retirement program.

The growth of twenty-eight percent in agency direct operational requirements represents, for the most agencies, little or moderate program expansion. However, the concurrent growth in capital expenditure amortization (debt service) represents a significant increase in program facility development. The debt service associated with the police, fire court and correctional functions amounted to $725,700 in FY 1973, the comparable FY 1975 figure is $3,833,600. The increase amounts to 528% and represents part of the amortization costs of replacing virtually all police facilities, upgrading fire houses, replacing the old jail and constructing a new court house.

	F.Y. 76 Amended Request		F.Y. 77 Request	
	Pos.	Amount	Pos.	Amount
Metropolitan Police Department	5,635	$128,587.2	5,180	127,060.0
National Guard	20	301.6	20	299.5
Office of Civil Defense	7	129.2	7	63.2
Fire Department	1,535	42,825.0	1,490	44,589.4
Superior Court	1,014	19,939.4	985	20,099.3
Court of Appeals	63	1,495.6	61	1,528.5
D. C. Court System	72	4,353.4	70	3,831.9
Public Defender Service	90	1,919.9	89	1,919.7
Judicial Retirement and Survivors Annuity Fund	...	.....	...	.....
D. C. Bail Agency	59	769.5	59	737.9
Department of Corrections	2,101	42,887.5	2,100	46,110.1
D. C. Parole Board	23	492.3	23	502.4
Law Revision Commission	3	83.4	3	160.3
Commission on Judicial Disabilities and Tenure	1	64.2	1	67.4
Judicial Nomination Commission	...	11.8	...	16.8
Board of Elections and Ethics	42	1,248.4	42	889.6
Total	10,665	245,108.4	10,130	247,876.0

BUDGET SUMMARY

PUBLIC SAFETY AND JUSTICE (1)

Dollars in Thousands

	OBLIGATIONS						BUDGET REQUEST			
	Auth. FY 1973		Auth. FY 1974		Auth. FY 1975		Auth. FY 1976		Auth. FY 1977	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Police Department ...	6,035	$108,805.6	6,034	$109,475.2	5,783	$125,071.7	5,635	$128,587.2	5,180	$127,060.0
National Guard.....	20	256.9	20	279.2	20	282.3	20	301.6	20	299.5
Civil Defense.....	8	152.2	8	159.8	8	161.0	7	129.2	7	63.2
Fire Department.....	1,512	35,296.5	1,544	36,114.3	1,544	41,803.4	1,535	42,825.0	1,490	44,589.4
Courts	922	19,660.9	1,155	20,807.0	1,155	24,359.7	1,149	25,788.4	1,116	25,459.7
Judges' Retirement.....	...	(297.7)	...	(229.3)	...	(348.8)	...	(378.4)	...	(454.4
Public Defender.....	109	1,738.5	109	1,842.3	87	1,858.3	90	1,919.9	89	1,919.7
Subtotal	8,606	$165,910.6	8,870	$168,677.8	8,597	$193,536.4	8,436	$199,551.3	7,902	$199,391.5

BUDGET SUMMARY

PUBLIC SAFETY AND JUSTICE (2)

Positions are Authorized Positions
Dollars in Thousands

	OBLIGATIONS						BUDGET REQUEST			
	FY 1973		FY 1974		FY 1975		FY 1976		FY 1977	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Bail Agency.....	49	$597.5	54	$ 683.3	54	$ 762.5	59	$ 769.5	59	$ 737.9
Corrections.....	1,699	$27,196.9	1,858	$31,835.4	1,844	$35,507.8	2,101	$42,887.5	2,100	$46,110.1
Parole	25	373.0	25	425.6	24	459.9	23	492.3	23	502.4
Law Revision	...	...	...	...	...	...	3	83.4	3	160.3
Judicial Tenure.....	...	32.3	1	38.9	1	44.9	1	64.2	1	67.4
Judicial Nomination	...	...	...		...	...	...	11.8	...	16.8
Elections	7	447.6	7	540.5	22	1,450.1	42	1,248.4	42	889.6
Subtotal	1,780	$28,647.3	1,945	$33,523.7	1,945	$38,225.2	2,229	$45,557.1	2,228	$48,484.5
Grand Total.....	10,386	$194,557.9	10,815	$202,201.5	10,542	$231,761.6	10,665	$245,108.4	10,130	$247,876.0

Public Safety and Justice
Grants Summary

Agency	FY 75 ($ Thousands)	FY 76	FY 77
Metropolitan Police Department	323.4	679.2	571.5
Office of Civil Defense	186.1	249.0	206.7
Courts	564.9	537.9	...
Public Defender Service	143.2	202.8	162.6
Bail Agency	113.9	93.6	80.0
Department of Corrections	599.0	343.7	437.3
Parole Board	16.5	38.1	38.1
TOTAL	1,947.0	2,144.3	1,496.2

Grant funds for public safety and justice have supplemented two primary areas -- hardware for computers, communications, police supplies, and specialized programs in offender rehabilitation, both pre- and post-conviction.

Certain supplementations in administrative areas can be found throughout the grant funds for public safety and justice. The Parole Board and Civil Defense have grants of this type.

FUNCTIONAL STATEMENT

Mr. COPPIE. Mr. Chairman, the brief functional statement that I have prepared will be provided for the record. I would like to briefly summarize it at this time.

[The statement follows:]

SUMMARY

PUBLIC SAFETY AND JUSTICE

The Public Safety and Justice programs comprise approximately one-quarter of the District of Columbia's proposed Fiscal Year 1977 spending plan. There are a number of discrete agencies involved in this program area; however, the largest proportion of resources is directed to police, judicial, fire and correctional services.

With only minor exception, the Fiscal Year 1977 budget request can be characterized as a "hold the line" spending plan. Budget authority requested for Fiscal Year 1977 amounts to $247.9 million, this compares to a Fiscal Year 1976 request of $245.1 million.

For the Metropolitan Police Department, the Fiscal Year 1977 request continues the present program of manpower attrition for both the officer and civilian cadres. The authorized police officer complement is 4,470 for Fiscal Year 1977; this compares to a Fiscal Year 1976 complement of 4,630. Actual manpower will be less because these figures represent beginning of the year manpower strength and attrition if programmed throughout the year.

For the court agencies and the Fire Department the Fiscal Year 1977 budget requests continue present programs; however, attrition losses will be suffered. The increase in resources requested for the Department of Corrections from $42,887.5 in Fiscal Year 1976 to $46,110.1 in Fiscal Year 1977 represents full annual cost funding of the New Detention Center.

The scope of Public Safety and justice programs is broad because many correctional and judicial functions performed by District agencies are provided for other municipalities by state, county and regional governmental authorities. Expenditures related to the National Guard, Law Revision Commission, and Board of Parole, for example, would be borne, at least, in part by other levels of government.

BUDGET REQUEST

Mr. COPPIE. Mr. Chairman, the Public Safety and Justice programs comprise approximately one-quarter of the District of Columbia's proposed fiscal year 1977 spending plan.

There are a number of District agencies involved in this program area. However, the largest proportion of resources is directed to the police department, the judiciary, the fire department, and corrections services.

Mr. Chairman, the increase for this budget in 1977 is a modest one. It is just a little over $2 million for the total public safety area.

I think that the areas of increase will be discussed as we go forward with the topical reviews and the other questions that you have.

I would point out to you that the attrition program that the city has discussed with you yesterday was directly applicable to the public safety area. That is represented in each of the major components, but particularly the police department where we are moving to reduce the number of authorized police officers through a program of attrition.

Mr. Chairman, you have identified four topical areas. All of the witnesses to support the topical discussions are here. The other representatives from the public safety and judiciary functional areas are here to be responsive to the areas of inquiry you have this morning.

STATEMENT OF GEORGE RODERICKS, DIRECTOR

PHASEOUT OF OFFICE OF CIVIL DEFENSE

Senator CHILES. In the fiscal year 1977 request, the Office of Civil Defense is approximately half of that requested for the 1976 level: $63,200 versus $129,200. Is the city proceeding with a phaseout of the office?

Mr. COPPIE. Mr. Chairman, I think I would like to have George Rodericks, Director of the Office of Civil Defense, come forward and present the substance of this.

But in terms of the legislative history on the 1977 budget, initially it was clearly the intent of the City Council to phase down and phaseout the Office of Civil Defense in the 1977 fiscal year.

On the other hand, it was also clearly the city's intent to not lose the capability that we have in this particular area. We wanted this responsibility assigned to other agencies of the city.

In the final action by the City Council, they indicated that they would be receptive to alternative possibilities with regard to the Office of Civil Defense, including the continuation.

Mr. Rodericks is now in the process of looking at the various options. I would like to have him speak to that at this time.

CONTINUATION OF FUNCTIONS

Mr. RODERICKS. Senator Chiles, in response to your question, I prepared an answer and have submitted it to you.

Basically what I am saying is that when the Mayor presented our budget to the City Council and hearings were held, the Mayor vetoed the action of the City Council, if it meant ceasing the operation of the Office of Civil Defense.

The City Council, of course, overruled his veto, along with every other veto, and did tell the Mayor that they would be receptive to sustaining the operation of this Office if he could find the additional funds beyond which they appropriated for 1977.

The arithmetic, as we interpret it, is that the City Council gave my Office only half of what we had for the previous year for 6 months' operation in fiscal year 1977. But they said to the Mayor, in essence, "If you can find other resources to make up for the other 6 months, we would be receptive to keeping this Office in operation."

That is the process, as Mr. Coppie stated, that we are about to look into.

I have not made any direct effort to go back to the Mayor, Mr. Dugas or Mr. Coppie to look for the other 6 months' funding until after this hearing, because it seems to me that the process isn't going to be completed in terms of the 1977 decision on the budget until the House and the Senate also have acted on the budget.

I am caught on the horns of a very horrible dilemma. I want to support the decisions of the city government, without any question. I have put my case in.

I believe today that the city hasn't really definitively made up its mind as to what it wants to do. I am prepared to continue to work to try to sustain the operation because I believe it is essential. I think really the city officials think it is essential.

Because we are so tiny, I suspect they thought it was just very simple to wipe us out, save some money—a total of $71,000—and ask other agencies to assume the responsibility.

It won't work that way. Only one-third of the funding for Civil Defense and Disaster Preparedness in our city comes from the direct appropriation—only one-third. The other two-thirds comes from the Federal Government, by contributions, and 100 percent grants.

Almost all of the sophisticated telecommunications equipment for warning and coordination is provided by the Federal Government at no cost to the city directly. The seven positions that are in question are only the city's contribution to a program which is in fact funded substantially and mostly by the Federal Government, because we are part of a national preparedness system.

That is my dilemma. I am hoping to work it out to meet not only the requirements of the city government but also the Congress.

CONTINUATION OF FEDERAL FUNDING

Senator CHILES. Who can answer this question: If no funding is provided for the Office of Civil Defense do you still expect to get the Federal funding?

Mr. RODERICKS. I can respond to that. I have talked to the Federal people and the answer is no. The requirement under the law is that any municipality must establish an office of Civil Defense or Disaster Preparedness and have a full-time director in order to become eligible for Federal assistance. The Federal money is in the form of assistance. It is to insure that communities organize uniformly all across the country.

We will not only lose the Federal money for supporting the other two-thirds of the staff, but we will have to pay back to the Federal Government almost several hundred thousand dollars for equipment which has been purchased on matching funds, with the understanding that we would keep such equipment for the purpose it was intended.

SEVERANCE PAY

Then we have the question of severance pay. Our agency is a statutory agency established by Congress in 1950. One of the things the act provided for was that every employee be a member of the Federal civil service system, Classification Act.

Consequently, all of my staff are Federal career civil service employees and are entitled to severance pay, almost 1 year's pay, plus their normal terminal leave pay, if the jobs are abolished and positions are abolished.

That is going to cost us more money to just terminate the employees because we are talking about 20 people that have to be terminated, and not just the 7 who are funded by the District. They all have to be paid. It really will cost more to close us down than it will be to keep us alive.

In terms of alternatives of farming out the tasks, the question is, If you farm out the tasks, who will perform the tasks?

Senator CHILES. I don't know what the organizational plan is for the farming out of the tasks, but it seems to me that Washington of all places should be well prepared.

If there is any place that should have a plan, it ought to be in the Nation's Capital. I am sure the Federal Government has some plans. But it seems to me that the city being such an integral part of the Federal Government at least in geographic sense has to have plans that are dovetailing with the Federal plan.

Again, if the city is expecting to get the Federal funds, which I am sure they are, I would like very much for us to see what the plan of reorganization is and for us to determine whether we think that is going to be adequate and is going to be sufficient.

We were discussing that the administration has reduced by $16 million the Federal agency's budget for civil preparedness. But that is based on some slight-of-hand, I think, with regard to disaster relief generally. I am not sure that the Congress is going to go along with that on the basis of what we think is the importance of having a coordinated plan for handling disaster relief. So it remains to be seen what is going to happen in the Federal Government, too.

RECENT CONGRESSIONAL ACTIONS

Mr. RODERICKS. Senator Chiles, may I add to that. It is very essential to get the whole picture. The House Armed Services Committee this year for the first time in 10 years established through its investigations committee a civil defense panel headed by Congressman Leggett. Two weeks of solid hearings have just been concluded by the House, and we participated in those hearings, along with other leaders.

The House Armed Services Committee's recommendations now are that the budget of the Federal civil defense program be increased from an $85 million level to $110 million, that we have neglected to develop disaster preparedness, and that the dual use system of disaster as well as war-time preparation be continued. So it is coming through the House now.

I think we all suffer from some neglect and tension.

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Department of Corrections

STATEMENT OF DELBERT C. JACKSON, DIRECTOR

BUDGET REQUEST

Senator Chiles. Let's go to the Department of Corrections. What is the explanation for the $3.2 million increase in the Department of Corrections?

Mr. Coppie. Mr. Delbert Jackson, Director of the Department, is here.

Mr. Jackson. Mr. Chairman, the Department of Corrections has requested a net increase of $3.2 million in the 1977 fiscal year budget.

It should be pointed out that this increase represents simply annualization of prior year cost, fiscal year 1976. There are no increased positions—none whatsoever. It is a matter of great concern to me.

But in answering your specific question, the increase is comprised of $1.8 million in base decreases and $5 million in fiscal year 1977 increases.

Senator Chiles. What about your court-ordered improvements to the old jail? Are they included in this?

Mr. Jackson. At this point, approximately $110,000 has been reprogramed for the purpose of sealing off cell blocks 1 and 2 and the Rotunda. Moneys for the reprograming and the refurbishing of cell blocks 3 and 4 have not yet come through.

ADEQUACY OF BUDGET REQUEST

Senator Chiles. I understand that you have a budget now, that has been finally approved by the City Council. What has come out of that process? Are you going to be able to adequately run the corrections system on the basis of the money that they are granting?

Mr. Jackson. To run adequately or as I feel that it should be run or as I feel the city should run the system—the answer is no.

Senator Chiles. Where are the inadequacies?

Mr. Jackson. Inadequacy in terms of staff, particularly for resource management programs; the impact of reductions in the Department of Corrections' requests to the Mayor and the City Council; and impacts of various interdepartment items. I am necessarily going to have to make a reduction in positions.

I have recently imposed a freeze on all hiring and all promotions. I can foresee some fairly dire consequences if the Department of Corrections is going to have to continue in this vein.

Senator Chiles. What kind of consequences?

Mr. Jackson. I address myself to I guess what is primarily uppermost in the Department which is custody in the institution.

There are a certain number of posts in the institutions that have to be manned at all times. There are dormitories, and I speak specifically to the central facility which is completely dormitory-type housing, for which I cannot provide coverage. I have roughly 40 to 50 to 60 to 70 to 80 men in a dormitory alone without adequate coverage.

That is not good correctional practice. I am most certainly going to have to have a reduction in programs. My function is going to be almost completely destroyed. I am going to have to impact on the Director's office and support programs.

The impact is not in any one particular area. I cannot see the present budget structure lend itself to what we call the rehabilitation process. I see it defeating that purpose, if it was ever intended to become a purpose at all.

INSTITUTIONAL POPULATION

Senator CHILES. What is your present inmate population? Has that been increasing? How does it stand in regard to last year?

Mr. JACKSON. The inmate population particularly in the last 6 months has increased almost 10 percent. I think approximately 3 years ago our population at, for example, the Detention Center, which is the intake for the Department, was approximately 849. I think the daily population now is in excess of 1,100.

The population is escalating very rapidly throughout the Department. I have a court mandate that I can't exceed 350 people in the youth facility. I have 350 in there as of yesterday. At Youth Center 2 I can't exceed a population capacity of 225. Yesterday I had 224.

I am moving people on new cases from the jail to the new facility, back and forth, to keep within the court mandate. It is utterly ridiculous but, nevertheless, it is true.

In the population, we noticed a sharp cyclical trend. That is the most unpredictable population trend you can have in a projection. It goes up and down.

We noted a leveling off trend during the Christmas holidays. That is not unusual. But immediately in January when the courts came back from recess, the trend started going up at a very steady plane—straight up.

At the new Detention Center, for example, we have a capacity of 960 of which 240 cells are ready now. The population that is going to inhabit that facility presently is almost in excess of 1,200 people. So that is also self-defeating, which means I am going to have to operate two cell blocks, 3 and 4, in the dormitory in the old facility, which is a serious problem for us.

Senator CHILES. What kind of request did you make to the Mayor?

Mr. JACKSON. It is a rather difficult question to answer, Senator Chiles, in that the request from the Department may be one thing but it changes after we discuss it over a prolonged period of time. That request in the final analysis may be something else.

PROGRAM MAINTENANCE BUDGET

Senator CHILES. I just want some kind of idea of what you thought you needed to do the job that you are faced with?

Mr. JACKSON. We asked for 2,177 positions.

Mr. Coppie is advising me that perhaps I should answer that in the context of that it was a maintenance budget as prescribed by the Mayor, with limitations that I had to adhere to.

Mr. COPPIE. In other words, your question was what did he present to the Mayor. He was responding to the specific budget call of the Mayor, which was to essentially propose for 1977 a maintenance budget to the City Council from the Mayor.

Whatever the Department had internally in terms of need is, of course, another question.

Senator CHILES. What I would like to know is what the Department has in terms of need and then I want to know what the Mayor decided. I can then figure out what the City Council decided.

Mr. JACKSON. I can answer in part the terms of the departmental analysis relative to program continuity, and with perhaps stepping forward some, it was in excess of $52 million.

Senator CHILES. You ended up with $46.1 million.

Do you see the biggest crunch occurring then in fiscal year 1977?

Mr. JACKSON. I think that the impact, in fact I know it is here now. As I pointed out, we already have had staff meetings in terms of imposing a freeze on positions—hiring, that is. Of course, we didn't have adequate resources for positions authorized initially.

The impact is now; and I anticipate, in fact, I feel very strongly, that we are going to experience a great deal of difficulty in the coming months operating correctional facilities.

DECREASE IN BUDGET REQUEST FOR D.C. COURT SYSTEM

Senator CHILES. What factors are permitting a $521,500 decrease in the request of the D.C. court system? Does this suggest that the $554,900 increase requested for fiscal year 1976 is no longer entirely necessary?

Mr. GREENE. Mr. Chairman, in our view, no such decrease is warranted. The appropriation request of the D.C. courts did not contain a decrease of $521,000. On the contrary, it included an increase of $34,300.

We believe that the Criminal Justice Act appropriation in 1976 should be around $3 million. Experience has shown in the past year that about $3 million is necessary, particularly in view of the increase in criminal charges having been brought in the past year, or two.

The $521,000 decrease was suggested by the Mayor and the City Council. We do not concur in that. We believe that the same, or substantially the same $3 million that we requested for 1976, should be appropriated for 1977.

As a matter of fact, we have stopped paying vouchers for services rendered in 1975, simply because the appropriation ran out.

So on the basis of that experience alone, we do not believe that a decrease is warranted.

CITY'S RECOMMENDATION ON CJA REQUEST

Senator CHILES. What was the reasoning of the Mayor and the Council in reducing this request?

Mr. COPPIE. Mr. Chairman, the larger component of the decrease is $400,000 which was provided for in the 1976 fiscal year as an increase for fiscal year 1975 Criminal Justice Act indigent defense requirements.

The language provides a portion of the fiscal 1976 request to be retroactive to 1975 to meet specific obligations for CJA that would fall due on an expenditure basis in 1976 or perhaps 1977.

It was the judgment of the city that the 1977 fiscal year request of the courts could then be reduced.

The two other components, a $30,000 reduction in the personal services area was to be met from attrition savings——

Senator CHILES. So I will understand, this $400,000 that was provided to meet the Criminal Justice Act, is that no longer necessary in 1977 and the forward years?

Mr. COPPIE. We have $2.5 million in 1977. We are dealing with estimates.

Senator CHILES. So you are saying this $400,000 was a catch-up thing?

Mr. COPPIE. That is correct.

The final component was a $91,500 reduction in nonpersonnel expenses, such as supplies, equipment, et cetera. That represents a total of $521,500.

EXPLANATION OF TWO REQUESTS FOR CJA

Mr. GREENE. Our view is, the same catch-up is going to be necessary in 1977 because basically the problem is that lawyers are appointed and the obligation is incurred in one fiscal year; and the payments or the vouchers are not submitted for payment, generally, until the next fiscal year, when the trials are over and the appeals may be over and so on.

As a result of that problem, the Mayor supported and we supported a provision in the 1976 appropriation request which would allow 1976 moneys to be used for 1975 obligations.

We are again asking that 1977 moneys be allowed to be used to pay 1976 obligations. The amount that is in our judgment necessary as a minimum, is in the neighborhood of $3 million for each year.

Mr. COPPIE. I think the real point here, Mr. Chairman, is that if it has to be supplemented at a later time, we are prepared to meet the supplemental requirement.

We are dealing with an estimate and we are also dealing with an area where the city did not have this responsibility until the 1975 fiscal year.

We don't have a concluding experience for even the 1975 fiscal year at this point. So we feel that the $2.5 million estimate is a valid one.

Perhaps it will prove to be on the low side, or perhaps it will prove to be on the high side. At any rate, the city's commitment is to meet the full requirements as far as Criminal Justice Act needs are concerned. If it has to be supplemented at a later time, we are prepared to meet that requirement.

Senator CHILES. I think the subcommittee is concerned whether you are going to have to come back for more later and that we are going to be faced with another supplemental.

Mr. COPPIE. Obviously we think not, Mr. Chairman.

STATEMENT OF REV. H. ALBION FERRELL, CHAIRMAN

D.C. RELEASE RATE

Senator CHILES. According to a recent newspaper article, 66 percent of adult offenders in the District's prison system last year were freed by the D.C. Parole Board as soon as they became eligible for release.

The comparable rate for Maryland and Virginia was 50 percent and 62 percent respectively. Is this reported release rate correct?

Mr. COPPIE. Mr. Chairman, this is Reverend Ferrell, the Chairman of the D.C. Parole Board.

Mr. FERRELL. The newspaper figures are substantially correct. I would point out to you, Mr. Chairman, that statistics are very difficult to interpret. A flat statement that a parole board paroles 25 percent or 50 percent or 75 percent has little meaning, unless the various ingredients of that parole percentage are, understood.

In Maryland, persons are eligible for parole consideration at a maximum of one-fourth of the term; in addition to which they are immediately eligible for parole once the sentence has been imposed. That is everybody.

In Virginia, the maximum parole eligibility is at one-fourth of the term.

In the District of Columbia, it is at one-third of the term, which means that when the person comes to his parole eligibility in the District of Columbia, he has already served one-sixth more time than in Maryland and in Virginia. That is very important to consider.

RECORDS OF PAROLEE REARRESTS

Senator CHILES. I think it is. Let me ask you this: What kind of records do you have to show how many parolees are arrested and/or convicted of new crimes while they are on parole?

Mr. FERRELL. The total figure?

Senator CHILES. Yes, sir.

Mr. FERRELL. I may say, Senator, I have been very dissatisfied with our recordkeeping. The records that I thought were being assembled I discovered were not being assembled, and staff is under instructions that this will be corrected immediately.

Senator CHILES. I would sure hope that the city somewhere has some valid records of that, because you just said statistics are misleading.

I think the most important of the various ingredients we have talked about is going to be whether the people of the city are protected and what is the incidence of crimes that are being committed by people who have been paroled.

Mr. FERRELL. For fiscal year 1975, which is the most recent complete figures we have, a total of 428 revocation hearings were held. This involved both technical violators and revocations for new offenses.

Of that, 152 were revoked. That represents roughly one-third of those for whom revocation hearings were held.

My best recollection is our revocation rate is running somewhere between 22 and 25 percent annually.

Senator CHILES. That is your recollection? Is that based on 1975 figures or is that based on current figures? Where are we today?

Mr. FERRELL. It is about the same. There has been some slight increase in the number of revocations over the past 6 months.

Frankly, I do not have those actual figures. We have been speaking about adult cases. Of course, youth act cases are much higher. The figures in youth act cases run roughly around the 35 or 40 percent revocation rate.

The number of revocations over the past 6 months I would say has increased from 22 probably 27 or 28 percent—if the rate holds constant.

CAUSES FOR REVOCATION RATE

I think this rate is directly responsive in many ways to two things. First of all, Mr. Jackson earlier was advising the Chairman that he is going to have to cut back on programs available to his inmates.

Now that is going to have a direct bearing, first, on the number of paroles granted, because a very significant factor in the granting of paroles is the programs that an inmate has been involved and what has the inmante been able to accomplish.

Now, of course, if he has no programmatic involvement, he brings very little with him to a parole hearing.

It is also going to mean that men who have been ostensibly through a training program, who when they continue into the community and experience difficulties and frustrations, their revocation rate is going up.

Senator CHILES. Do you feel or does your Board feel any compunction to grant a high parole rate so you can get these men out of custody because you have other men coming in?

Mr. FERRELL. No, sir; absolutely not. I am deeply sympathetic with Mr. Jackson and his population problems. But the Parole Board does not see itself to be the kind of lid to reduce population purely for the reason of reducing population. By no means, no.

REASONS FOR INCREASING RATE OF PAROLE GRANTS

Senator CHILES. This figure of 66 percent, is that a constant figure or does that change?

Mr. FERRELL. In about 1968, when the Parole Board was reconstituted from a part time to a full time board, the increase began at that time. The percentage grants of paroles was roughly around 30 percent.

The District of Columbia had the reputation of being among the lowest jurisdictions in the granting of paroles. That has increased gradually.

I believe the 66 percent figure may be a slight reduction from the previous year. But over the past 5 years, it has remained fairly constant between 60, 65, 66 percent. That is fairly constant.

Some other things need to be said. This has been possible for a variety of reasons. Not only a changing philosophy of the board, as important as that is—I might mention, sir, that the recent legislation passed by the Congress and adopted by the President seems to indicate that the D.C. Parole Board has been on target with the objectives of that legislation.

That legislation clearly intends a presumption toward parole, unless there are strong mitigating factors to decide against it.

There have been other considerations. There has been the development of halfway houses, of course, which assist a man in preparing for release into the community. There has been a great community emphasis on drug treatment which allows the Board certain options that were not previously available. There has been considerable emphasis on alcoholic treatment which provides the Board certain options that were not previously available.

These and others that I won't take the time to mention have made the maintenance of 66 percent level of parole grants possible.

Senator CHILES. Reverend, the 66 percent may be a correct figure. I don't attempt to judge that.

I think, though, I would have a hard time judging that. And I wonder whether you can adequately judge it in your Board without having some very good statistics and very good records of this 20 to 25 percent revocation; what kinds of crimes are they being charged with, what kinds of parole offenses are they being charged with, that is amounting to the revocation—in other words, being able to determine whether that figure is high or low in regard to the protection of the citizens of the community and the fact that these people are out on early release and they are back in the community again.

It seems to me you would have to have those figures and they would have to be very current. You would almost have to be able to tell on a monthly basis what was happening to that population that was on parole to be able to judge your program, to be able to judge whether the follow-up was being done properly, and whether the figure, as I say, is too high or whether you were paroling the wrong type of offenders or what the basis was of the people you were paroling.

NEED TO IMPROVE STATISTICS ON PAROLEES

Mr. FERRELL. I agree with you, Senator. As I indicated, just this past Monday I gave instructions that I wanted those figures tabulated on a current basis, and this is being done.

I can make no apology for its not having been done. It was my anticipation that the instruction once having been given 2 years ago—and I know it was being done at that time—I anticipated the process was being continued.

I discovered quite to my chagrin that it was not continued. I have taken steps to be sure this is being done.

There is just one other thing I need to say in this regard. The Parole Board in its composition has very little statistical capability. We don't have a statistician on staff. We probably should have one.

However, with the various other problems in the budget of the District of Columbia this request is not included and very frankly, I have no intention of requesting of the Mayor a statistical capability.

What we will have to do is work much more closely with the people in the Department of Corrections to provide these statistical capabilities for us.

Senator CHILES. I would guess so. And with the Law Enforcement Division of the Police Department as to arrests and the court system as to charges.

Mr. FERRELL. Yes.

Senator CHILES. I wish you would make the subcommittee privy of those reports, too, as you receive them.

Mr. FERRELL. Yes, sir.

STATEMENT OF HAROLD H. GREENE, CHIEF JUDGE, SUPERIOR COURT

ACCOMPANIED BY J. PATRICK HICKEY, DIRECTOR, PUBLIC DEFENDER SERVICE

PUBLIC DEFENDER SERVICE VERSUS COURT SYSTEM

Senator CHILES. Let's go now to the court system, the PDS versus the court system for indigent defense.

During the course of the 1976 budget hearings, the fact that the D.C. Government has two separate programs, both to provide legal services to indigent defendants, was discussed.

Public Defender Service is a city agency that employs full-time lawyers to defend the poor. While the Public Defender Service is limited statutorily to 60 percent of the indigent cases, this subcommittee has been told the agency only handles 20 to 25 percent of the cases. The Criminal Justice Act lawyers are from the private sector who are appointed by the court to defend the poor.

The rationale for having two separate programs for the same purpose and relative cost and service of the two programs is a matter the subcommittee wants to address.

I am not satisfied with what I heard during the 1976 hearings that there is any rational basis for deciding which of these two programs should receive increased funding.

I am also not satisfied there is an agreement or understanding on what the relative roles of the two operations is to be.

JUSTIFICATION

The subcommittee will now hear again from Judge Greene and Mr. Hickey, the Director of the Public Defender Service. We will insert the justification material in the record at this point.

[The information follows:]

"What is the basis for deciding which of these two very similar services should receive increased funding? What is the comparative quality of service? What is the comparative cost of the service?"

The District of Columbia provides legal counsel for indigent defendants in criminal cases by means of salaried attorneys in the Public Defender Service, or by private attorneys compensated on a case-by-case basis.

The Public Defender Service currently represents an estimated 20 percent of the cases eligible for free legal counsel. Private attorneys represent approximately 80 percent of the cases eligible for free legal counsel. In Fiscal Year 1977, an estimated $4,500,000 will be expended on representation of indigents in criminal cases.

Although both Public Defender Service attorneys and private attorneys perform similar services, there are significant differences in the history and methods of the two modes of service delivery.

The Public Defender Service is an independent organization, governed by a Board of Trustees, and limited by statute to representation of 60 percent of indigent defendants. (See 2 D. C. Code 2201-2208). The Public Defender Service (originally called the Legal Aid Agency) has been incrementally funded by the District Government since Fiscal Year 1961.

Until Fiscal Year 1975, private attorneys were compensated by the Federal Judiciary pursuant to 18 U.S.C. 3006A. In Fiscal Year 1974, the Federal Judiciary was no longer willing to budget for private attorneys practicing in the City's local courts. Without assurance of payment, private attorneys then refused to accept cases in the Superior Court and the Court of Appeals. In response to this crisis, an attorney draft was instituted, the Federal Judiciary received an appropriation sufficient to complete Fiscal Year 1974, and enabling legislation was enacted which permitted the City's judiciary to budget for private attorneys in Fiscal Year 1975 (See 11 D.C. Code 2601-2609). The City, in effect, was forced to assume funding for private attorneys in a crisis atmosphere.

The differing histories of PDS and private attorneys are manifested in the daily operations of the two services. For example, before Fiscal Year 1975, PDS represented clients in certain mental health proceedings and persons-in-need-of-supervision cases, but private attorneys could not represent indigent clients in those kinds of cases. PDS attorneys have maximum caseload standards; private attorneys do not. Private attorneys are not compensated for secretarial or other office expenses, but PDS attorneys have these services provided. PDS attorneys are paid salaries comparable to U.S. attorneys; private attorneys are compensated through a voucher system on a case-by-case basis at $30 an hour for in-court time and $20 an hour for out-of-court time. (These hourly rates are not meant to be full compensation. See Senate Report 91-790.)

As a result of the crisis precipitated by the Federal Judiciary's unwillingness to budget for local private attorneys, the Mayor submitted authorizing legislation to the Congress which would combine the Public Defender Service and the private attorneys into one organization. With a unified legislative base, judgments as to the most effective mix of private and public attorneys could more effectively be made. Although the Mayor's proposal was not enacted, the District of Columbia Criminal Justice Act (11 D.C. Code 2601-2609) authorized appropriations only through Fiscal Year 1976. Senate Report 93-966 indicated that the Council and the Bar Association should study combining the two services, so legislation could be prepared by the Council for Fiscal Year 1977. (The Council enacted an extension of the current D.C. Criminal Justice Act on March 9, 1976. The Council held hearings on the Bar Association Study Report on Criminal Defense Services in the District of Columbia by the Joint Committee on the Judicial Conference of the D.C. Circuit and the D. C. Bar Unified - April, 1975, on October 1, 1975.)

Until the legislative program questions are finally resolved, the City has determined that the mix of PDS and private attorney resources should remain essentially constant. On a purely cost basis, indigent defense should be wholly provided by the private bar; on a quality basis, PDS should be sig-

nificantly increased. In preserving the current mix of PDS and private attorneys, time will be gained so a resolution of the conflict between cost and quality can be made.

Comparative Cost:

For Fiscal Year 1975, private attorneys have submitted 3,362 vouchers for felony cases through December 31, 1975, and $610,500 has been paid on those vouchers. A felony case, then, is defended by private attorneys at an average cost of $182.

For Fiscal Year 1975, Public Defender Service attorneys represented 1,100 closed felony cases, or about 25 percent of the total PDS caseload. By taking 25 percent of the PDS budget that is analogous to compensable services for private attorneys (attorney salaries and investigative services), PDS expended approximately $332,800 on felony representation in Fiscal Year 1975. A felony case, then is defended by PDS attorneys at an average cost of $302.

These cost figures must not be considered without taking into account the following:

1. The PDS and private attorney caseloads are not comparable. In any one month, approximately 80 percent of PDS caseload is devoted to the most serious felonies. The amount of work and time required for the more serious charges, and the $182 average cost for private attorneys includes many relatively simple felonies which are not handled by PDS.
2. The Fiscal 1975 private attorney cost-per-felony figure does not yet include the effect of the private attorney vouchers which reflect complex, protracted cases. The $182 average for private attorneys will certainly rise.
3. Congress has determined that private attorney rates are not to be full compensation, but rather private attorneys should contribute a portion of their services.
4. Judges in the D. C. Courts reduce approximately 40 percent of private attorney vouchers by about $50 each.

5. Private attorneys utilize investigative services in only about one percent of their cases.

Program Comparisons

Information on the comparative quality of PDS and private attorneys has been developed by the Institute for Law and Social Research. The information is contained in the Report on Criminal Defense Services referred to elsewhere in this report.

In summary, the Institute found that PDS attorneys were more successful in obtaining third party custody and unsecured bond for their clients than were private attorneys; PDS clients also were declared not guilty at trial often than were clients of private attorneys (52.9 percent versus 37.2 percent). In other indicators of quality, such as pleas and dismissals, the private attorneys and Public Defenders were roughly comparable.

Other types of indicators of quality show that PDS attorneys provide superior representation for their clients. PDS has been selected as an "Exemplary Project" by the Law Enforcement Assistance Administration. Criteria for selection as an "Exemplary Project" includes "significant achievement in the reduction of crime or improvement in the operations and quality of the justice system." Additional criteria are cost effectiveness, and adaptability by the jurisdictions." The Council adopted a report on March 31, 1975, which says PDS is "one agency of which the District can and should be proud." The Report on Criminal Defense Services indicates that "PDS is basically a sound and well-managed agency and the quality of representation is uniformly high." Judges interviewed by the Institute for Law and Social Research indicated they held PDS attorneys in high esteem.

In Fiscal Year 1976, judges have asked specifically for PDS attorneys in over 100 cases. These cases were unusually difficult or complicated.

Conclusions:

The mixed system of public and private defenders has many advocates. (See Standard 13.5 in Report on Courts, National Advisory Commission on

Criminal Justice Standards and Goals, as well as the Report on Criminal Defense Services.)

Assuming the mixed system of representation is desirable for the City, the following questions need to be answered before the appropriate mix of funding for the two types of services can be determined.

1. Should maximum caseload standards be imposed on private attorneys; should maximum caseload standards for PDS be raised, or both?
2. Should the cost-per-case for PDS and private attorneys be the same?
3. Are eligibility standards for entitlement to free legal counsel properly determined and administered?
4. Who should appoint defense counsel to individual cases?

These questions do not assume that increased funding for the two services will be available, but rather that the funding mix between the two may need to be changed.

STATEMENT OF JUDGE GREENE

Mr. GREENE. Mr. Chairman, at the moment, as you suggest, the Public Defender Service is handling in the neighborhood of 20 percent of the caseload, and the appointed Criminal Justice Act attorneys are handling the other 80 percent.

Basically the division is made on the availability of funds. The Public Defender Service, because of its operation, is able to handle no more than 20 percent. Mr. Hickey can no doubt explain that in greater detail.

The Criminal Justice Act funds, which we discussed earlier, are limited, and we are appointing lawyers to the extent Criminal Justice Act funds are available.

There is a report of a Defense Service Committee, an advisory committee appointed by the bar and by the Judicial Council of the District of Columbia, which has suggested a merger—not exactly a merger but at least a coordination of the two programs.

That matter is pending before the City Council which has held extensive hearings. I submitted an extensive statement which I would be glad to submit to the committee if the committee wishes.

Senator CHILES. I don't think the subcommittee has a report of the committee.

Mr. GREENE. I would be glad to supply that report, as well as the statements that we have submitted.

[CLERK'S NOTE: The report and a copy of Judge Greene's statement were provided to Senator Chile's subcommittee staff.]

Mr. GREENE. In that report, the committee recommends that there be greater coordination between the two programs by a common board of trustees.

But the basic problem, Mr. Chairman, is that funding is inadequate for both programs. If there were to be a different mix between the two programs, that would really not solve anything.

What we are interested in, what we have to provide, is an attorney for each criminal defendant. While the Public Defender Service representation is somewhat higher in cost, it is also I think somewhat higher in quality, by and large.

If there were to be a different mix, if the Public Defender Service, for example, were to be required to handle more cases, and if the quality were to be maintained, at the same time, PDS would also have to receive a larger appropriation.

METHOD OF APPOINTMENT OF COUNSEL

Senator CHILES. I understand that there are these differences in figures. One costs more. The Public Defender Service costs more, but it appears to grant a higher quality of service.

I still can't understand how a defendant gets selected or whether there is a rational basis for a defendant as to whether he is going to be appointed a public defender attorney or whether he is going to get one of the court-appointed attorneys.

I also can't determine, and I don't think you are going to be able to pin down the fact that there are inadequate funds for the mix or for both of them as long as you have this situation going on in which the city in effect—and the Mayor can say, "We are still

studying this and we are trying to determine which is the best." It looks to me like it gives him the best reason in the world not to fund it.

I think sooner or later we are going to have to come up with a rational plan and then we are going to be able to see whether it is adequately funded or not.

Mr. GREENE. Mr. Chairman, as far as the appointment is concerned, I wouldn't want to leave the impression that the Public Defender Service is consistently of higher quality than the private defense counsel.

Senator CHILES. I know we are dealing with statistics.

Mr. GREENE. There are some PDS attorneys who are more experienced and some less experienced. There are private attorneys who are more experienced and some who are less experienced.

The judge presumably takes into account the experience of the individual attorney in making the appointment, not so much the organization he comes from.

As to the latter part of your question, I don't know if it implies that there should not be a mixed system.

Senator CHILES. I don't know.

Mr. GREENE. I believe strongly there should be a mixed system. Congress in the Criminal Justice Act of 1970 decided in favor of a mixed system.

When the Criminal Justice Act was enacted for the Federal system in 1969 I believe it was, the Subcommittee on Constitutional Rights of the Committee on Judiciary published a report which very strongly argued in favor of a mixed system.

So I think a mixed system is something we should retain. The proportion of the mix is a question that is open, it seems to me, for debate.

PROPOSED LEGISLATION OF CITY COUNCIL

I assume the City Council will address that in the legislation it is considering.

Senator CHILES. Do we have any idea of when the city plans to act on the legislation?

Mr. GREENE. I do not know.

Mr. COPPIE. Mr. Chairman, when the city's Criminal Justice Act of 1974 passed, it was an authorization that expired in March 1976. The City Council has had extensive hearings over the last year studying the issue, but it has not come to a final determination as to whether any reorganization should take place.

What they have done is to extend the current system, and they continue to study the question of whether reorganization should in fact take place.

Senator CHILES. It is pretty clear to this committee that there right now is no rational plan, and I think there should be a plan by the Mayor and by the city as to some kind of a rational plan as to how this works, even if it is a combined system.

It seems like we talked about it when we heard the 1976 budget. We don't have anything. We are talking about it now. I hope in the City Council someone will just quit studying it and present a

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plan to us, or maybe we will have to come up with a plan of our own.

I don't think it would be best to act without having the advice of what the city thinks the plan should be.

QUESTIONS SUBMITTED BY SENATOR CHILES

Senator CHILES. Mr. Greene would you please respond to a number of questions which we will submit to you for the record?

Mr. GREENE. I would be happy to, Mr. Chairman.

[The questions and answers follow:]

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA

NEW RECEIVING HONE FOR JUVENILES

QUESTION:
1. What are the principal causes for the increased backlog of cases and how do you expect to minimize them in the future?

ANSWER:
1. The number of juvenile cases filed rose significantly in 1975; 7,212 such cases were filed for a 13.1 percent increase over the 6,377 cases filed in 1974. This increase is significantly greater than the 1 percent increase from 1973 to 1974. An even greater impact on the court's resources has been caused, however, by the more than doubling of felony indictments in the past five years. This has created such a demand for trial judges in the Criminal Division of the court that it has become increasingly difficult to augment the number of judges assigned to other functions, including juvenile trials.

QUESTION:
2. What action have you taken on the GAO report which calls for reducing court backlogs to avoid building a new $6 million facility?

ANSWER:
2. During the Spring of 1975 I assigned several additional judges to the trial of Family Division cases, in an effort to reduce the juvenile case backlog. As a result of that effort, the number of pending juvenile cases was reduced from 1400 to 800. However, since that time, it has been necessary to divert the additional judges assigned back to the trial of adult criminal cases because of the unprecedented increase in the workload in that area. Nevertheless, this month an additional judge was once again assigned to family trials bringing to nine the total number of judges assigned to the Family Division. Three of these judges are assigned to special functions which deal primarily or exclusively with juvenile matters: Family Calendar

Control, Family Motions and New Referrals; the remainder are assigned to Family Division trials. Thus, approximately 20 percent of the judicial manpower of this court is presently being utilized in a division that accounts for about 5 percent of the court's total caseload. Whenever possible, it is my intention to increase further the number of judges assigned to the Family Division, unless the backlog of juvenile cases is significantly reduced in the meantime.

QUESTION:
3. How do you plan to reduce the length of stay of juveniles at detention or holding facilities now and in the future?

ANSWER:
3. The length of stay of juveniles in pretrial detention is, of course, related to the backlog of pending cases. I am committed to utilizing judicial resources to achieve reduction of that backlog, to the maximum extent possible in terms of the management of the court's total caseload.

In addition to my efforts to reduce the backlog of cases, and thus the length of detention, I have also made efforts to minimize the number of juveniles committed to the Children's Center. An agreement was reached in 1974 between the parties to the Savoy case, referred to in question #6, that expanded the use of shelter houses and so-called "home detention." These alternatives to detention at the Children's Center, although limited, have proven to be highly successful and I have urged expansion of their use by the Department of Human Resources.

At this time the court is exploring the possibility of utilizing third-party custody programs within the Juvenile Branch in an attempt to provide additional alternatives to detention for juveniles awaiting disposition of their cases.

In addition to the steps outlined above, the court has worked cooperatively with the Urban League, which has recently received a

sizeable discretionary grant from LEAA to develop a diversion program for various categories of juvenile offenders, particularly status offenders. The court has also indicated its support for additional juvenile diversion programs on behalf of a number of other organizations which are seeking funding for such programs. To the extent that these diversion programs, as they are implemented, are successful in decreasing the workload of the Juvenile Court by removing from the court significant numbers of youth who are charged with status offenses, or with other minor offenses, the court will be in a position to focus its attention and resources on juveniles charged with more serious crimes. Moreover, if diversion programs succeed in providing alternatives to court processing for significant numbers of young people who, under the present system, would come to court, the decrease in the number of cases with which the court must deal will permit it to process much more rapidly those cases for which the court continues to have primary responsibility. Such diversion of status offenders and other minor offenders from juvenile court process could, therefore, significantly decrease the length of time which it is necessary to detain other juveniles pending court processing.

QUESTION:
4. Do you plan to assign more judges to the Family Division to reduce the backlog? If not, why not?

ANSWER:
4. The court has a total of 44 judges, with 12 special or statutory judicial assignments. The remaining 32 judges must handle all felony, misdemeanor, civil and family trials. As the total number of cases continues to rise, particularly in the criminal felony area where trials are especially time-consuming, it obviously becomes more difficult to maintain complete currency in all divisions of the court. My policy

in the assignment of judges has always been to seek to assign judges to those areas where significant backlogs have developed or appear to be developing. I have done this recently in the juvenile area, and, as the attached chart shows, the number of pending juvenile cases had been reduced to 1,980 as of March 30, 1976. However, it must be recognized that, despite the dramatic increase in cases filed in all divisions of the court since court reorganization, the size of the court has not increased. According to a recent study of the D.C. Superior Court by the Advisory Commission to the Joint Committee on the Structure of the Judiciary of the California State Legislature, which applied its own weighted caseload standard to the Superior Court workload, this court should now have approximately 54 judges to handle its current caseload, rather than the 44 judges presently authorized.

QUESTION:
5. How do you assure yourself that the judges to the Family Division are devoting proper attention to expeditiously processing cases?

ANSWER:
5. Despite the dramatically rising workloads throughout the Superior Court and despite the fact that the time from case initiation to trial has increased during the last 12 to 18 months, cases in the Superior Court are generally disposed of within the time limits proposed by the various groups and commissions which have studied such matters. This is true only because judges and other court personnel are making tremendous efforts to keep pace with the ever-rising number of cases filed in the Superior Court. The court's staff, which has been reduced by over 100 persons because of budget cuts recommended by the Mayor and the City Council, is making extraordinary efforts to process cases expeditiously in spite of its ever-increasing workload. I am proud of the efforts of both the judges and the staff of this court

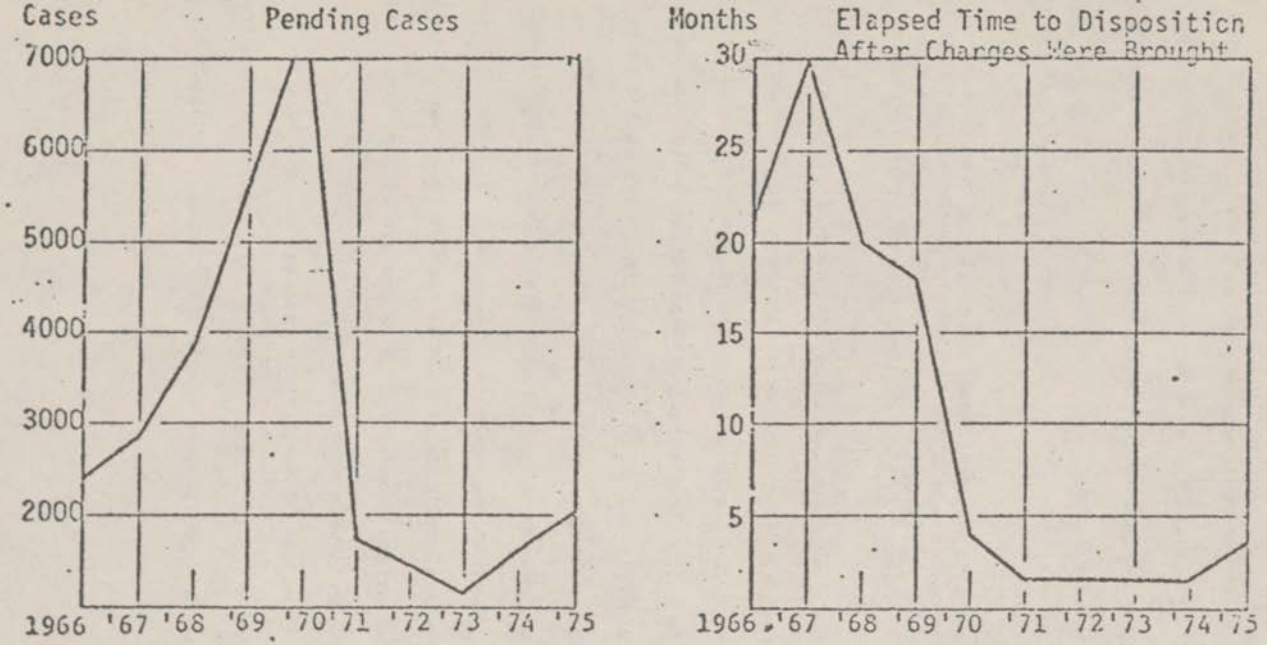
in the face of these problems. I receive regular reports from judges and court assignment commissioners on working hours and case dispositions and would, I believe, be thus aware if there were any reason to think that judges assigned to the Family Division were not working diligently to process cases.

QUESTION:
6. What is the status of the "Savoy" case? Is it true that DHR cannot make any changes on its own at the Children's Center without consulting you in court because of this case? How can we avoid the continued consultation with the court in the administration of youth facilities?

ANSWER:
6. The Savoy case, which concerns the treatment of juveniles being detained prior to the disposition of their cases, involves such issues as disciplinary procedures, visitation rights and educational requirements. Because there is currently a motion pending before me in this case, it would not be proper for me to comment further with regard to this litigation. Any assertion, however, that the Department of Human Resources cannot make changes at the Children's Center without first consulting the court has no basis in fact. The Department is bound only to the extent of valid court orders, some of which were worked out between the parties themselves. I am unaware of any "consultation" with the court, continuous or otherwise.

I would welcome an end to the Savoy litigation, and have so stated both in open court and in written opinions. The court has retained jurisdiction at the specific request of the parties, who again renewed this request last month.

JUVENILE DELINQUENCY CASES
1966 to 1975



6. As of December 31, 1974, 1,614 juvenile delinquency cases were pending. During 1974 these cases were disposed within 1.5 months after charges were brought. As of December 31, 1975, 2,041 juvenile delinquency cases were pending. During 1975, these cases were disposed within 3.5 months after charges were brought.

DEPARTMENT OF CORRECTIONS

NEW DETENTION CENTER

STATEMENT OF DELBERT C. JACKSON, DIRECTOR

STAFFING COMPLEMENT

Senator CHILES. The subcommittee would now like to hear from Mr. Jackson of the Department of Corrections on the new Detention Center. We will insert the overview of the material regarding the transition to the new Detention Center at this point.

[The information follows:]

TRANSITION TO THE NEW DETENTION CENTER

I. Introduction

The New Detention Center (NDC) staffing complement had been determined to be in the range of 500 to 525 positions or employees. This staffing requirement did not represent new budget authority because available staff positions numbering 418 were to be transferred from the old D.C. Jail and the old Womens' Detention Center (WDC). Therefore, the net incremental requirement for the NDC was estimated to be in the range of one hundredstaff positions. It was originally planned to permanently close the old D.C. Jail and the WDC, but these plans have been postponed, if not indefinitely interrupted, because of the increasing number of inmate detainees. The relatively recent accelerated growth in inmate population, coupled with court mandates on overcrowding, has resulted in a situation where the NDC at a capacity of 960 will not be able to hold all inmates in detention status.

A plan has been developed to keep two cell blocks of the old Jail in operation after the opening of the Detention Center. An analysis of the staffing needs associated with continued operation of a portion of the Jail indicates a need for 206 staff positions at the old Jail. Since 206 positions must remain there, only 211 can be transferred for use at the NDC. This creates a need for 315 new positions to fully staff the new facility in FY 1977. The Mayor's FY 1976 budget amendment proposed inclusion of these positions, however, City Council action on that amendment reduced the number of new positions by 63, for a total of 252 new positions and a grand total of 463 positions for the NDC. Following City Council action, the 252 new positions have been classified as temporary. All positions for the NDC are listed in Appendix A.

II. Discussion

Appendix B contains a summary of inmate population figures, authorized staff, and staff-to-inmate ratios. The population shown through 1976 is for the old D.C. Jail and the figure shown for 1977 is the total inmate capacity of the NDC. This data does not include the capacity of the old Jail which will continue to be utilized. It is estimated, based on current population increases, that about 450 spaces will be required in the old facility. The actual population housed there will be dependent on a number of variables. Over the past six months, the trend in both male and female detainee population has been dramatic, over 10 percent increase. The trend is as follows:

Month	Total Population
September, 1975	1,000
October	1,050
November	1,100
December	1,100
January, 1976	1,050
February	1,120

Presently the total population is in excess of the 960 capacity of the new facility.

A comparison of information in Appendix B and the foregoing data shows a relatively stable population over the long run. This data should be reviewed with attention to the character of the inmate population. Specifically, the late 1960s saw a substantial change in the character of persons detained. Beginning in 1966 with the Easter decision, public inebriates in the District of Columbia began to be processed outside of the criminal justice process. Such individuals were sentenced in fewer numbers to the old Jail. Almost concurrent with this development was the increase in serious street crimes related, in part, to increased "hard" narcotic usage.

This development is extremely important in studying both population and staffing levels. The inmate population has increasingly become a security problem and the change in inmate population has resulted in the loss of skilled

inmate labor. Many maintenance, repair, culinary, etc. services were provided in the past by relatively skilled inmates who were imprisoned solely because of public intoxication. Such persons are not now sentenced to the Department of Corrections and work previously performed by these inmates is done almost entirely now by paid staff. Further, it should be noted that the increasing numbers of inmates accused of serious crimes pose greater security risks and thus have required quantum increases in the correctional officer force.

Another important factor which is indicative of the character of the inmate population is the fact that detainees committed to the Department of Corrections have failed to be released on bail or non-surety conditions. This fact implies that such persons are in need of intensive, if not continual, supervision because they pose heavy security risks.

An additional key consideration in reviewing staff to inmate ratios is the fact that the NDC will continue to provide, as in the old Jail, services that are used on a department wide basis. These include medical services, and the central records and identification function for all the institutions in the department.

Questions as to fluctuations in detention population and future trends can only be addressed in general terms because of the many variables involved that are not under the control of the Department. Input to the jail population depends on: arrest and apprehension rates; pre-trial release policies; time required for trial; and time required for sentencing. All of these factors impinge on the levels of population at any given time. It is difficult to identify the most important variable involved, however, it is believed that the factors noted are among the most important factors affecting population levels.

As noted earlier, the population increase above creates the requirement to have space in addition to that available at the NDC. This requirement has been intensified by a court order which is critical of both space available and living conditions at the old Jail.

In order to have such additional capacity available, plans are to demolish the rotunda and cell blocks 1 and 2, and to retain cell blocks 3 and 4 for future use in the old Jail. Additional capital costs involved in maintaining the old Jail

facility are contingent upon the duration of the population increase. If the population increase is temporary, the level of repairs needed will be determined by the number of inadequacies identified. This will enable the Department of Corrections to provide overflow housing while meeting minimum court ordered improvements. The cost of such repairs is currently estimated to be $2.6 million. If the population increase is continued for a longer period of time, a program of improvements has been developed which will allow for indefinite use of the two cell blocks, at a level exceeding minimum court requirements. The cost for this program is estimated to be $5.0 million.

In either event, preliminary work needed to seal off the two remaining cell blocks from those sections to be demolished, and the actual demolition work, would require approximately $300,000. The improvement options noted above do not include this amount.

III. Conclusion

Review of Detention inmate population, staffing levels and operation of the NDC are complex subjects which require background and perspective on the entire criminal justice process. Inmate population levels are not, with current data and information, subject to retrospective or prospective analysis with any degree of confidence. Indeed, in most instances, the detention population is dependant on the level of crime, police activities and prosecutor and court policies, all of which are beyond the management control of the Department.

Staffing, in turn, depends on inmate population levels, security requirements, and court mandated improvements. Important in this regard, as noted above, is the character of the inmate population.

Finally, it should be noted that joint operation of the old Jail and the N.D.C. would not be required had original plans for a 1,500 capacity facility been implemented; however, such plans were disapproved by the Congress.

Appendix A

Summary of Positions for the
New Detention Center

Permanent Positions

Administration and Support

GS-15	Medical Officer	1
GS-15	Correctional Institution Administrator	1
GS-14	Medical Officer	4
GS-13	Correctional Institution Administrator	2
GS-12	Dentist	1
GS-11	Supervisory Misc. Document Examiner	1
GS-11	Supervisory Nurse	1
GS-09	Clinical Nurse	4
GS-08	Misc. Document Examiner	9
GS-08	Medical Technical Assistant	6
GS-06	Secretary	1
GS-05	Misc. Document Examiner	1
GS-04	Clerk-Typist	1
	Total, Administration and Support	33

Operations

GS-11	Food Service Administrator	1
GS-10	Supervisory Correctional Officer	2
GS-09	Supervisory Correctional Officer	10
GS-09	Supervisory Steward	1
GS-08	Steward	4
GS-08	Correctional Officer	20
GS-07	Correctional Officer	63
GS-06	Correctional Officer	67
	Total,Operations	168

Programs

GS-12	Chaplain	2
GS-12	Psychologist	1
GS-11	Correctional Treatment Specialist	3
GS-11	Education Specialist	2
GS-09	Recreation Specialist	2
	Total, Programs	10

Summary of Positions for the
New Detention Center

Temporary Positions

Administration and Support

GS-12	Dentist	1
GS-11	Pharmacist	1
GS-09	Training Officer	1
GS-09	Medical Technical Assistant	3
GS-09	Microfilm Specialist	2
GS-09	Identification Supervisor	1
GS-08	Identification Clerk	1
GS-08	X-ray Technician	1
GS-08	Dental Technician	1
GS-07	Miscellaneous Document Examiner	1
GS-07	Photo Processor	1
GS-06	Secretary (Admin.)	1
GS-06	Medical Records Librarian	3
GS-06	Dental Assistant	1
GS-05	Secretary	1
GS-04	Clerk/Typist (Admin.)	2
GS-04	Clerk/Typist (Record)	3
	Total, Administration and Support	25

Operations

GS-12	Supervisory Correctional Officer	1
GS-10	Supervisory Correctional Officer	2
GS-10	Supervisory Steward	1
GS-09	Supervisory Correctional Officer	6
GS-09	Laundry Supervisor	1
GS-08	Steward	4
GS-08	Correctional Officer	18
GS-07	Laundry Worker/Repairman	1
GS-07	Correctional Officer	49
GS-06	Correctional Officer	110
GS-05	Administrative Aide	1
GS-04	Kitchen Aide	5
	Total, Operations	199

Programs

GS-12	Psychologist	1
GS-12	Supervisory Classification & Parole Officer	1
GS-11	Correctional Treatment Specialist	3
GS-09	Teacher	2
GS-08	Librarian	1
GS-05	Librarian Assistant	1
GS-04	Clerk/Typist	3
	Total, Programs	12

Other Support Services

GS-11	Assistant Facility Manager	1
GS-04	Janitor	2
WS-08	Electrician	1
WS-08	Electrician Specialist	1
WS-08	Pipefitter Plumber	2
WS-08	Painter	1
WS-08	Carpenter/Plasterer	1
GS-08	Assistant Finance Officer	1
GS-05	Canteen Clerk	2
GS-04	Mail and Visit Clerk	2
GS-07	Stock Control Clerk	1
GS-05	Chief Telephone Operator	1
	Total, Other Support Services	16
	Total, New Detention Center	463

Appendix B - Staff/Inmate Ratios at the D.C. Jail, 1966-1976

Year	Male a/ Population	Staff b/	Ratio
1966	1,154	155	1:7.5
1967	802	171	1:4.7
1968	918	161	1:5.7
1969	961	190	1:5.1
1970	1,045	262	1:4.0
1971	1,091	357	1:3.1
1972	1,183	292	1:4.1
1973	815	349	1:2.3
1974	749	333	1:2.2
1975	853	318	1:2.7
1976*	972	337	1:2.9
1977 (NDC)	960 (capacity only)	463	1:2.1

*Through 12/31/76

Correctional Officer/Inmate Ratios at the D.C. Jail, 1966-1976

Year	Population a/	Staff b/	Ratio
1966	1,154	128	1:9.0
1967	802	132	1:6.1
1968	918	131	1:7.0
1969	961	166	1:5.8
1970	1,045	240	1:4.4
1971	1,091	240	1:4.5
1972	1,183	240	1:4.9
1973	815	280	1:2.9
1974	749	280	1:2.7
1975	853	275	1:3.1
1976	972	275	1:3.5
1977 (NDC)	960	332	1:2.9

a/ Excludes Women's Center, 1966 to 1976 and old Jail, 1977.

b/ Excludes continued use of old D.C. Jail.

Appendix C - Average Population at the D.C. Jail, Fiscal Years 1966-1976

FY 1966	1,154
1967	802
1968	918
1969	961
1970	1,045
1971	1,091
1972	1,183
1973	815
1974	749
1975	853
1976*	972

*Through 12/31/75

STATEMENT OF DELBERT JACKSON

Mr. JACKSON. This is a transition to the new Detention Center. The staffing complement of the new District of Columbia Detention Center had been determined to be in the range of 500 to 525 positions or employees.

This staffing requirement did not represent new budget authority because available staff positions numbering 418 were to be transferred from the old D.C. Jail and the old Women's Detention Center.

Therefore, the net incremental requirement for the D.C. Detention Center was estimated to be in the range of 100 staff positions.

It was originally planned to permanently close the old D.C. jail and the Women's Detention Center, but these plans have been postponed, if not indefinitely interrupted, because of the increasing number of inmate detainees.

The relatively recent accelerated growth in inmate population, coupled with court mandates on overcrowding, has resulted in a situation where the D.C. Detention Center, at a capacity of 960, will not be able to hold all inmates in detention status.

A plan has been developed to keep two cell blocks of the old jail in operation after the opening of the Detention Center. An analysis of the staffing needs associated with continued operation of a portion of the jail indicates a need for 206 staff positions at the old jail.

Since 206 positions must remain there, only 211 can be transferred for use at the Detention Center.

This creates a need for 315 new positions to fully staff the new facility in fiscal year 1977. The Mayor's fiscal year 1976 budget amendment proposed inclusion of these positions; however, City Council action on that amendment reduced the number of new positions by 63, for a total of 252 new positions and a grand total of 463 positions for the Detention Center.

Following City Council action, the 252 new positions have been classified as temporary.

Based on current population increases, it is estimated that about 450 spaces will be required in the old facility. The actual population housed there will be dependent on a number of variables.

POPULATION TRENDS

Over the past 6 months, the trend in both male and female detainee population has been dramatic, over 10 percent increase. The trend is as follows: in September 1975 the total population was 1,000; as of February 1976 it was 1,120.

Presently the total population is in excess of the 960 capacity of the new facility.

I should point out—and this is aside from my prepared text, Mr. Chairman—that the 1,120 represents primarily the old jail. There are plans also in the transition period to bring the Women's Detention Center inmates into the new jail as well, which will make the figure in excess of 1,200 or 1,300.

The late 1960's saw a substantial change in the character of persons detained. Beginning in 1966 with the *Easter* decision, public inebriates in the District of Columbia began to be processed outside of the criminal justice system.

Such individuals were sentenced in fewer numbers to the old jail. Almost concurrent with this development was the increase in serious street crimes related, in part, to increased hard narcotic usage.

This development is extremely important in studying both population and staffing levels. The inmate population has increasingly become a security problem and the change in inmate population has resulted in the loss of skilled inmate labor.

Many maintenance, repair, culinary, et cetera, services were provided in the past by relatively skilled inmates who were imprisoned solely because of public intoxication. Such persons are not now sentenced to the Department of Corrections, and work previously performed by these inmates is done almost entirely now by paid staff.

Further, it should be noted that the increasing numbers of inmates accused of serious crimes pose greater security risks and thus have required quantum increases in the correctional officer force.

Another important factor which is indicative of the character of the inmate population is the fact that detainees committed to the Department of Corrections have failed to be released on bail or non-surety conditions.

This fact implies that such persons are in need of intensive, if not continual, supervision because they pose heavy security risks.

DEPARTMENTAL SERVICE PROVIDED

An additional key consideration in reviewing staff to inmate ratios is the fact that the D.C. Detention Center will continue to provide, as in the old jail, services that are used on a Department-wide basis. These include medical services and the central records and identification function for all the institutions in the Department.

Questions as to fluctuations in detention population and future trends can only be addressed in general terms because of the many variables involved that are not under the control of the Department.

Input to the jail population depends on arrest and apprehension rates, pretrial release policies, time required for trial, and time required for sentencing. All of these factors impinge on the levels of population at any given time.

It is difficult to identify the most important variable involved. However, it is believed that the factors noted are among the most important factors affecting population levels.

As noted earlier, the population increase above creates the requirement to have space in addition to that available at the D.C. Detention Center. This requirement has been intensified by a court order which is critical of both available space and living conditions at the old jail.

USE OF OLD D.C. JAIL

In order to have such additional capacity available, plans are to demolish the rotunda and cell blocks 1 and 2, and to retain cell blocks 3 and 4 in the old jail for future use.

Additional capital costs involved in maintaining the old jail facility are contingent upon the duration of the population increase.

If the population increase is temporary, the level of repairs needed will be determined by the number of inadequacies identified. This

will enable the Department of Corrections to provide overflow housing while meeting minimum court ordered improvements.

The cost of such repairs is currently estimated to be $2.6 million. If the population increase is continued for a longer period of time, a program of improvements has been developed which will allow for indefinite use of the two cell blocks, at a level exceeding minimum court requirements. The cost for this program is estimated to be $5.0 million.

In either event, preliminary work needed to seal off the two remaining cell blocks from those sections to be demolished, and the actual demolition work, would require approximately $300,000. The improvement options noted above do not include this amount.

Review of detention inmate population, staffing levels, and operation of the D.C. Detention Center are complex subjects which require background and perspective on the entire criminal justice process.

Inmate population levels are not, with current data and information, subject to retrospective or prospective analysis with any degree of confidence. Indeed, in most instances, the detention population is dependent on the level of crime, police activities and prosecutor and court policies, all of which are beyond the management control of the Department.

Staffing, in turn, depends on inmate population levels, security requirements, and court mandated improvements. Important in this regard, as noted above, is the character of the inmate population.

Finally, it should be noted that joint operation of the old jail and the D.C. Detention Center would not be required had original plans for a 1,500 capacity facility been implemented. Such plans, however, were disapproved by the Council and the Congress.

STAFF TO INMATE RATIOS

Senator CHILES. What was your staff to inmate ratio in the old jail?

Mr. JACKSON. I think perhaps about one to three.

I have it here, sir.

Senator CHILES. I guess you are looking for this chart, appendix B.

Mr. JACKSON. Right.

Senator CHILES. It shows in 1966 you had 1:7.5. It dropped from 1.5 in 1968 down to 1.2 in 1976. You will be 1.2 in 1977.

It seems to me that with your new facility that includes changes in regard to your cells and how you lock up and other changes that we should get some improvement in that staffing ratio.

Mr. JACKSON. I think perhaps, Mr. Chairman, there are variables that do impact upon this that perhaps are not duly recognized.

As we pointed out, the excessive population that you had, for example, in 1966, which was a landmark of the *Easter* decision, the jail was overcrowded, yes, with a large number of residents in the jail but they required no real strict supervision.

That no longer is true. I have people housed in my facility now, particularly in detention cells, whom I do not wish to permit to live in dormitory-type houses, but I have no choice. I have to maintain adequate care.

BETTER SECURITY ARRANGEMENTS AT NEW DETENTION CENTER

Senator CHILES. But your new facility allows you a much better security arrangement, if what I read about it is true.

Mr. JACKSON. It most certainly does, without question. The only factor that limits that is availability and amount of space available.

It is overcrowded. With respect to the women's population, for example, we note that last year we had a population of around 55 or 60. As late as 2 weeks ago it was 138. We had originally planned to house the females in one cell block. Now we have to utilize two.

We receive juveniles who we must, by court order, keep separate from adults. It reduces the amount of space available. It is a very serious problem.

Of course, we have been advised to develop a plan for cost estimates for the extra module. That is fine, too.

The problem I see there is initially that module would have cost approximately $2.5 million. Today the module will cost between $7.5 million and $10 million.

Senator CHILES. How many will the additional module hold?

Mr. JACKSON. It is 480; a total detention center population of 1,440.

Senator CHILES. I would just hope that when we are building these more modern facilities, that we would take advantage of available technology that would permit us to use fewer bodies and use more automatic equipment and other things in regard to security.

Mr. JACKSON. We do that to the extent possible. I would like to say the new Detention Center is escape proof, but I know of no such animal in the country—or in the world, for that matter.

The problem we have is the different caliber. The people who come through our system, Mr. Chairman, they talk about a classification system. They have been classified long before they get to us.

Approximately four-fifths, or 80 percent, have been through the system before. There is a classification process. These people are classified. The presumption of innocence no longer applies. The presumption is guilty.

You simply have to understand I don't have the gentle, quiet alcoholic any more. I have people committing very serious crimes against people and against property.

INMATES AWAITING TRANSFER TO SAINT ELIZABETHS HOSPITAL

Senator CHILES. A recent newspaper article reported that McKinley Riley, Jr., spent 60 days in the D.C. jail before he was transferred to Saint Elizabeths on December 18 for a mental examination.

According to Riley, he was shackled hand and foot to his bed and given tranquilizers for 60 days.

How many people do you have waiting in the D.C. jail to go to the hospital?

Mr. JACKSON. As of yesterday, we had approximately 29 waiting availability of bed space at Saint Elizabeths.

About Mr. Riley, the article is inaccurate. He was shackled legs only to the bed for approximately a week, 5 to 6 days, from the 3rd to the 8th.

There are currently 29 inmates in the jail who are waiting transfer to Saint Elizabeths.

INMATES AWAITING HOSPITAL TREATMENT

Senator CHILES. What period of time have they been waiting? Have any of them been waiting 60 days before being transferred? Can you give me the average?

Get it for us, if you don't have it now. What is the average amount of time being spent by inmates waiting hospital treatment?

[The information follows:]

GOVERNMENT OF THE DISTRICT OF COLUMBIA

DEPARTMENT OF CORRECTIONS
Suite 1114
614 H Street, N.W.
Washington, D.C. 20001

April 22, 1976

Memorandum to: Comer S. Coppie
Special Assistant
to the Mayor

From: Delbert C. Jackson
Director

Subject: Supplemental Information
on Inmate Transfers to
St. Elizabeth's Hospital

At the Senate hearings on April 8, 1976, a question was asked concerning the number of inmates awaiting transfer to St. Elizabeth's Hospital and the length of the waiting period involved in such transfers.

A survey was taken of 50 inmates who have been transferred to St. Elizabeth's between March 1973 and February 1976. That information indicated that the average waiting period was 59.54 days, or approximately 8.5 weeks. There are currently 29 individuals at the D.C. Jail awaiting transfers.

REASONS FOR DELAY

Mr. JACKSON. Mr. Rodgers, Assistant Director of Operations, advised me that it is 6 to 8 weeks. I somewhat recollect a different figure. That doesn't strike a responsive chord with me.

Senator CHILES. Is that because there are no beds in Saint Elizabeths? What is the reason for a 6 to 8 weeks' delay?

Mr. JACKSON. In Superior Court particularly, the judgment and commitment papers say, "Committed to the D.C. jail and assigned, pending availability of bed space, at Saint Elizabeths Hospital."

We have absolutely no control over when Saint Elizabeths says, "We will take John Doe, McKinley Riley," whoever the case may be. They are moved by the marshals. We simply are a holding facility.

They shouldn't be in the jail. I certainly don't want them in the jail.

Senator CHILES. Can we get some information on the reason for that long delay?

If Mr. Jackson doesn't have it, where do I get it? Saint Elizabeths?

Mr. JACKSON. The city is cognizant of the problem. What they have done, the Mayor has developed a committee with Mr. Dugas as city administrator. There is a plan afoot to have open in June a 38-bed psychiatric facility for these particular people who have exhibited this type of bizarre behavior pending transfer to Saint Elizabeths Hospital.

I don't know; we have had as many as 60 people who fit that category. They do frequently require restraints.

Senator CHILES. When will that facility be open?

Mr. JACKSON. I think it is scheduled for June, I believe.

Senator CHILES. I think we would like to have some more information on that.

Mr. COPPIE. Yes, sir.

[The information follows:]

The District of Columbia has agreed to open a Forensic Psychiatry Ward to be located in the PCRC Building on the grounds of D.C. General Hospital. It is expected that the ward will be ready for operation on June 1, 1976.

Following a request by the Court, guidelines for the operation of the unit were developed in a series of meetings between District officials representing the Departments of Human Resources and Corrections, the Mental Health Administration, the Forensic Psychiatry Office, Corporation Counsel, and Saint Elizabeth's Hospital. Program responsibility for this ward will rest with the Forensic Psychiatry Office.

The ward itself will be a 30 bed acute psychiatric unit for accused individuals in pre-trial status who require in-patient psychiatric care and treatment while in the process of court ordered mental evaluation.

The guidelines developed for the functioning of the unit presume a high degree of cooperation between the involved agencies. For the most part this includes the Forensic Psychiatry Office, Saint Elizabeth's Hospital, the D.C. Department of Corrections, and the Court. Central to the operation of the unit will be the assumption that it is designed for acute cases, and that the turnover rate will be high. It cannot function effectively without adequate follow-up of individuals who are returned to the D.C.Jail or released into the community. The Department of Corrections

has agreed to utilize a section of the new Detention Center as a holding area for observation and treatment of individuals returning from the Psychiatric Ward or Saint Elizabeth's Hospital, and for those being evaluated for transfer to these facilities. Medical responsibility for these individuals would rest with the Chief Medical Officer of the Department of Corrections in regular consultation with psychiatrists from the staff of the Forensic Psychiatry Office.

In order to accomplish the security aspects of its role in the operation of the Psychiatric Ward, the Department of Corrections has estimated that 26 Correctional Officers would be required to provide full-time coverage. The total yearly cost for that service is estimated to be $313,000. For operation of the unit during the remainder of FY-1976 the Department of Corrections anticipates costs of $66,736. This amount will cover equipment purchases and salaries for 26 Correctional Officers who have already been recruited.

The Department of Corrections has $120,000 available in its FY-1977 budget for security at the Psychiatric Ward.

METROPOLITAN POLICE DEPARTMENT

STATEMENT OF MAURICE CULLINANE, CHIEF

OVERLAPPING POLICE SERVICES

Senator CHILES. Let's now go to the police force, if we can. We will insert an overview of the information regarding the overlapping police services at this point.

[The information follows:]

Introduction

The Metropolitan Police Department is the principal police agency in the District of Columbia, and has the major responsibility for the prevention and detection of crime and the apprehension of criminal offenders within District boundaries. There are, however, twenty-one additional police agencies also authorized to operate within the District of Columbia.

The number of police agencies operating within relatively limited geographical boundaries (sixty-nine square miles) has been the genesis of questions relative to program and jurisdictional "overlap", possible duplication of services and consequent unnecessary budgetary expenditures.

Discussion

Listed in the attached material is relevant factual information on the twenty one police agencies operating within the District of Columbia. This indicates legal authority, jurisdiction and manpower. While the programs and scope of these agencies are diverse, it is helpful to categorize or group them by four broad functional areas. They are: (1) Police agencies fulfilling a Presidential or Congressional role; (2) park and recreational police agencies; (3) governmental and quasi-governmental police agencies performing essentially security services for buildings, facilities and cash; and (4) investigative agencies of the Executive Branch of the United States Government such as the F.B.I.

The Executive Protective Service, U.S. Capitol Police and the Library of Congress Police fall into the first category. These agencies are directed to the security and safekeeping of the President, his or her family, Members of Congress

and Capitol facilities, and foreign embassies and chanceries. Except for working with a high volume of tourists, these agencies do not function as police agencies having responsibility for general crime prevention and criminal apprehension.

The Park Police and Smithsonian Police are responsible for safety of persons and facilities almost entirely associated with tourism and visitation and, in the case of the Park Police, movement of vehicular traffic and Federal arteries. As with the first category, these agencies do not have wideranging responsibilites for crime prevention and apprehension of criminals.

The third grouping consists of agencies directly involved with building, facility and cash security. These agencies, including the Federal Protective Service, Treasury Police and Aqueduct Police, can be categoriaed as having more limited responsibilities than the foregoing categories. For example, none of these agencies has traffic control responsibilities as do the Park Police and Capitol Police. It should be noted that METRO security includes substantial Metropolitan Police Department participation and, compared to several other large rapid transit systems, a relatively small organic police force.

The fourth category of police agencies includes the F.B.I., Drug Enforcement Administration, and the Immigration and Naturalization Service. These agencies fulfill their mission within the District of Columbia pursuant to national goals and priorities which are the responsibilities of Cabinet-level Executive Departments.

With only a few exceptions, the District's Metropolitan Police Department has concurrent jurisdiction with the first three categories of agencies and works cooperatively with the latter group. Importantly, the MPD has principal responsibilities for investigating most of the serious felonies and providing complex technical support services.

Comments and Conclusions:

There is no question that "overlapping" of police responsibilities is subject to qualification. For example, most of the local police agencies discussed above have limited program and geographical responsibilities. This is not to under-

estimate the importance of the primary missions of these agencies but rather to recognize the contrast between specialized police agencies having limited jurisdiction and the MPD having very wideranging responsibilities.

It also should be noted that the several police agencies operating in the District of Columbia have counterparts in other cities and states. For example, dedicated park police agencies are found in other cities as are rapid transit and housing authority police. Importantly, other cities which have an industrial base have industrial security forces that parallel the role of District agencies concerned with tourism and the national government, our large local "industry".

Also, the F.B.I., Drug Enforcement Administrative and I.R.S. have special agents in other cities who perform functions as do special agents in the District of Columbia. It is believed that the MPD has a long established record of cooperation and success in working with these agencies.

It is generally understood that the MPD has, because of its size and expertise, important responsibilities for "backing up" the other police agencies in crowd control, demonstrations and bomb threats. It is understood that the work of the MPD has been very effective in support of the Executive Protective Service, Park Police and U.S. Capitol Police.

Inasmuch as the MPD is the principal general police agency in the District and the other police agencies have specialized functions, it appears that questions of overlapping and duplication would involve the following circumstances. Overlapping implies that the MPD assumes responsibilities specifically assigned to other specialized police agencies or that other agencies assume the general police responsibilities of the MPD. It has been our experience that such conflicts have not been problems.

Day-to-day coordination is effected with other District police agencies and also with other jurisdictions' police agencies. It is accurate to conclude that the MPD provides backup and core support for all other local police agencies involved in problems which are serious in nature and/or magnitude without "program overlap".

OVERLAPPING POLICE FORCES

The Metropolitan Police Department is the principal police agency in the District of Columbia, and has the major responsibility for the prevention and detection of crime and the apprehension of criminal offenders within its boundaries. There are, however, twenty-one additional police agencies authorized to operate within the District of Columbia. Attachment No. 1 summarizes the source of legal authority, scope of jurisdiction and activities and manpower where such information is available. With few exceptions, the Metropolitan Police Department has concurrent jurisdiction with these agencies. Specific exceptions are found in the cases of the U. S. Capitol Police, the Library of Congress Police, and the U. S. Supreme Court Police. It is to be noted that in many of these agencies authority is limited to that of guards or special police with an extremely limited area of jurisdiction.

While there is comparatively little contact between some of these agencies and the Metropolitan Police Department, the Department does provide, upon request, a variety of services to most of these agencies. These services are in such areas as:

1. Homicide investigations
2. Transportation and detention of prisoners
3. Explosive ordnance investigations and disposal
4. Crowd control
5. Evidence collection and preservation
6. Criminal records
7. Laboratory analysis
8. Narcotic identification and testing
9. Traffic towing
10. Collateral receipt
11. Juvenile processing
12. Identification facilities
13. Follow-up investigations

It is, however, with only four of these agencies that our day-to-day crime prevention and detection efforts are most heavily concentrated. These agencies are:

1. The U. S. Capitol Police
2. The U. S. Park Police

3. The Executive Protective Service

4. The National Zoological Police

As a result of the close and continuous relationship which exists with these agencies, a well-defined functional relationship, in which the responsibilities of each agency is clearly delineated, has been developed. The specific functions assumed by these agencies and the auxiliary services provided by the Metropolitan Police Department in assisting these agencies in the performance of their function are shown on Attachment No. 2.

At least eight of these agencies maintain units in most large cities. These agencies are:

1. Drug Enforcement Administration
2. Federal Bureau of Investigation
3. Immigration and Naturalization Service
4. Internal Revenue Service
5. U. S. Customs Service
6. U. S. Marshals
7. U. S. Secret Service
8. U. S. Postal Service

With respect to these agencies, the position of the Metropolitan Police Department does not differ significantly from that of police departments in other large cities where field units are maintained.

UNITED STATES PARK POLICE

SOURCE OF LEGAL AUTHORITY

(1) Under exclusive control of Director of the National Park Service - D. C. Code 4-202.

(2) Director may utilize special police to augment U. S. Park Police - D. C. Code 4-208.

(3) Administration of National Parks - 16 U.S.C. 1 et seq.

SCOPE OF JURISDICTION/ACTIVITIES

(1) Powers and duties are isonomous to MPD (as to offenses committed within geographical jurisdiction) D. C. Code 4-201, 40 U.S.C. 67.

(2) Warrantless arrests for felony if probable cause, or misdemeanor committed in presence on or within any road, park, parkway, or other federal reservation in D. C. - D. C. Code 4-209.

(3) May execute warrant or other process within parks and parkways with exceptions - D. C. Code 4-209.

(4) May transport arrestees - D. C. Code 4-209.

(5) Special police duties and powers same as Park Police, but are restricted to public parks and other reservations under NPS control - D. C. Code 4-208.

(6) Local jurisdiction extends to defined environs of D. C. (nearby counties) - 84 Stat. 827

MANPOWER

Total U. S.	552
D. C. and environs	449 (33 non-uniformed)
D. C. only	225

EXECUTIVE PROTECTIVE SERVICE

SOURCE OF LEGAL AUTHORITY

(1) Executive Protective Service is a permanent police force - powers and privileges "similar" to those of the Metropolitan Police Department - 3 USC 202.

SCOPE OF JURISDICTION/ACTIVITIES

(1) Subject to supervision of Secretary of Treasury - Id.

(2) Operative Command is Director of Secret Service - Id.

(3) Purpose is to protect: the White House and grounds, buildings containing presidential offices, the President and members of his immediate family, foreign diplomatic missions in D. C. Id.

(4) May request MPD to assist them perform protective duties - 731 Home Rule Act

MANPOWER

Uniformed 850 (U. S. nearly all in D. C.)

FEDERAL PROTECTIVE SERVICE

SOURCE OF LEGAL AUTHORITY

(1) Members of uniformed guard force appointed by General Services Administrator as special policemen* to protect under GSA control - 40 USC 318

(2) FPS may be detailed to agencies not under GSA control upon request - 40 USC 318(b)

(3) May use facilities of other federal law enforcement agencies, and with consent local agency facilities and services - 40 USC 318(b)

(4) Non-uniformed force of FPS officers - 40 USC 318(d)

(5) Residual supervision of buildings not otherwise provided for - 40 USC 19

SCOPE OF JURISDICTION/ACTIVITIES

(1) Uniformed special police, FPS, have same power as sheriffs and constables to protect persons and property over which the U. S. has exclusive or concurrent criminal jurisdiction - 40 USC 318

(2) May not serve civil process - 40 USC 318

(3) Enforce GSA regulations - 40 USC 318 (including guards)

*Some FPS personnel have guard status only and are not included in this discussion.

(4) Detailed uniform FPS personnel - same under (1) through (3) above - 40 USC 318(b)

(5) All but guards may carry arms on federal property - 40 U.S.C. 318(d) (non-uniformed) and 40 U.S.C. 490 (a)(2) (uniformed special police)

(6) Non-uniformed FPS may carry weapons when in travel status between federal buildings and home and work - 40 U.S.C. 318(d)

(7) Non-uniformed FPS while on GSA controlled property can enforce federal law, including warrantless arrests for felonies committed thereon - 40 U.S.C. 318(d)

MANPOWER

Uniformed 775 (U. S.: majority D. C.)

U. S. CAPITOL POLICE

SOURCE OF LEGAL AUTHORITY

(1) Sergeants at Arms of the House and Senate responsible to protect Capitol - 40 U.S.C. 193, 193(t)

(2) Creation of Capitol Police - 40 U.S.C. 206

SCOPE OF JURISDICTION/ACTIVITIES

(1) Area of jurisdiction re: Capitol grounds - 40 U.S.C. 193(a)

(2) Includes Botanical Gardens - 40 U.S.C. 215

(3) Enumerated powers and duties - 40 U.S.C 193 (a-m), 212 (a-b)

(4) Arrest power for violation of U. S. law or state law or regulation thereto - 40 U.S.C. 212(a)

(5) MPD has concurrent jurisdiction with exceptions - 40 U.S.C. 212(a) (proviso: upon invitation or with consent to enter Capitol or certain grounds for arrest, service of process or patrol)

MANPOWER

Uniformed	950
Non-Uniformed	75
MPD Detail	50 (25 and 25)

SECRET SERVICE

SOURCE OF LEGAL AUTHORITY

(1) In general - 18 U.S.C. 3056

SCOPE OF JURISDICTION/ACTIVITIES

(1) Protect the President (members of immediate family), President-elect, Vice President-elect, or person next in line of succession, certain candidates for public office and other individuals - 18 U.S.C. 3056

(2) Detect and arrest for offenses relating to money and certain other crimes - 18 U.S.C. 3056

(3) Execute warrants; carry weapons, offer and pay rewards; warrantless arrests - 18 U.S.C. 3056

(4) May request MPD to assist them to perform protective duties - 731, Home Rule Act

MANPOWER

Agents 1200 (U. S.)

U. S. SUPREME COURT POLICE

SOURCE OF LEGAL AUTHORITY

(1) Marshal of Supreme Court appoints special policemen - 40 U.S.C. 13(f)

SCOPE OF JURISDICTION/ACTIVITIES

(1) Limited to Supreme Court Building and grounds - 40 U.S.C. 13(p)

(2) Enforce and make arrests for violations of enumerated provisions (40 U.S.C. 13 g-1) or any law of the U. S. or state - 40 U.S.C. 13(n)

(3) Marshal may request or consent to MPD assistance within building for arrest, service of process and patrol - 40 U.S.C. 13(n)

MANPOWER

Uniformed	51
Non-Uniformed	1

AQUEDUCT POLICE

SCOPE OF LEGAL AUTHORITY

(1) Chief of Engineers supervises Washington Aqueduct and certain other public works - 40 USC 45

(2) Follows presidential orders through Department of the Army - 18 USC 48

SCOPE OF JURISDICTION/ACTIVITIES

(1) Enforces traffic regulations for the protection of Aqueduct and Filtration Plant and accessories 40 USC 53

(2) May arrest and parole individuals for traffic violations 40 USC 53

MANPOWER

Uniform 20

POSTAL SERVICE

SOURCE OF LEGAL AUTHORITY

(1) A part of its general powers - 39 U.S.C. 401(6) (10)

(2) Specific powers to investigate certain matters - 39 U.S.C. 404(7)

SCOPE OF JURISDICTION/ACTIVITIES

(1) Seize and detain mail - 39 U.S.C. 604

(2) Search vessels - 39 U.S.C. 605

(3) Collect debts - 30 U.S.C. 2601

MANPOWER

Uniform 2,918 (U. S.)

Inspectors 1,735 (U. S.)

FBI

SOURCE OF LEGAL AUTHORITY

(1) Part of Department of Justice - 28 USC 531

(2) Appointment of investigators to detect crime - 28 USC 533(1)

SCOPE OF JURISDICTION/ACTIVITIES

(1) Assist protecting President - 28 USC 533(2)

(2) Detect and prosecute crimes against U. S. - 28 USC 533(1)

(3) Conduct other investigations under direction of A.G. or Secretary to State - 28 USC 533(3)

(4) Concurrent authority with other federal agencies to investigate - 28 USC 533

(5) Compile and exchange records with states - 28 USC 534(a) (1)-(2)

(6) Investigation of crimes involving federal employees - 28 USC 535

(7) May carry firearms - 18 USC 3052

(8) Warrantless arrests - 18 USC 3052

(9) Serve process - 18 USC 3052

MANPOWER

Agents 8,600 in U. S.

350 in D. C.

SMITHSONIAN INSTITUTION

(Including National Zoo)

SOURCE OF LEGAL AUTHORITY

(1) Secretary of Institution and Trustees of National Gallery of Art may appoint special policemen - 40 U.S.C. 193(n)

SCOPE OF JURISDICTION/ACTIVITIES

(1) Jurisdiction includes the several Smithsonian buildings, the National Zoo, other property owned, by same, and certain described National Gallery Property - 40 U.S.C. 193(v)

(2) Concurrent enforcement including arrest, in the U. S. Park Police of laws and regs which apply to National Capital Parks and for certain other defined violations within areas bounded by the curb lines of the buildings protected by same - 18 U.S.C. 193(t,x)

(3) Limitation - 5 U.S.C. 5365

MANPOWER

Uniformed	394
Plainclothes	6

N.B. - Zoo police uniforms and administration separate and apart from other Smithsonian units.

DRUG ENFORCEMENT ADMINISTRATION

SOURCE OF LEGAL AUTHORITY

(1) Supervision of criminal prosecutions lies within Justice Department - 28 USC 501,503,509

(2) Attorney General may delegate - 21 USC 871

(3) DEA created as function of A. G. - 28 USC 509 (Reorg Plan No. 2 of 1973 4, 38 F.R. 15932, 87 Stat. 1091 as amended 3/16/74, P.L. 93-253 1, 88 Stat. 50)

SCOPE OF JURISDICTION/ACTIVITIES

(1) All intelligence, investigative and law enforcement functions vested by law in Secretary of Treasury, or other government departments or agencies relating to narcotics, excepting ports of duty - Reorg. Plan No. 2 1 (prior thereto provision relating to subject were transferred to Treasury - 21 US 161 and P.L. 89-74 set out as note after 21 USC 360 a) 21 USC 80 (et s eg.)

(2) Carry firearms, execute warrants; arrest without warrants; seize property - 21 USC 878

MANPOWER

Plainclothes 2,300 U. S.

METRO

SOURCE OF LEGAL AUTHORITY

(1) Compact - D. C. Code 1-1410- 1416 - 1431

(2) Retention of police powers by MPD - D. C. Code 1-1412

(3) Metro Security Force - Title III of Compact 12 (g), (j), (m) set out as note, D. C. Code 1431

(4) Watchmen, guards, investigators authorized

SCOPE OF JURISDICTION/ACTIVITIES

(1) Protect persons and property - Compact 76

(2) Must be authorized by zone jurisdiction - Id.

(3) Equated with special policemen - Id.

(4) Does not relieve MPD of responsibility or impair MPD jurisdiction in D. C. - Id.

(5) Rail site, terminal and Headquarter protection

(6) Training at Cons. Fed. Law Enforcement Training

MANPOWER

Uniformed	65 (Metro Zone)
Non-Uniformed	0
Training	31 (as of 4/1/75)
Projected	170 (Metro Zone)
Special Police	12 (firearms restricted to 5th & G and certain money pickups)

U. S. MARSHALS

SOURCE OF LEGAL AUTHORITY

(1) Appointed by President, one for each judicial district - 28 USC 561(a)

(2) Marshal to appoint deputies - 28 USC 562

(3) Attorney General supervises - 28 USC 569(c)

(4) Provide some services now or before court reorganization D. C. Code 11-1729

SCOPE OF JURISDICTION/ACTIVITIES

(1) May carry firearms - 18 USC 3053

(2) Warrantless arrests for offenses committed in presence or felony upon probable cause - 18 USC 3053

(3) Execute writs, process and judicial orders and may command assistance to execute their duties - 28 USC 569(b)

(4) Transfer prisoners to narcotic farms - 28 USC 568

(5) For executing U. S. law has same power as sheriff of the state presently in - 28 USC 570

MANPOWER

Plainclothes 250 in D. C.

TREASURY SECURITY FORCE

SOURCE OF LEGAL AUTHORITY

(1) Enforcement of laws relating to Treasury - 31 USC 1017

SCOPE OF JURISDICTION/ACTIVITIES

(1) Operates only in Treasury Buildings - Id.

(2) Building guards - Id.

(3) Arrest in buildings for monetary offenses - Id.

MANPOWER

Uniform 50

IMMIGRATION AND NATURALIZATION SERVICE

SOURCE OF LEGAL AUTHORITY

(1) Congress has the power to establish rules of naturalization - Art. I, 8, 1.4 US Const.

(2) Power to exclude aliens in an inherent attribute a sovereign nation - Chinese Exclusion Case, 130 US 581(1889)

(3) Created - 26 Stat. 1085(1891)

SCOPE OF JURISDICTION/ACTIVITIES

(1) Enforcement of all laws relating to immigration and naturalization of aliens - 8 USC 1103(a)

(2) May stop and search any conveyance without warrant if reason to believe illegal aliens secreted therein - 8 USC 1225

(3) May conduct pre-arrest detention to accomplish purpose - 8 USC 1225, 1252(a)

(4) Power to transport - 8 USC 1252

(5) Warrantless arrest - 8 USC 1252

(6) Immigration Naturalization Service authorized to purchase firearms - P. L. 93-433, 88 Stat. 1194 (Justice and Related Agencies Appropriations Act of 1975)

MANPOWER

Plainclothes	70 in D. C.
Uniformed	10 (D. C. area)

N.B. - INS authorized to carry weapons on basis of General Counsel Opinion (INS).

INTERNAL REVENUE SERVICE

SOURCE OF LEGAL AUTHORITY

(1) Enforcement of Internal Revenue Laws - 26 USC 7608

SCOPE OF JURISDICTION/ACTIVITIES

(1) Any Treasury officer charged with enforcing seizure and forfeiture of alcohol, tobacco, firearms or other taxed commodity - may: (a) carry a firearm - 26 USC 7608(a)(1); (b) serve process

LIBRARY OF CONGRESS POLICE

SOURCE OF LEGAL AUTHORITY

(1) Composition of Library - 2 USC 131

(2) Librarian of Congress appointed by President - 2 USC 136

(3) Librarian appoints special policemen - 2 USC 167

SCOPE OF JURISDICTION/ACTIVITIES

(1) Enforcement of specified provisions - 2 USC 167(a-e)

(2) Special policemen - 2 USC 167

(3) Geographic limits - 2 USC 167(j)

(4) Similar MPD entry provision as for U. S. Supreme Court - 2 USC 167(h)

(5) Arrest Power - 2 USC 167(h)

MANPOWER

Uniformed 103

ST. ELIZABETH'S HOSPITAL

SOURCE OF LEGAL AUTHORITY

(1) Federal property under GSA control - 24 USC 161

(2) Delegation to HEW - 30 F.R. 20650, June 12, 1974

(3) Delegated the Director of Security, St. Elizabeth's Hospital 1/13/75, Part I, general management instructions, No. 4-9-19

SCOPE OF JURISDICTION/ACTIVITIES

(1) Special Policemen

(2) Restricted to grounds

(3) General police power concurrent with MPD

(4) Weapons - authority reserved by Director of Security

MANPOWER

Uniformed 43

FEDERAL RESERVE BOARD GUARD FORCE

SOURCE OF LEGAL AUTHORITY

(1) Board of Governors of the Federal Reserve - 12 USC 241

(2) Enumerated powers include hiring all needed employees 12 USC 248(e)

(3) Safeguarding notes, collateral and property - 12 USC 248(i)

SCOPE OF JURISDICTION/ACTIVITIES

(1) Only armed on special occasions, escorts always armed, are deputy marshals

(2) Building guards, restricted to grounds of Fed.

MANPOWER

Uniformed 45

Plainclothes 5 (escort for chairman)

U. S. CUSTOMS SERVICE

SOURCE OF LEGAL AUTHORITY

(1) Organization of service - 19 USC 2071

(2) Secretary of Treasury supervises - 19 USC 3,6

SCOPE OF JURISDICTION/ACTIVITIES

(1) Board and search any vessel without warrant in U. S. - 19 USC 1581

(2) Search persons without warrant if probable cause 19 USC 1582

(3) Search and seizure with warrant of Buildings 19 USC 1595

(4) Enforcement of Treasury Regulations - 19 USC 1624

(5) Carry firearms - 19 USC 1581

MANPOWER

Uniformed	2 (in D. C. area)
Plainclothes	50 (in D. C. area)

MPD FUNCTIONAL RELATIONSHIP TO ALLIED POLICE AGENCIES	CAPITOL POLICE	PARK POLICE	ZOO PARK POLICE	EPS
PATROL AGENCY PROPERTY	B	C	B	B
OFFENSE/INCIDENT REPORTS	B	B	C	B
ARRESTS	B	B	B	B
TRANSPORTATION OF ARRESTEES	C	C	A	A
BOOKING RESPONSIBILITY	A	B	B	B
IDENTIFICATION/PRINTS/PHOTOS	A	C	A	A
ARRESTEE TO COURT OFFICER	A	A	A	A
COURT APPEARANCE	B	B	B	B
COURT LIAISON	C	B	A	A
INVESTIGATION OF MISDEMEANORS	C	B	B	A
INVESTIGATION OF FELONIES	C	B*	B*	A
INVESTIGATION OF SUICIDES	A	A	A	A
CRIME SCENE SEARCH	C	C	A	A
CUSTODY OF PROPERTY- PRISONERS	C	B	B	A
CUSTODY OF PROPERTY- EVIDENCE	C	B*	B*	A*
CUSTODY OF PROPERTY- OTHER	C	B	B	A
SECURING WARRANTS	A	B	B	B
EXECUTING WARRANTS	A	B	C	B
SECURING SEARCH WARRANTS	A	B	B	B
EXECUTING SEARCH WARRANTS	A	B	C	B
DETENTION OF PRISONERS- MALE	A	A	A	A
DETENTION OF PRISONERS- FEMALE	A	A	A	A
DETENTION OF PRISONERS- JUVENILE	A	A	A	A
EVIDENCE COLLECTION	C	C	C	A
EVIDENCE PRESERVATION	C	C	C	C
EVIDENCE PRESENTATION	C	C	C	C
BALLISTICS IDENTIFICATION AND EXAMINATION	A	B	A	A
DEATH NOTICES	A	A	A	A
CROWD CONTROL	C	C	C	C
TOWING FROM AGENCY PROPERTY	A	B	A	A
POLICE FORMS	B	B	A	A
CHEMICAL TESTING- DUI AND DRUGS	A	B	A	A
NARCOTIC IDENTIFICATION AND TESTING	A	B	A	A
BREATHALYZER PROGRAM	C	B	A	A
USE OF CRIME LAB	A	B*	A	A
RECORDS FACILITIES- ACCESS TO (WALES, ARREST)	C	C	C	C
ACCEPTANCE OF COLLATERAL	A	C	A	A
MAINTENANCE OF ARREST BOOK	A	C	C	C
CITATION RELEASE PROGRAM	A	C	A	A
HANDLING OF JUVENILES	A	B	A	A

CODES A- MPD RESPONSIBILITY
B- AGENCY RESPONSIBILITY
C- MUTUAL RESPONSIBILITY

*EXCEPT HOMICIDES

POLICE SERVICES

Mr. COPPIE. Police Chief Maurice Cullinane is here.

Senator CHILES. According to a recent congressional research study done for the committee, there are 24 police services that operate in the District of Columbia, in addition to the Metropolitan Police Force.

While this committee has no jurisdiction over these other police forces, the extent of their activities has a direct influence on the District's budget needs.

The committee is interested to learn how these police forces interact and what are the various jurisdictions and relationships among the police forces.

The subcommittee will now hear from Chief Cullinane on this subject.

STATEMENT OF POLICE CHIEF CULLINANE

Mr. CULLINANE. Mr. Chairman, I am pleased to have this opportunity to appear before you and to give testimony on the overlapping police forces in the District of Columbia.

I will open by stating that in my 22 years of service with this Department, from officer to chief of police, I have never seen this as a particularly grave problem, either for the Metropolitan Police Department or for the government of the District of Columbia.

It is an area which requires a certain amount of attention in order to avoid creating problems. This type of cooperative endeavor is common to all big city law enforcement agencies.

I do not feel that the problem is any more involved or extensive here in the District of Columbia than it is in most large cities.

In fact, Mr. Chairman, most cities have a built-in problem of overlapping police jurisdictions, which does not exist in the District of Columbia due to our particular status as the Nation's Capital. I am referring, Mr. Chairman, of course, to the existence in most areas of police forces which operate at State, county and city levels. This is a situation with which we are not faced since the District is really a State and county and city all in one organization.

There are, however, a number of law enforcement agencies operating within the District of Columbia which might be classified as overlapping police forces. However, I dislike the term since it contains a suggestion of waste and duplication of effort, which is really not actually the case.

DIFFERENT CITY LAW ENFORCEMENT AGENCIES

Mr. Chairman, I have submitted for the record a list of 21 such organizations which are authorized by law to operate within the District. This group contains a wide diversity of individual forces in terms of size, functions, area of jurisdiction, and method of operations.

In size, the U.S. Capitol Police is the largest in terms of numbers assigned within the District of Columbia, with the strength of somewhat over a thousand men. The other extreme is represented by the aqueduct police with a force of about 20 men.

The functions and responsibilities are equally diverse, however, and they can be classified I believe in four broad groups.

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They are, first, police agencies fulfilling a specific Presidential or congressional role; second, park and recreation police agencies; third, governmental and quasi-governmental police agencies performing essentially security services for buildings, facilities and other material assets; and finally the investigative and enforcement agencies of the executive branch of the U.S. Government. The U.S. Capitol Police, the Executive Protection Service, the Library of Congress police, and the Supreme Court police fall into the first category.

These agencies have responsibilities for safeguarding the President, Presidential family, Members of the Congress, the Supreme Court Justices, foreign ambassadors, embassy staffs, and the physical facilities housing their activities. While they all are all in contact with a high volume of tourist activities, they do not generally function as police agencies. They don't really have responsibilities for general crime control, things that you would think of as routine with most city police services.

The park police and Smithsonian police are responsible for the safety of persons and facilities almost entirely associated with tourism and visitations. They have some traffic enforcement responsibility in certain specific areas. In common with the first group, these agencies do not have wide-ranging responsibilities for crime control and the apprehension of criminals.

The third group consists of agencies directly involved with building and facility security. It includes such agencies as the the Executive Protective Service, Federal Reserve Board guard force, and the aqueduct police. They have an even more limited responsibility than the first two categories.

The fourth category, Mr. Chairman, of course, is police agencies like your FBI, Secret Service, DEA—Drug Enforcement Administration—and Immigration and Naturalization, postal inspectors and U.S. marshals. They are really Federal enforcement agencies with specific missions. They operate on a nationwide basis with units of appropriate size in all large cities.

These agencies act in cooperation with local law enforcement agencies throughout the country.

CONCURRENT JURISDICTION

With only a few exceptions, Mr. Chairman, the Metropolitan Police Department has concurrent jurisdiction with the first three categories of police agencies previously described. In addition, the Metropolitan Police Department has responsibility for investigating most of the serious felonies providing a wide range of support services, including all of the booking, all of the prisoner detention, all evidence collecting and preservation, narcotic identification and testing, the use of crime and ballistic labs, and other forms of cooperative assistance too numerous to mention.

The relationship between the Metropolitan Police Department and these other police agencies is one of cooperation and mutual assistance rather than of overlap and duplication.

I would like to point out that a number of police agencies operating in the District of Columbia have counterparts in other large cities and States. Dedicated park police agencies are found in other large

cities. The same is true with the transit authority police and housing security forces.

Rather substantial participation by the Metropolitan Police and other local jurisdictions has enabled the Metro to operate with a fairly small dedicated security force as compared with several other large cities.

An important consideration also is the fact that in large cities which have an industrial base, private industrial security forces are available that parallel much of the activity of those District and Federal agencies which are concerned with the security of government buildings and their facilities.

Senator CHILES. You have also got some of that here, too, don't you?

POLICE SERVICE FOR BUSINESS AND INDUSTRY

Mr. CULLINANE. Very little. We have some detective agencies which are primarily guard forces for some very small businesses.

First of all, there is no industry here and, therefore, I can't think of any private——

Senator CHILES. Again, maybe I am talking about detectives, a guard service. Other private companies have their own guard service and security for their buildings, do they not?

Mr. CULLINANE. They certainly have them. But routinely what you will find is an individual will hire a guard. It is not as if there were forces with a structure of a number of officers, sergeants, lieutenants, and et cetera. You will find many of them on a day-to-day basis, although some of them are hired, of course, on an annual basis.

In the department stores which have security people, most of them do not work in uniform. They are basically responsible for the prevention of the pilferage.

I don't think that we have guard force agencies here which compare with those which exist in cities that rely on industry for their financial base.

SUPPORT PROVIDED BY M.P.D.

Mr. Chairman, it is generally understood that the Metropolitan Police Department has, because of its size and expertise, an important responsibility for backing up other police agencies in such areas as crowd control, demonstrations and bomb threats.

The responsibility of the Department to cooperate with the Secret Service in the protection of the President and foreign dignitaries is specified by the U.S. Code, as is our obligation to supply men for detail to the U.S. Capitol Police on demand.

Inasmuch as the Metropolitan Police Department is the principal police agency in the District of Columbia, with primary overall responsibility for crime control, protection of life and property, overlapping and duplication with other agencies having specialized or limited functions would take place only if the MPD assumes responsibilities specifically assigned to other specialized police agencies or if other agencies assumed the general police responsibilities of the Metropolitan Police. Such conflicts have not been a part of my experience.

It is accurate to conclude that the Metropolitan Police Department provides backup and support for all other police agencies involved in problems which are sufficiently serious in nature and/or magnitude to cause the agency to require such support, but without trespassing in the area of the agency's specific assignments.

The mutual cooperation which exists benefits all agencies concerned and enables the government to avoid costly duplication of facilities and technical services.

MANPOWER RESOURCES IN FISCAL YEAR 1977

Senator CHILES. Thank you, Chief.

The police department has requested 5,180 positions for fiscal year 1977. Is that correct?

Mr. CULLINANE. That is correct.

Senator CHILES. How many of these positions can be funded by the 1977 budget request?

Mr. CULLINANE. Mr. Chairman, the amount requested in the budget is sufficient to fund 4,830 positions. Our current estimate is that we will have 5,108 employees on the city payrolls at the end of fiscal year 1976, and we anticipate having a total of 4,692 employees at the end of fiscal year 1977.

Senator CHILES. Do you have any idea what all of these other police forces anticipate having in fiscal year 1977?

Mr. CULLINANE. Mr. Chairman, unfortunately I don't have any idea.

WRITTEN AGREEMENTS WITH OTHER POLICE FORCES

Senator CHILES. Do you have any written agreements with the other police forces to help clarify your respective roles?

Mr. CULLINANE. Mr. Chairman, if you will look at the U.S. Code and the D.C. Code, there are some agreements that are spelled out—some responsibilities, I suppose, would be a better way of putting it—that are spelled out in both codes. Other than that we have no written agreement.

Senator CHILES. Do you have meetings during the year in which you sit down and discuss your relative programs and/or budgets?

Mr. CULLINANE. We have none with respect to the budgets—none at all. We have meetings on a need-be basis. They are not meetings that are annual meetings or semi-annual meetings.

We do have meetings from time to time when we have a problem of mutual interest.

Senator CHILES. No regular or annual meetings; just when you have something coming up.

Mr. CULLINANE. Yes, sir.

Senator CHILES. Then your 1977 budget, for example, is not adjusted to reflect or take into consideration what the budget or program request is of the park police and Capitol police.

Mr. CULLINANE. It is not predicated in any way on the level of manpower for any other agency.

TRENDS IN CRIME RATE

Senator CHILES. What are your current projections for the crime rate in the District for the rest of fiscal year 1976 and 1977?

Mr. CULLINANE. Fortunately, Mr. Chairman, we are on a downward trend as far as crime is concerned. We had starting last year—January, February and March of last year—3 consecutive months where crime went up. Since that time we have shown a decrease each month over the same month a year earlier. I expect that we will have a slight decline in crime for the remainder of 1976 and, hopefully, we will be able to carry through 1977.

Senator CHILES. The District police department on a per capita basis is the largest in the Nation. I think you had about 3,600 men in the 1960's. In 1969 the city started to build up to 5,100 men when President Nixon wanted to make a show case of sorts for his war on crime.

What would be the impact on the crime rate of returning to that 3,600 police force that the police department had in the late sixties?

Mr. CULLINANE. Mr. Chairman, I think it would be very difficult to predict with any degree of confidence what would happen if you went back to a department of that size. We do know that there is a correlation between manpower and crime. Crime statistics will show that. But just how many additional crimes you can expect for every "*x*" number of men you remove from the force, I am just unable to predict it that easily.

But I think it is safe to say there would be a rise in crime if you reduced the department back to 3,600.

RATE OF RECIDIVISM

Senator CHILES. A recent newspaper article reported that 22 percent of the suspects arrested and processed through the police central cell block had been there before or were on some kind of correctional release by the court's corrections officials. These figures were reported to be particularly high for burglary—I think 35 percent—and robbery, 32 percent.

Such a high rate of recidivism suggests something is wrong with the criminal justice system.

What is your reaction to this reported rate of recidivism and, in your opinion, where is the system breaking down?

Mr. CULLINANE. My reaction to the report, Mr. Chairman, is that it is no surprise to me. We have kept statistics for a good number of years about the rate of recidivism. That is not unique.

We have got data showing that this is rather typical, at least for the 4 or 5 years we have been keeping statistics. We talked quite a bit about it.

I would hesitate to say the criminal justice system is breaking down. Certainly there are some weak points in it.

I suppose that if I had to select any one I would say that we have got to do something about the Bail Reform Act. I notice Judge Greene is not here any longer.

In the Bail Reform Act, the judges contend it is mandatory that they release people whom I consider to be a danger to the community.

Judge Greene, incidentally, testifies in favor of changing the Bail Reform Act. I think he has been in office long enough to know. You usually don't write perfect legislation the first time around. Now we have enough track record to know where the system has to be strengthened.

If I had to pick a specific place, I would say you should work on the Bail Reform Act.

CHANGE OF BAIL REFORM LAW

Senator CHILES. How would you strengthen it?

Mr. CULLINANE. There are provisions, Mr. Chairman, in the Bail Reform Act to hold someone in preventive detention, that is if you feel he is dangerous.

The courts, particularly the prosecutors, find those provisions to be so cumbersome that they don't like to invoke them, although they will readily tell you they release people who qualify for release only because they have ties to the community.

So if you use only that one criteria—ties to the community—then unless you get a transient, it is just sort of automatically back out on the street. They ought to have ways of looking at the seriousness of the crime.

My argument applies particularly to those who are repeaters. You take that 22 percent you are talking about, when they come back into the system, there ought to be a way of holding the ones who are committing serious crimes and crimes against persons. There ought to be a way of keeping them in custody until they have their trial.

Beyond the changing in the Bail Reform Act, I think that we could do a little bit better in our utilization of the furlough and the early release programs in the Department of Corrections. We also should look very closely at the people who are rearrested while on parole.

Mr. Chairman, many times when someone is arrested, I can understand the Parole Board not wanting to revoke his parole simply because he has been rearrested, because he hasn't been convicted of what he has been charged with.

But many times they are violating their paroles simply by the time they were arrested—that clearly is not up for argument—or they are in the company of people who have been convicted of felonies, and that also violates the condition of their release.

I believe that everyone who is arrested while on a conditional release should be examined very carefully when he is rearrested. I do not feel that there should be a blanket revocation of parole for everyone who is rearrested, but they should look at each one.

Senator CHILES. What kind of report do you all make now when you arrest someone and you find out he is on parole? How do you know the person is on parole?

REARREST OF CONDITIONAL RELEASES

Mr. CULLINANE. I have a group of men that I call the major violators section, but it really just tracks people who are in the system. They get all of the arrest data each morning and they check it through and find out which arrestees are on any kind of conditional release.

We are talking about conditional release. I am not just necessarily talking about parole. You have probation in there. You have security bonds. You have third person bonds.

Senator CHILES. So you have an index of all of this and every morning you check that against the people you are holding or that you made an arrest of?

Mr. CULLINANE. Yes, sir. I am not holding them by that time, but I do have the data, yes, sir.

Senator CHILES. Who do you notify?

Mr. CULLINANE. The U.S. attorney gets that.

Senator CHILES. Does the Parole Board get a copy when you have arrested somebody that is on parole?

Mr. CULLINANE. It is certainly available to them, Mr. Chairman. I would be a little hesitant in telling you that they get it directly. It is available to anybody in the system. I would say off the top of my head that I am sure he must get it.

Senator CHILES. You just send it to the U.S. attorney? You don't copy other people, or do you know?

Mr. CULLINANE. I am not sure I follow that. Copy?

Senator CHILES. You said you make this information available to the U.S. attorney, I think you said.

Mr. CULLINANE. Yes, sir. The U.S. attorney and I work very close in tracking people that are in his system. He shows a tremendous interest.

Senator CHILES. But you don't know whether your department makes this available to the Parole Board?

Mr. CULLINANE. Mr. Chairman, I will supply for the record a list of people we send it to.

Senator CHILES. Fine.

[The information follows:]

RECIPIENTS OF DAILY RECIDIVIST LIST

Hon. Harold Greene, Chief Judge, Room 210, Superior Court of D.C., 5th and E Streets, N.W., Washington, D.C.

Hon. John J. Sirica, Chief Judge, U.S. District Court, 3rd and Constitution Avenue, N.W., Washington, D.C. 20001.

Hon. David L. Bazelon, Chief Judge, U.S. Court of Appeals, U.S. Court House, 3rd and Constitution Avenue, N.W., Washington, D.C.

Gerald Reilly, Chief Judge, D.C. Court of Appeals, 400 F Street, N.W., Room 307, Washington, D.C.

Mr. Carl D. Coleman, Chairman, Board of Parole, 614 H Street, N.W., Washington, D.C. 20001.

U.S. Capitol, Detail SOD, Capitol Building, Washington, D.C., Attention: Detective M. Harford.

Mr. Grant Nanna, ASAC Room 507, FBI, Old Post Office Building, Washington, D.C.

Department of Corrections, Delbert C. Jackson, Director, 614 H Street, N.W., Room 1114 Washington, D.C.,

Earl J. Silbert, United States Attorney, 400 E Street, N.W., Washington, D.C. 20001.

Probation Office (12 copies), Superior Court, 5th and E Streets, N.W., Washington, D.C.

OPERATION "STING" TAKEN FROM NEW YORK CITY

Senator CHILES. I see that we have got a "Sting 2" operating now in Chicago.

Mr. CULLINANE. Mr. Chairman, we have gotten an awful lot of publicity out of that. I am really not sure that we gave credit. We tried to give credit, but it didn't seem to pick up.

That operation was taken almost totally out of New York City. New York City ran a very similar program several times.

Now, the only thing different that we did was we cooperate very closely with the Federal agencies. So when we did it, we had the

FBI and the Alcohol, Tobacco and Firearms Division of the IRS. They just ran it as a local unit in New York.

When we closed ours down, they had all the Federal agencies with men to do the follow-up investigations on the cases that they are responsible for following up.

In that area, we were a little bit different. It wasn't just a local thrust.

Senator CHILES. I want to compliment you on that. I think it is one of the best operations that the good guys have run. It is nice to see the good guys do something.

What does it look like? What number of arrests came out of the operation?

Mr. CULLINANE. It changes day to day. The last time I looked at them we had arrested 140-odd out of the 180 warrants that we had.

Senator CHILES. You don't know how many indictments we have now?

Mr. CULLINANE. They are working on them right now. But the recidivism, incidentally, was higher in that than it was in routine arrests. We keep recidivism percentages for the general population that we arrest. We calculated a separate rate for this group. It ran substantially higher.

Senator CHILES. Do you know what the figures were on that one?

Mr. CULLINANE. It was 70 percent of all those arrested had been arrested before and 40 percent I believe were on some type of a conditional release.

Senator CHILES. Forty percent were out on some release?

Mr. CULLINANE. Yes, sir.

Senator CHILES. Thank you, Chief.

DISTRICT OF COLUMBIA FIRE DEPARTMENT

STATEMENT OF BURTON W. JOHNSON, CHIEF

JUSTIFICATION

Senator CHILES. The subcommittee will now hear from Chief Johnson of the Fire Department to present information relating to the department. We will insert in the record the requested justification material relative to historical data on fires in the District of Columbia.

[The information follows:]

Presentation of Historical Data on D.C. Fires

Data on number of fires, property damage and loss of life for all reported fires in the last ten years.

Fiscal Year	No. of Fires		Total Fires	Deaths	Property Loss
	Buildings	Outdoors**			
1966	3,350	4,644	7,994	46	$2,689,170
1967	3,558	5,638	9,196	46	2,952,330
*1968	4,034	5,221	10,647	52	4,255,575
1969	3,997	6,928	10,925	39	4,033,675
1970	3,923	6,863	10,786	48	5,444,670
1971	3,693	6,710	10,403	51	8,396,680
1972	3,457	5,711	9,168	41	3,796,945
1973	3,546	6,159	9,705	37	5,475,470
1974	3,572	6,218	9,790	52	6,315,585
1975	3,363	6,196	9,559	29	7,286,070
TOTALS	36,493	60,277	98,173	441	50,913,170

*During the Civil Disturbance Period, 10:50 p.m., April 4, 1968 to 8:00 a.m. April 7, 1968, it is estimated there were 488 fires in buildings; causes incendiary or suspicious. Building damage is estimated at 24 million dollars ($24,000,000). These statistics have not been included in this report.

**Outdoor fires include motor vehicles, brush, grass, trash, trees, boats fences, metro sites, etc.

Presentation of Historical Data on D.C. Fires

On the average, are the fires getting smaller as measured by property loss or larger?

While the number of actual fires has been decreasing since the peak year of 1968, the fire loss to property has been increasing. This increase can partially be attributed to the inflationary rise in the cost of goods, services and real property, which has been climbing steadily for the past several years. There has also been a noticeable increase in fires of incendiary origin and, in many cases, these fires result in large property loss. (One such incendiary fire in FY 1971, involving a church, resulted in a $2,500,000 loss).

How is the D.C. Fire Department rated by insurance companies?

The D.C. Fire Department was surveyed by the National Board of Fire Underwriters in 1966. At that time, the Fire Department received a Class One grading, the highest grading possible. A survey has not been made since that time.

What is needed, if anything, to improve the effectiveness of the D.C. Fire Department?

Fire Fighting

A more effective fire fighting force would be the restoration of the three companies closed in September 1975 due to budget limitation. The closing of those three companies increased the fire fighting forces response time in those certain areas by as much as 100 percent. To restore those closed companies to normal operation, 67 fire fighting positions and funding would be required. Additionally, at the present time some other companies are also being operated below the normal manning requirements as set forth by the Fire Department Rules and Regulations. Thirty fire fighting positions and funding would be required to fully man these companies.

Ambulance Service

Currently, the Fire Department Ambulance Service operates with ten ambulances and responds to over 75,000 calls per year. This work load is above that which can be handled effectively with ten ambulances. Daily we are required to "stack calls" due to the unavailability of an ambulance. The American College of Surgeons recommends one ambulance for each 40,000 population of an urban city. Using this criteria, eight additional ambulances would be required.

However, to provide an effective Ambulance Service, the Department would like to add two ambulances and the required personnel to the force each year and further analyze the need progressively. For the first year, 24 Ambulance Technicians and 2 ambulances would be required.

Training

Currently, each Ambulance Technician receives 120 hours of training by the Fire Department before assignment to an ambulance. This training qualifies an individual as an Emergency Medical Technician - Ambulance. To provide

a better and more effective service to the public, the Department would like to incorporate Mobile Intensive Care Units into the Ambulance Service. This service would provide the necessary skills required to provide for serious heart and trauma cases by coordinating the actions of the advanced technician in an ambulance through telemetry to the medical staff of a hospital. The technician would then be able to administer medication, intravenous injections, defibrillation and operate electro-cardiograph equipment as prescribed by the emergency room physician.

In order to provide this service, our existing technicians will be required to receive approximately 400 hours of additional training at an advanced medical level. The Fire Department is incapable of providing this training "in house." Due to tuition costs and manpower losses required to accomplish this training, it is imperative that the required funding of this program be made available. The cost is estimated at $500,000 the first year to train 100 technicians and $100,000 per year thereafter.

Apparatus

The Fire Department's normal fire pumper and aerial ladder truck replacement program consisted of replacing five pumpers and one aerial ladder truck each year. This program provided a service life of 17 years for a pumper and 22 years for an aerial ladder truck, a service life beyond the norm for this type of apparatus according to various studies. During FY 1975 it was necessary to reprogram the funds for the five pumpers and one aerial ladder truck to personal services to maintain the staffing of all fire fighting companies. In FY 1976 only one pumper and one aerial ladder truck may be purchased with the funding available. The FY 1977 budget will provide for this same reduced level of fire pumper purchase.

For an effective fire service apparatus fleet, restoration of the normal apparatus program is required, i.e. five pumpers and one aerial ladder truck. For the four additional pumpers, $280,000 would be required.

Communications

The Fire Alarm Communications Center requires seven men to be on duty 24 hours a day, 7 days a week to receive fire, ambulance and rescue calls; dispatch the appropriate companies to the emergency request; and maintain radio contact with all companies to coordinate these services. Currently 26 authorized positions are allowed for this operation. An additional ten positions and the necessary funding is required to fully maintain seven persons on duty at all times.

Safety, Research and Planning

Currently, one officer is assigned as the Safety Officer and is responsible for administering the Safety Program for the entire Department. This Program is without any administrative support and relies on the Office of the Fire Chief for these services, a cumbersome and inefficient operation. Additionally, the Office of Research and Planning has only one authorized officer position and no support staff. Like Safety, this Office also uses the Office of the Fire Chief for administrative support. For an effective Safety, Research and Planning Program, additional positions and resources are needed in the specialties of chemistry, fire engineering, safety fields, etc.

Fire Prevention Division

Although the Division has an authorized strength of 48 uniformed personnel and 2 General Schedule staff, it has not been able to operate at full strength for the past few years due to budgetary restrictions which translate into manpower reductions.

An additional ten Inspectors are needed to upgrade the Fire Prevention Division and maintain the increased level of inspections due to the increased work load.

The work load of the Division has increased due to our responsibilities for inspection and certifications of skilled nursing facilities and intermediate care facilities which participate in Medicare-Medicaid programs sponsored by the Department of Health, Education and Welfare. In addition, the recently enacted Health Care Regulations for the District of Columbia require that all Health Care Facilities meet the provisions of the Life Safety Code regardless of their participation or not in the Medicare-Medicaid Program. This additional work load will require the services of two full-time Inspectors on these kinds of occupancies.

With the initiating of the Joint Arson Team with the Metropolitan Police Department, two Investigators were assigned to this team from the Fire Investigation Section. To maintain the level of investigations around the clock, it was necessary to detail two Inspectors from the Technical Section to Fire Investigations. Two positions are needed for replacement of these Inspectors.

At present, geographical inspections are performed by nine men in partial coverage of licensed occupancies. The extreme size of these districts negates full inspection coverage. A reduction in the size of these districts is thoroughly warranted and an increase of five inspectors would provide the basic inspection level for all occupancies.

With the moratorium on natural gas, the use of L.P. gas has increased. The Fire Department is responsible for the storage and use of L.P. gas. These increased requests necessitate the review of plans and inspection of sites, before and after the installation of the L.P. tank. An additional Inspector, assigned to the Technical Section, is needed to maintain the level of inspections as a result of this increased use of L.P. gas.

Based on an average of 16+ man days per month per man and an average of 7 inspections per man, per man day, 10 additional inspectors would increase our performance by 1,120 inspections per month or 13,440 inspections per year.

What level of effort is devoted to inspections and code enforcement to prevent fires from occurring?

The Fire Prevention Division enforces regulations pertaining to the protection of life and property from fire. To accomplish this, the Fire Prevention Division has an authorized personnel strength of 50. Fire Inspectors regularly inspect commercial and business establishments, apartment buildings, rooming houses and boarding houses, enforcing rules and regulations pertaining to fire safety and the prevention of fires. Inspectors with specialized training review plans for new construction and make field inspections of the construction sites; inspect institutional, educational and public assembly occupancies, enforcing applicable provisions of the Fire Prevention Code, D. C. Building and Electrical Codes and the NFPA #101 Life Safety Code.

These Inspectors are also responsible for the inspection and enforcement of regulations pertaining to hazardous occupancies and operations. These consist of: storage and dispensing of flammable liquids, paint spraying, dry cleaning, explosives and the installation of sprinkler and standpipe systems. Six of the Fire Investigators have a work schedule for the 24 hour day. Two Investigators are assigned with two Police Detectives to

an Arson Squad which investigates all large loss fires and all arson and suspicious fires. There were 579 arson and suspicious fires in FY 1975. There was a total of 4,623 fires investigated in FY 1975.

The Fire Marshal and his Deputy are members of committees responsible for the promulgation of fire safety codes and regulations. These include the Building Code Advisory Committee, the Coordinating Committee for the National Capital Planning Commission, the Municipal Planning Office, the Metropolitan Washington Council of Governments and the Committee for Interagency Coordination of the National Fire Prevention and Control Administration.

The Fire Prevention Division is the state authority for enforcing the Fire Safety Regulations for all nursing homes and hospitals participating in the Medicare-Medicaid program funded by the Department of Health, Education and Welfare.

The Fire Marshal has been appointed to membership on the Committee on Rapid Rail Transit Systems of the National Fire Protection Association.

The Fire Prevention Division participates in many community activites including appearances before civic groups, business organizations and institutional committees with lectures, demonstrations, showing of films and fire safety messages to instruct and alert these groups to all the dangers as well as the prevention of fire.

During FY 1975 the Fire Prevention Division made 23,407 inspections giving 9,825 notices to abate fire hazards and making 2,138 personal abatements of fire hazards. A total of 646 plans were reviewed for new construction, installation of sprinkler systems, underground storage of flammable liquids, storage of fuel oil, LP gas, extinguishing systems for commercial cooking areas and seating and exiting layouts for places of public assembly.

Conclusion

At present, my opinion is that the D.C. Fire Department is not operating at the most desired level. I believe this opinion is self-evident by my response to Question 4 concerning the central topic. Although operational, emphasis has been the central theme, this in no way indicates that further upgrading of the managerial administration to a better level of operation is not needed. My reflections, as you are aware, are related solely to the non-availability of the financial resources to accomplish the tasks.

The above remarks are highlights of what is required to bring the Department up to the minimum level of operation in manpower and equipment enjoyed prior to FY 1975 and to further respond to an enlarged Emergency Ambulance Service, including advanced education and training requirements of medical technicians as well as other supportive specialists.

INTRODUCTION OF CHIEF JOHNSON

Mr. JOHNSON. Good morning, Mr. Chairman.

Senator CHILES. Good morning. Go right ahead.

Mr. JOHNSON. Mr. Chairman, I was advised that you would entertain a statement from the Department regarding the issues. I do have such a statement and I am prepared to read from it and send copies to you, sir.

STATEMENT OF CHIEF JOHNSON

Mr. JOHNSON. Mr. Chairman, under the provisions of the D.C. Code, the D.C. Fire Department has the responsibility of rendering three main services; namely fire prevention, fire suppression, and operating the emergency ambulance service.

These services have been continuously provided in the most professional manner with great concern for the citizens of the District and often at great risk to the general well-being of our members. Many of them have suffered varying degrees of burns and associated injuries while in the performance of these duties.

On the last review of this Department by the National Board of Fire Underwriters, a Class 1 rating was received identifying the D.C. Fire Department as extremely effective in the performance of its services.

This Department has continued to hold that rating over the past 10 years and has continued to render that excellent and effective service to the city.

There has been, however, a price to pay in providing that quality service. Since 1966 we have seen our fire alarms rise from 17,600 to 35,800. Fires in the District rose during that same period from 7,455 to 9,559.

Unit responses rose from 68,000 to 75,000 in spite of the use of an adaptive response system. One must also note that in 1965 the Department complement was 53 companies—32 engines, 17 trucks, 3 rescue squads, 1 fireboat—and in the fiscal year 1976 and 1977 requests only 50 companies are funded.

In 1975, the 70,000-plus ambulance responses reflect a rise from 31,500 in 1965. Note that our ambulance fleet in 1965 was 7. The American College of Surgeons recommends one ambulance for 40,000 persons. We are serving 700,000 residents with 10 ambulances, 8 below the recommended figure for the D.C. population.

Further, the administrative workload has increased at a proportion equal to that of the other divisions, as we feel ourselves committed to service and excellence.

It is interesting to note that the services of 1965 were being accomplished with a staff of 1,476 authorized positions and the fiscal year 1977 budget requests 1,490 positions, a manpower increase of 14 over the 1965 strength. That is not to say that we now rest on our laurels, Mr. Chairman.

We pledge to continue to seek new methods and procedures to increase the efficiency and effectiveness in each area of our responsibility.

Mr. Chairman, I thank you for the opportunity to appear before the committee and I will attempt to answer any questions you may have.

AMBULANCE CALLS INCREASING

Senator CHILES. I want to compliment you again on the fine record and job the Department does.

Your ambulance service, you say you are below the complement. Are you able to respond to the emergencies and to the calls that you get?

Mr. JOHNSON. We do, Mr. Chairman, make a response to our calls. However, there is a stack time or a waiting period because of our inability to respond immediately to every request of every caller.

Additionally, I might say we screen our calls to attempt to determine where the need is the very greatest. This poses somewhat of a problem to our ambulance dispatchers, in that they have to attempt to define the nature of the illness from the caller's information, and determine what degree of emergency there may exist with that call.

Certainly we do have repeat callers who attempt to use our services merely as a transport when indeed it is established as an emergency service.

However, it does not take long for anyone to realize that with the emergency room problems as they exist in hospitals today, if you were to walk in with a sore back, you might have to wait quite a while.

However, when you are brought in by an ambulance, you may receive a little earlier attention than the priority given to persons already waiting for emergency room treatment. So some callers learn very quickly that certain key words describing the nature of the alleged injury might effect a quicker response than in some other instances.

Senator CHILES. Do you have a way of trying to screen those out?

Mr. JOHNSON. We attempt to screen them, sir. But we are in effect making, in some instances, life-death judgments on who should get priority service. It places us in sort of an intolerable position.

Senator CHILES. Did you make any requests for additional money for ambulance assistance this year?

Mr. JOHNSON. Not through this budget request, no, sir.

FUNDS FOR APPARATUS REPLACEMENT

Senator CHILES. What is the rate of truck replacement that will be permitted by the 1977 budget?

Mr. JOHNSON. The 1977 budget figure was $240,000, sir. That equates to one aerial ladder truck and one pumper.

Aerial trucks of the design that we operate with are in the neighborhood of $165,000 to $170,000 apiece. The pumpers are in the neighborhood of $65,000, to $75,000 apiece; $240,000 would buy one pumper and one aerial ladder truck.

Senator CHILES. How does this compare with the replacement program in previous years?

Mr. JOHNSON. Our previous replacement was five pumpers per year and one aerial ladder truck per year. With the current funding available, we would be replacing one and one.

We maintain an active fleet of 64 pumpers for 32 engine companies of 2 pumpers each. We maintain 17 aerial ladder trucks; and I believe we have 5 reserve trucks and 9 reserve pumpers.

Our fleets would take 75 years to replace on a one pumper per year basis.

Senator CHILES. You cut down pretty drastically. Where you were replacing 5 pumpers, you are replacing 1 this year.

Mr. JOHNSON. Yes, sir.

INCREASE IN RETIREMENT COSTS

Senator CHILES. Is this because of trying to fit in your salary increases? Is your retirement cost hitting you?

Mr. JOHNSON. There is a $1,300,000 increase in the pension costs, Mr. Chairman.

Senator CHILES. $1,300,000 more than you had the year before?

Mr. JOHNSON. That is correct, sir.

Senator CHILES. You are taking that out of equipment's hide?

Mr. JOHNSON. That is about the size of it.

Senator CHILES. That is what the military has been doing, too. We are finding that out as to what has been happening in the military budget. There has been very little for procurement because of what has to go to salaries and what is going to retirement. You are going to run into some trouble with that pretty quick, aren't you?

Mr. JOHNSON. I would believe so, sir.

Senator CHILES. How much more is that retirement going up next year?

Mr. JOHNSON. I don't know what our projection is. I believe it is somewhere in the neighborhood of 6 percent.

Senator CHILES. That is another $780,000 you are going to go up next year. How many pumpers is that? That is another 10, or so pumpers.

Mr. JOHNSON. We could get some pumpers, sir. But, of course, the price of equipment goes up each year.

COST OF FIRE EQUIPMENT

Senator CHILES. What is an aerial?

Mr. JOHNSON. An aerial ladder truck is $165,000 to $170,000. The aerial ladder truck that you asked information of us at the last budget hearing was a quarter of a million dollars. Equipment is high, sir; very expensive.

Senator CHILES. I just don't know how long you are going to be able to trade this equipment in on these figures.

Mr. JOHNSON. Our equipment is being taxed. We are running high on the maintenance costs, and we are in a high state of self-repair. That is another problem in itself.

Senator CHILES. Thank you, Chief. Would you please respond to a few additional questions which we will submit for the record?

Mr. JOHNSON. Thank you, sir. I will be happy to, Mr. Chairman.

[The questions and answers follow:]

D.C. FIRE DEPARTMENT

Question. How many false alarms were there in Fiscal Years 1975 and 1976?

Answer. In Fiscal Year 1975, 14,847 or 41.1 per cent of all fire alarms were false. During the first nine months of Fiscal Year 1976, 11,475 false alarms have been received. It is estimated that the total for the Fiscal Year 1976 will be 15,367, 41.9 per cent of all fire alarms.

Question. How many false alarms were eliminated by the use of the new system?

Answer. During the year preceding their installation, the Fire Department estimated that 3,684 false alarms were received from the 111 fire box locations where voice alarm boxes were installed. This was an average of 307 false alarms per month. If this rate had continued through the 54 months the pilot boxes have been in service, 16,578 false alarms would have been received; however, the actual rate from voice alarm boxes at these locations has been only 939, eliminating 15,639 false alarms between October 1, 1971 and March 31, 1976.

SUBCOMMITTEE RECESS

Senator CHILES. The subcommittee will now stand in recess until 2 this afternoon when we will consider the agency budget requests for the human support services.

[Whereupon, at 11:50 a.m., the subcommittee was recessed, to reconvene at 2 p.m. the same day.]

69-502 O - 76 - 29

(Afternoon Session, 2:40 O'Clock, Thursday, April 8, 1976)

DISTRICT OF COLUMBIA

Department of Human Resources

Human Support Services

STATEMENT OF COMER S. COPPIE, DIRECTOR, OFFICE OF BUDGET AND MANAGEMENT SYSTEMS

ACCOMPANIED BY JOSEPH P. YELDELL, DIRECTOR, DEPARTMENT OF HUMAN RESOURCES

JUSTIFICATION

Senator Chiles. The subcommittee will now consider the budget estimates of several agencies in the human support services category. Mr. Yeldell and Mr. Coppie are here to talk to us in this area. We will insert the justification material in the record at this point.

[The justification follows:]

Legislative History:

The Departments of Human Resources, Manpower, Youth Opportunity, and Recreation have a complex legislative history.

Human Resources traces its history to the former department of Public Health, Public Welfare, and Vocational Rehabilitation. Narcotics Treatment Agency, Chief Medical Examiner and Veterans Affairs were later included in DHR. The Department is charged with all of the public health and public welfare functions including mental health care, the administration of hospitals and public health clinics, the care of neglected, dependent and delinquent children, exercise of police power vested in the Director of Public Health to prevent and control the spread of communicable disease, licensure and registration of health care facilities, and many other functions specified either by Federal statute, Act of the D. C. Council, by regulation or state plan.

The Office of Youth Opportunity Services originates from a youth council created in 1953. Commissioner's Order 70-93 established YOS in 1970.

The existing Department of Recreation grew out of the Old Community Center and Playgrounds Department (1935). An act of April 1942 created a Recreation Board of seven members. Reorganization Plan 3 of 1963 transferred to the Commissioner all functions of the Recreation Board and abolished the Board. Organization Order No. 10 (Commissioner's Order 68-440), June 27, 1968 established the existing Department of Recreation under the direction and control of the Commissioner.

Prior to the creation of the D. C.Manpower Administration, many manpower programs were operated by the U. S. Department of Labor. With passage of the District of Columbia Self-Government and Governmental Reorganization Act in 1973, all functions of the Secretary of Labor for maintaining a public employment system in the District of Columbia were transferred to the Mayor.

All of the programs budgeted in this functional area have the basic purpose of assisting the aged, the disabled, the ill, children, youth, and the poor. Income maintenance, services for the mentally ill, mentally re-

tarded alcohol and drug abusers, youth, recreation, and manpower services are among the program groupings designed to meet client needs.

Program Highlights:

Human Resources: For FY 1977 a decision has been made to limit eligibility for general public assistance to 6 months and recertify. It is expected that this change will reduce the caseload to one half of what it would have been had not the change been proposed.

In the area of Social Services the department has formulated its Title XX State Plan for the provision of Social Services.

In the area of Mental Health, discussion is currently underway with OMB and DHEW on the future of St. Elizabeths Hospital. The position of the District Government has been that it is desirable programmatically to incorporate the hospital with our Community Mental Health program.

In this area too, a decision has been made to hold criminal justice defendants remanded for competence and/or responsibility examinations to a DHR facility rather than the D.C. Jail.

Manpower. The goals of the Manpower program are to provide training for specific numbers of persons in certain industrial occupations. The program involves planned on-the-job training under proper supervision, combined with technical studies in subjects related to the trade. Most apprenticeship terms range from 1 to 5 years depending upon the particular trade involved.

In FY 1976 it is estimated that the staff will service about 112 apprenticeship programs, 53 of which are joint apprenticeship committees. As of June 30, 1975, 2,802 active apprentices were on file. The staff also services affirmative action programs in the construction trades with 332 active trainees. The apprenticeship staff negotiates for new projects, monitors existing programs; provide technical assistance to sponsors; maintains official records

on active apprentices and program accomplishments; certifies approved programs; issues certificates of completion and provides certification of active apprentices of employees engaged in government contracting.

Office of Youth Opportunity Services. This program currently operates and/or administers several programs for the Youth of the City. The D.C. Street Academy is one such program and is an alternative educational resource for high school drop-outs. The Academy offers academic program instruction in English, Math and biology leading to a GED. The 24-Hour Youth Assistance Centers are multi-service operations that offer youth assistance with medical, legal, dental and social problems. The Neighborhood Planning Councils are community based operations that provide an opportunity for approximately 36,000 youth in the District to plan, staff and operate their own programs. Youth Courtsey Patrols have also been established within various Neighborhood Planning Councils. These patrols employ youth who "police" their neighborhoods assisting in the reduction of street crimes.

Recreation Department. This department offers a variety of traditional recreational programs, as well as special program for certain target groups. One special program is for the metally and physically retarded. Some of the therapeutic activities offered are arts and crafts, aquatics, bowling, music and drama. The Senior Citizens Program is another program designed to meet the needs of a specialized group. The Washington Youth Garden Program is designed to acquaint urban youth with gardening and the environment. The Resident Camp Program consists of a 217 area tract of land in Scotland, Maryland where inner-city youth are provided a camping experience. The Adult Sports Program provides sports activities for all District workers and residents. The Aquatus Program, one of the most popular offered by the Department offers instruction in swimming, lifesaving, water ballet and

water polo. The most visible aspect of all the Department's operations is the playgrounds and recreation centers. The Department operates 126 playgrounds and recreation centers in either Public Schools, recreation-owned or public housing facilities.

Resource Requirements:

Many of the increases requested for this functional area are to provide for inflationary cost increases - salaries, and materials and supplies, contractual services and acquisition and replacement of equipment and other fixed capital.

The department of Human Resources will require a budget of $267 million, of which $57 million will be the local share for public assistance payment, $19 million will meet Medicaid Program costs, $39 million will fund the local matching share for Social Services, day care, foster care, care of deliquent children and vocational rehabilitation, and $58 million will provide for an approximate 568,500 days of patient care at Glenn Dale, D.C. General and D.C. Village hospitals.

Costs of the Mental Health Program are $46 million of which $22 million are for payments to St. Elizabeth's Hospital for the mental health care of District residents. The balance supports the Community Mental Health Program, Forest Haven and the Developmental Disabilities Program and the Rehabilitation Center for Alcoholics and the Alcoholism Program.

Approximately 80% of the budget request is for programs with a base in law or by agreement with the Federal Government.

Requests to initiate program improvements are typified by a request of the Mental Health Administration, to provide for the defendants remanded to the D. C. Jail by Judges for court ordered psychatric examinations. This budget proposes to hold these defendants at the Psychiatric Convalescent and Rehabilitation Center rather than the Jail and administer the examinations there.

Requests prompted by inflation include wage and salary increases of $6,321,800, $381,100 for increased costs of Federal Employees Health Benefits program. For materials, supplies and equipment, $2,325,800 is requested. A total of $9,028,500 is needed to maintain present program levels. To fully annualize Fiscal Year 1976 budget increases, $6,857,000 is requested. $15.9 million is required simply to meet the ongoing costs of programs in place. This is roughly 75% of the total increase requested. Because of a reduction to the budget base, changes in delivery of services in the areas of alcoholism programs, medicaid, narcotics treatment and general public assistance will be made during FY 1977.

Department of Recreation. The operating budget for the Recreation Department has increased nearly $5 million since 1972 primarily because of staffing and maintenance requirements for new facilities including approximately 7 recreation centers and 5 swimming pools. In addition, the Department has provided staffing and maintenance for centers for the mentally retarded and physically handicapped as well as for Senior Citizens facilities located in NCHA housing.

Budget changes for the Office of Youth Opportunity Services in FY 1977 reflect a realignment of programs conducted by the office. The Department of Manpower budget reflects the absorption and expansion of the D.C. Apprenticeship Program.

	F.Y. 76 Amended Request		F.Y. 77 Request	
	Pos.	Amount	Pos.	Amount
Department of Human Resources	8,781	265,079.4	8,815	267,248.2
D. C. Obligations	...	.....	...	.....
Recreation Department	787	16,522.0	754	17,729.6
Department of Manpower	9	103.7	24	476.7
Office of Youth Opportunity Services .	28	2,388.8	8	404.7
Total	9,605	284,093.9	9,601	285,859.2

HUMAN RESOURCES
PROGRAM DATA

Department of Human Resources	1973	1974	1975	1976	1977
D.C. General Hospital patient days	222,700	211,600	209,374	207,500	205,500
Glenn Dale patient days	165,000	160,900	145,617	151,704.	155,000
D.C. Village patient days (Skilled)	60,361	21,990	16,467	18,000	18,000
patient days (Intermediate)	180,295	193,212	192,437	181,290	190,000
Total - patient days	628,356	587,702	563,895	558,494	568,500
Public Assistant Cases (average per month)					
AFDC	28,614	30,054	27,881	28,000	28,000
AFDC - UF	484	341	215	300	300
AFDC - SUPP	1,508	2,294	2,922	3,000	3,000
OAA	3,959	3,995 1/			
AB	217	210 1/			
APTD	9,752	9,977 1/			
SSI	...	N.A. 2/	2,350	2,500	2,500
GPA	3,675	4,082	5,590	7,000	3,500

1/ Data are based on 6 month estimates - July-December, 1973 - Programs were terminated 12-31-73
2/ Program initiated 1-1-74

MANPOWER

	FY 1974	FY 1975	FY 1976	FY 1977
1. Certifications	1,252	1,208	1,377	1,377
2. Active Apprentices	3,707	2,802	4,037	4,037
Veterans	1,180	759	1,137	1,137
Minorities	859	746	1,040	1,040
3. Active Affirmative Action Programs	330	332	200	200
4. Veterans OUT	167	200	200	200
5. Women		25	-0-	-0-

The budget request for this program, prior to FY 1976, was for $5,000 in District funds. The increases requested in FY 1976, FY 1977, and future years, reflect resource requirements necessary to provide the support services for the Apprenticeship Council program now that the staff functions have been transferred to District of Columbia Department of Manpower.

YOUTH OPPORTUNITY SERVICES

Youth Courtsey Patrol	1974	1975	1976	1977
Youth Courtsey Patrol (No employed)	800	800	700	700
D. C. Street Academy (enrollment)	152	152	200	200
24 Hour Centers (youth serviced)		4,000	6,000	6,000
Neighborhood Planning Councils (no. of participants)	30,000	30,000	30,000	36,000

RECREATION

(Workload Data)

	1972	1973	1974	1975	1976	1977
Youth Gardens (attendance)	800	1,000	1,200	1,200	1,200	1,200
Playground (attendance)	14,900,000	14,900,000	15,400,000	17,000,000	17,000,000	17, 500,000
Senior Citizens Program (contacts) ..	50,000	50,000	338,300	338,000	351,000	351,300
Roving Leaders (contacts)	328,000	340,000	342,000	350,000	351,000	351,300
Mentally Retarded and Physically Handicapped (contacts)	298	298	1,800	3,300	4,000	5,200
Aquatics Program (attendance)	.....	1,167,385	1,160,475	1,160,475	1,276,522	1,404,179

HUMAN RESOURCES
OPERATING BUDGET TOTALS

	Obligations				Budget Request	
	1972	1973	1974	1975	1976	1977
Department of Human Resources	186,313.0	216,335.0	225,676.0	234,528.8	265,079.4	267,248.2
Recreation Department	12,892.0	14,079.0	15,040.0	15,758.7	16,522.0	17,729.6
Youth Opportunity Services	1,979.8	2,005.8	2,026.3	2,209.7	2,388.8	404.7
Department of Manpower	.....	.....	.....	.....	103.7	476.7
D. C. Apprenticeship Council	5.0	5.0	5.0	5.0	.....	.....
Subtotal	201,189.8	232,424.8	242,747.3	252,502.2	284,093.9	285,859.2
Repayment of Loans and Interest						
DHR	NA	1,530.6	1,770.3	1,937.3	2,366.0	3,010.7
Recreation	NA	314.4	439.5	572.5	953.4	1,526.9
D. C. Obligations	NA	NA	NA	NA	NA	47.5
Subtotal	NA	1,845.0	2,209.8	2,509.8	3,319.4	4,585.2
Capital Outlay						
DHR	NA	1,928.0	5,432.5	2,624.3	24,611.2	3,300.0
Recreation	NA	.....	5,040.8	3,058.1	5,995.7	.....
D. C. Obligations	NA	1,051.6	547.6	547.6	547.6	547.6
Subtotal	NA	2,979.6	11,020.9	6,230.0	31,154.5	3,847.6
GRAND TOTAL	201,189.8	237,249.4	255,978.0	261,242.0	318,567.8	294,292.0

HUMAN SUPPORT SERVICES

Grants Summary

	Fiscal Year 1975	Fiscal Year 1976	Fiscal Year 1977
		(thousands)	
Department of Human Resources	$159,055.2	$142,089.9	$150,009.3
Recreation Department ...	3,668.2	479.8	773.0
Department of Manpower ..	22,116.9	23,442.3	23,554.5
Office of Youth Opportunity Services ...	9,040.5	8,923.8	9,629.5
Total	193,880.8	174,935.8	183,966.3

Grants for Department of Human Resources program support are chiefly for payment of public assistance benefits in the amount of $50 million (est.),Medicaid for another $50 million, Medicare $4.5 million, Vocational Rehabilitation for $4.5 million and social services through TITLE XX $9.0 million. A variety of categorial grants in the area of public health and mental health are available to secure program support on a categorical basis. These are principally communicable disease control, preventive medical services and community mental health services.

In the area of recreation grants from the Bureau of Outdoor Recreation provide funds for capital construction.

In the area of Manpower grants are utilized for the operation of CETA Title I Work Incentive Program, employment service and training. These programs includes the development and creation of job opportunities and the training, education and other services needed to enable individuals to secure and retain employment at their maximum capability.

Federal grant funds are also used to support a wide range of community operated youth programs. D. C. residents receive services in the areas of youth employment, skill development, citizenship improvement and reduction of juvenile delinquency.

FUNCTIONAL STATEMENT

Mr. COPPIE. I have a brief functional statement, Mr. Chairman. I would like to briefly summarize this.

[The statement follows:]

SUMMARY

HUMAN SUPPORT SERVICES

The departments of the District Government that comprise the human services program area are the Department of Human Resources, Department of Recreation, Department of Manpower, and the Office of Youth Opportunity Services. All except the Department of Recreation are recent creations.

The Department of Human Resources in its present form was created in 1970 by bringing together the departments of Public Health, Public Welfare, and Vocational Rehabilitation. Narcotics Treatment, Chief Medical Examiner, and Veterans Affairs were later included in the Department of Human Resources. Youth Opportunities Services, also created in 1970, grew out of a youth council created in 1953.

The Department of Manpower was created in 1975. Prior to this time, many manpower programs were operated by the United States Department of Labor.

The Fiscal Year 1977 budget request for this area is $285.9 million—nearly 27 percent of the City's budget. The increase over Fiscal Year 1976 is 0.6 percent, compared with an annual average increase of 8 percent over the last five years.

This modest increase is due in part to savings projected by the Department of Human Resources because of a stricter definition of eligibility for general public assistance, and other base reductions, delay in funding new facilities in Recreation and funding transfers in Youth Opportunity Services. Several new facilities will be open in Fiscal Year 1977, although limited funds are available. Facilities include the Oxon Run, Langdon Park, West Elementary, Takoma, and Dunbar Recreation Centers, a 30-bed facility for Criminal Justice defendents remanded for psychiatric examination; a residential treatment facility for children at Area B Community Mental Health Area; the new Office of the Medical Examiner; and if the Congress approves the Metropolitan Hospital will permit relocation of residents in Glenn Dale Hospital.

Eligibility of Recipients and Proper Payments

A sample of the error rate for AFDC cases as reported by Quality Control is as follows:

Ineligibility and overpayment have traditionally been reflected in the Quality Control samples done by a specific unit within the department under specific guidelines from HEW. The statistics for the last five years are as follows:

7/1/71 - 12/31/71
Ineligible - 6.4%
Overpayment - 16.3%

1/1/72 - 6/30/72
Ineligible - 8.9%
Overpayment - 18.3%

7/1/72 - 12/31/72
Ineligible - 9.2%
Overpayment - 16%

4/1/73 - 9/30/73
Ineligible - 10.9%
Overpayment - 24.5%

1/1/74 - 6/30/74
Ineligible - 14.2%
Overpayment - 26.4%

7/1/74 - 12/31/74
Ineligible - 12.7%
Overpayment - 22.1%

1/1/75 - 6/31/75
Ineligible - 12.8%
Overpayment - 25.6%

7/1/75 - 12/31/75
Ineligible - 13.5%
Overpayment 24.4%

Several factors are reflective in these trends.

1. From the period 1971 through 1973, the District of Columbia, as did all states, operated under the declaration method of determining eligibility for welfare. This meant that a person simply had to declare that they were eligible to receive payment and they were immediately placed on the rolls. This "open" period of eligibility, along with the Supreme Court's intrepretation of residency, led to huge increases in caseloads.

2. It was also about this period of time that the separation of payment from services occurred, with the more experienced social workers being transferred to the service sector, and the less experienced workers being assigned the payments function.

3. The tremendous caseload increase was not matched with a corresponding increase in staffing capability to keep up with the workload. As a result, recertification of existing cases was reduced to a bear minimum.

4. Similar situations were occurring across the country as evidenced by the growing increase in the rates of ineligibility and overpayment, causing HEW to threaten fiscal sanctions if the states did not reduce to an acceptable tolerance level.

Quality Control statistics are not reflective of actual caseload error situations. Under the Quality Control procedure a case is considered

to be either ineligibile or overpaid if the file reflects such a condition on the day of review. This obviously ignores the fact that the error could be a technical error (correctable immediately) which as soon as corrected would make the case totally eligible.

Example:

Under the Talmadge Amendment recipients meeting certain criteria must be registered for WIN. If the Quality Control examiner does not find the registration form in the case file that particular case is considered in error, although the client is a fact registered for WIN and completely eligible.

Checks To Determine Eligibility

The Department of Human Resources, Payments Assistance Administration, is responsible for initial determinations and redeterminations of eligibility for Aid to Families with Dependent Children.

Eligibility determinations are performed by using the total verification method. The eligibility factors and items which must be verfied are as follows: (1) identification of the applicant/recipient; (2) relationship between the payee and the AFDC children; (3) D. C. residence; (4) shelter costs; (5) living arrangements (AFDC children must be living with the specified relative); (6) deprivation of AFDC child due to death, absence, or incapacity of parent; (7) enumeration (all recipients must have a valid social security number); (8) WIN status (all non-exempt recipients are required to register for WIN); (9) all income and resources; (10) school attendance for children 16-21 years of age. Those factors which have been previously verified and remain constant will not require reverification.

Review dates for AFDC cases range from 3 to 6 months and are established according to the WIN (Work Incentive Program) Code. Eligibility determinations are also made when there are changes in a family's situation which would require a redetermination (i. e. , increased resources).

AFDC cases are supposed to be reviewed every six months. Given the proper staffing, this would mean that monthly we would be reviewing one-sixth of the total caseload. Any errors detected would be immediately addressed with proper adjustment to either reduce the payment or terminate the case.

To address this problem within the Department, a special work group of approximately 180 persons has been assigned the exclusive responsibility of re-certification of our entire AFDC and GPA caseloads. This work should be completed by October of this year.

HEALTH DELIVERY SYSTEM

The Department of Human Resources through the Community Health and Hospitals Administration and Mental Health Administration provides a comprehensive and coordinated physical and mental health services delivery program for the residents of the District of Columbia. A comprehensive health care delivery system on a continuum of health care is administered. The physical health service include: medical, dental, and allied health services in a structure including home care, decentralized family-oriented neighborhood health centers, acute hospital

services and long-term and rehabilitative health services; more specifically, physical health services are provided through inpatient facilities such as D.C. General Hospital, Glenn Dale Hospital and D. C. Village as well as numerous neighborhood health centers and clinics. The mental health services include: Forensic psychiatry, alcoholism detoxification centers, inpatient services for court ordered commitments, outpatient mental health treatment centers, emergency mental health centers and institutions for mentally retarded; the mental health services are provided through inpatient facilities (DHR institutions and St. Elizabeths Hospital on a prepaid basis), community mental health centers and at schools, etc.

Although any District resident may receive health care at public health facilities, high priority target groups for services in this subcategory include welfare recipients, other medically indigent persons, and any individual whose physical or mental conditions merits treatment due to its public health significance. The Department of Human Resources bears responsibility for assuring coordinated delivery of general health care. Medical services are performed at D. C. General Hospital and the neighborhood health centers, while medical assistance is purchased from the private sector in conjunction with the medicaid and medical charities programs. Mental health services are performed at the DHR inpatient facilities at D. C. General Hospital, Rehabilitation Center for Alcoholics, Saint Elizabeths Hospital or at the Community Mental Health Centers.

The current "health care delivery system in the District of Columbia may be characterized as a bi-level network of medical and mental health services. Patients requiring general medical attention may enter the system through health centers at the neighborhood level or through D. C. General Hospital at the city-wide level.

Similarly, patients requiring mental health attention may enter the system through the neighborhood-level mental health centers, D.C. General Hospital or be brought to D. C. General Hospital by the Metropolitan Police Department. Patients also enter the mental health services system by court orders or referrals for evaluation, by referrals from St. Elizabeths Hospital or through the Emergency Mental Health Services hot lines, etc. In either case, if the type of care necessary for successful restoration is best provided at the other level, patients are referred to the appropriate facility for further treatment. Consequently, the system is designed to provide comprehensive health care in a manner which encourages efficient use of health care resources by assigning patients to the level best suited to their health needs.

Services provided free of charge to District of Columbia residents are considered to be in the "public interest." The medical public interest" services include: pre-natal, maternity, birth control, family planning, screening for lead poisoning, tuberculosis, veneral diseases and immunizations. The mental health "public interest" services include: inpatient services, outpatient services, emergency services such as crisis intervention, suicide prevention, etc., alcoholism treatment and detoxification and Forensic Psychiatry services.

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These public interest programs/services were promulgated by Council directives and no monitoring is provided to assess eligibility of free services offered. Accordingly, these services are made available to all citizens of the District of Columbia regardless of ability to pay. Hospitalization at public expense is provided for the medically indigent; over-income patients are assisted in making hospitalization arrangements at their own expense, but when this is not accomplished such patients are provided hospitalization at D. C. General Hospital as emergency admissions. In the case of court ordered commitment of mental health patients, they receive services regardless of ability to pay.

It should be noted that services provided under Medicaid are not considered "public interest" services. Although Medicaid provides reimbursement for services rendered, it does not pay for services to providers including the Department of Human Resources where non-eligible patients are not charged for the same services, nor are these services considered in the public interest billable to other insurance programs. By virtue of the Council directives concerning "public interest" services/ programs, there is no cost for such services.

Preventive health services are those traditionally which have been considered in the "public interest" and theoretically available to all without charge at the health centers, in schools, or through special one day screening programs. Although many persons enrolled in fee-for-services insurance, as well as Medicaid, or Medicare patients, obtain these preventive services from their private physician whom they pay, nevertheless the Department must ensure, for the public good, that citizens have access to preventive health services in areas of maternal and child health programs, immunizations, screening for diseases present in the District and adversely affecting large numbers of citizens. The methods by which DHR makes such assurance can vary, e.g., it can pressure fee-for-service insurance companies to cover such services, or, it can centralize sites where such services are delivered or enroll indigents in insurance programs.

The Department of Human Resources has begun efforts toward redefining its "public interest" programs which would enable it to maximize its financial resources so as to be able to allocate necessary funds for new programs which must be added to the list of public concerns.

Although several services as indicated in the foregoing are provided in the "public interest" and at no charge to the recipients, fees are adopted for other services. Established fees are set at D.C. General Hospital for services including inpatient medicine, surgery, pediatrics obstetrics, crippled children, gynecology, psychiatric therapy, outpatient clinical services, emergency room, abortion services and home care services. Similarly rates are adopted for the skilled and intermediate care patients as well as the chronic disease patients at D. C. Village and Glenn Dale Hospital, respectively. Medicaid rates for services are based on income eligibility, utilizing a sliding fee schedule. The inpatient cost for St. Elizabeths Hospital is based upon a flat payment of approximately $21 million per year to St. Elizabeths. Persons committed to DHR institutions under court order are not required to pay for services.

Services which are billable under Medicaid, Medicare and other third party insurers are collected. However, fees generated by Medicaid go into a Medicaid Trust Fund which was established as a resource to pay for private vendors in the Medicaid program. Recovery of fees from Medicare as well as other third party insurers go into the D. C. General Treasury.

Recovering the full cost of fees is contingent upon several factors. These include the types of insurance policies, if any, carried by recipients, amount which Medicaid will reimburse and the ability of recipients to make a part payment for services received. Individuals eligible for the Medical Charities program are often billed for part of their services.

The Department of Human Resources is in the process of developing procedures for presentation to the D. C. City Council which would permit the billing of third parties and/or individuals for services rendered in all DHR programs. Some programs are not appropriate for billing, i.e., contact investigations for communicable diseases; Federal restrictions on some formula grant funds may restrict billing for services, i.e., under Title V of the Social Security Act, the Maternal and Child Health grant, prohibits the billing of individuals, but encourages third party billing. Also, the Department has procedures whereby referrals for non-payment by individuals are made to the Corporation Counsel who then determines the feasibility or cost benefit of litigation for payment.

BUDGET REQUEST

Mr. COPPIE. The Departments of the District Government comprise the human support services program area, the Department of Human Resources, the Department of Recreation, the Department of Manpower and the Office of Youth Opportunity Services.

All except the Department of Recreation are recent creations. They have all been created in the period since 1968 as far as the District Government is concerned.

The fiscal year 1977 budget request in this area is $285.9 million and nearly 27 percent of the total city's budget. The increase over fiscal year 1976 is less than 1 percent compared with an annual average increase of 8 percent per year over the last 5 years.

The major component in this functional area is the Department of Human Resources which consists of course, of the major human resource elements of the city, such as public health, public welfare, vocational rehabilitation, and narcotics treatment.

Mr. Joseph Yeldell and his staff and various other officials from the departments in this particular functional area are here to speak to the area of inquiry.

PREPARED STATEMENT

Mr. YELDELL. Mr. Chairman, I have a prepared statement which I would like to submit for the record.

[The statement follows:]

STATEMENT BY JOSEPH P. YELDELL, DIRECTOR, D.C. DEPARTMENT OF HUMAN RESOURCES

Mr. Chairman, members of the subcommittee, I appreciate the opportunity to discuss with you today the fiscal 1977 budget for the Department of Human Resources. In developing this budget, our prime objectives were: The maintenance of basic services to our clients; strengthening our health care delivery system; and reducing the error rate in public assistance payments.

Our approach to meeting our objective of strengthening the health care delivery system is based upon the philosophy of providing a continuum of health care services which emphasizes the interrelatedness of all components of the health delivery system. To achieve this we have bolstered the interrelationship among the major components of the department responsible for physical health, mental health, alcoholism and drug abuse treatment.

The current "health care delivery system in the District of Columbia may be characterized as a bi-level network of medical and mental health service. Patients requiring general medical attention may enter the system through health centers at the neighborhood level or through D.C. General Hospital at the city-wide level. Similarly, patients requiring mental health attention may enter the system through the neighborhood-level mental health centers, D.C. General Hospital, by court orders or referrals for evaluation, by referrals from St. Elizabeths Hospital or through the emergency mental health services such as hot lines. In either case, if the type of care necessary for successful restoration is best provided at the other level, patients are referred to the appropriate facility for further treatment. Consequently, the system is designed to provide comprehensive health care in a manner which encourages efficient use of health care resources by assigning patients to the level best suited to their health needs.

Any District resident may receive health care at public health facilities, however, high priority target groups for services in this category include welfare recipients, other medically indigent persons and any individual whose physical or mental condition merits treatment due to its public health significance. Services provided free of charge to District of Columbia residents are considered to be in the "public interest." Preventive health services such as immunizations, and disease screening also are traditionally considered to be in the "public interest" and are available to all District residents regardless of their ability to pay.

The medical public interest services include: pre-natal, maternity, birth control, family planning, screening for lead poisoning, tuberculosis, venereal diseases and immunizations. The mental health "public interest" services include: inpatient services, outpatient services, emergency services such as crisis intervention, suicide prevention, alcoholism and drug addiction treatment and detoxification and forensic psychiatry services.

These public interest programs/services were promulgated by Council directives and no monitoring is provided to assess eligibility of free services offered. Hospitalization at public expense is provided for the medically indigent: over-income patients are assisted in making hospitalization arrangements at their own expense, but when this is not accomplished such patients are provided hospitalization at D.C. General Hospital as emergency admissions. In addition, Mr. Chairman, as part of the comprehensive network of health services, we operate Glenn Dale Hospital for patients with chronic diseases and tuberculosis. Patients are accepted at Glenn Dale Hospital on the basis of their need for long-term hospitalization and potential for rehabilitation to be able to return to the community and lead productive lives. We also operate D.C. Village which provides comprehensive multidisciplinary care for geriatric patients in a long term setting.

To further strengthen the health care delivery system, we are intensifying our efforts to collect fees for those services for which rates have been established. To increase the basis for collection of payments for services, we are in the process of developing procedures for submission to the D.C. City Council which would permit the billing of third parties and/or individuals for services rendered in all of the Department of Human Resources' Programs

The second area we are attempting to strengthen is eligibility determination for welfare payments. From 1969 through 1973, the District of Columbia, as did all States operated under the declaration method of determining eligibility for welfare. This meant that a person simply had to declare that they were eligible to receive payment and they were immediately placed on the rolls. This "open" period of eligibility, along with the Supreme Court's intrepretation of residency, led to huge increases in caseloads. It was also about this period of time that the Department of Health, Education, and Welfare mandated the separation of payments from services. This resulted in the transfer of the more experienced social workers into the service sector and less experienced workers into the payments function. This became the catalyst for a tremendous increase in caseload. The caseload increase was not matched with a corresponding increase in staffing capability to keep up with the workload. As a result, recertification of existing cases was reduced to a bare minimum. Similar situations were occurring across the country as evidenced by the growing increase in the rates of ineligibility and overpayment, causing HEW to threaten fiscal sanctions if the States did not reduce to an acceptable tolerance level. One requirement of the Department of Health, Education and Welfare is that AFDC cases be reviewed every six months. Given the proper staffing, this would mean that monthly we would be reviewing one-sixth of the total caseload. Any errors detected would be immediately addressed with proper adjustment to either reduce the payment or terminate the case. However, DHR has not had the staffing to complete such reviews in a timely fashion; accordingly the time to detect such errors has increased over the five year period in direct proportion to the reduction in available staff.

To address this problem with the Department, Mr. Chairman, we established temporarily a special work group of approximately 180 persons who have been assigned the exclusive responsibility for recertification of our entire AFDC and GPA caseloads.

Mr. Chairman, I will be pleased to answer any questions you may have concerning our FY-1977 budget request.

MISSION APPROACH TO BUDGET

Mr. YELDELL. I would like to say first, Mr. Chairman, that the approach of the committee is a very refreshing one in the sense that the nature of the questions seem extremely global in terms of an overview of the department, and certainly are specifically geared to areas of intense interest.

I think it gives us an opportunity to prepare and to let the committee know how we are functioning or where we are weak in these basic areas. So I would like to commend the committee on that particular approach.

I have been asked to specifically comment on health delivery systems and eligibility determinations.

We are attempting to put together a total comprehensive health delivery system in Washington under the title of "continuum of health care" which means we are trying to collect all of our health component units into a basic delivery system in which we have our neighborhood health centers and our institutionals as back-ups to those basic structures.

In the process of dealing with this, Mr. Chairman, and also in the interest of prudent management in the department, 2 years ago we instituted a management planning system of which zero-base budgeting was an integral part. As an attempt to get a handle on health delivery, we used the health system as the first component of testing out our ZBB approach.

I might say that the approach the committee takes gives us a greater capability to explain our efforts in that structure. It is somewhat frustrating to go through a program budgeting operation and then come back to the line-item structure. But under the health system, we can do these basic things and, I think, make much more sense in terms of our explanation of where we are headed.

Our concern is that the health centers feed properly into our acute care hospital, and from our acute care hospital into our long-term care facilities, the nursing facility at D.C. Village and the chronic care rehabilitation facility at Glenn Dale Hospital.

IMPROVING LONG-TERM CARE EFFORTS

In our efforts to improve the structure of the long-term care portion particularly, we have attempted for 2 years to purchase a facility in the city which in terms of replacement cost is perhaps two to three times in value the actual sale price of the Glenn Dale facility it will replace. It would bring the whole operation into the District of Columbia, per se, give us greater capability to do the job, and achieve it at a fraction of the cost, in fact about one-third of the cost of rehabilitating the facility where we are now.

We are experiencing some grave difficulties in the area of long-term care, and one of the main problems confronting us at D.C. General Hospital is the fact that roughly 20 percent of our beds designed for acute care are taken up by chronic-care patients simply because of the absence of long-term care facilities in the city.

We have attempted to work with a private organization that is in control of a 256-bed facility that has been opened, but not completed, for 4 years. We have taken some initial steps which we hope will lead to that facility being made available to the city within this particular fiscal year.

D.C. GENERAL HOSPITAL

The efforts at D.C. General Hospital have been given great considerations in the media and it is not as bad as have been portrayed. The certification that we did have and did fail to maintain is based primarily on documentation of health care and not on the quality of health care. We feel very strongly that the resurvey which should take place some time between May 15 and the 1st of June, will cause recertification to be granted the hospital, and we can go on about the business of the care that we are giving at D.C. General.

APPOINTMENT OF HOSPITAL DIRECTOR

For the first time, we have brought in a professional hospital administrator, Mr. Robert Johnson who was the executive director of the King's County Hospital in New York City, a hospital facility with a patient load of three times the number at D.C. General.

So I think we are on the road to getting that facility in the shape that we want it to be. The budget for that facility will approach $41 million as compared to where it has been standing, around $26 million for several years.

Also, Dr. Fox, who was in charge of Georgetown's medical service, is filling the role of medical director which is the key ingredient to getting it back on its feet as we recruit for a full-time medical director.

I think that the combination of Mr. Johnson and Dr. Fox, combined with the daily support that they are receiving from Dr. Washington, D.C. General will be reaccredited and become a viable part of the health care in the city on into the future.

IMPROVEMENTS IN PUBLIC ASSISTANCE AREA

As it relates to public assistance which is a large chunk of our dollars, we have attempted to deal with our roles as reasonably as we can. We recognize that we are running into a situation where there is a transition occurring among people, moving into States or locales where benefits are better from locales where they are not as good.

We have this situation occurring. Of course with the residency regulations the way they are, we have no control over that. At the same time, we have attempted to keep pace with what is happening in public assistance and are trying to do some innovative things ourselves to deal with it.

Through management techniques and through a detail of personnel to deal with our public assistance roles, we were able to reduce our request for general public assistance by a factor of 50 percent in 1977 over 1976.

RECERTIFICATION OF AFDC CASES

We are also experiencing good success in recertification of our AFDC case load again by the detail of people from all over the Department. The results here to date have been to find about 21 percent ineligible and almost 20 percent receiving overpayment.

Senator CHILES. Aren't you asking for the same amount of funds in AFDC in 1977 that you asked in 1976?

Mr. YELDELL. That is correct. We are asking for the same amount. That, of course, does not recognize the fact that our case loads are increasing at a rate each year of somewhere between 12 to 18 hundred new cases. Rather than asking for any dollars for case load increase, we are banking on our whole recertification process leveling out at a point where we can cover the cost of those new case loads without asking for any new dollars.

So both in general public assistance and in AFDC we are making recognition of the fact that there will be savings through this recertification process.

TRANSFER OF CONTROL OF SAINT ELIZABETHS HOSPITAL

Senator CHILES. When do you hope to obtain ownership control of St. Elizabeths?

Mr. YELDELL. Senator, that is a question that we have been working with, I guess, almost since I have been in the Department. We are currently working with a team from St. Elizabeths Hospital, indeed from HEW under the leadership of Dr. Brown who has been designated by the Secretary of HEW to achieve that task.

Our considerations at this point are to be assured that the transfer, if it does occur, would give to us a facility that is in top physical condition, that is completely certified by the appropriate officials and that it does not bring a financial burden upon the District of Columbia.

Present planning with OMB and with St. Elizabeths would like to see that occur sometime in 1978. Of course, I have been through this several times and have not seen it achieved. So it is very difficult for me to project exactly when that will occur.

We are working on a memorandum of understanding, leading to the submission of legislation. These clearly bring out specifically the conditions under which the District would assume control.

We certainly couldn't begin to assume financial control of the facility all at once. Our proposal is that it will be done over a number of years with the District assuming no more than 7 or 5 percent per year of the increased cost of operating the facility.

This is after the Federal Government has maintained its commitment at the same level for 5 or 7 years. We also feel very strongly that there ought to be one program so there is some value to it, but our considerations are that we are not putting the District into a financial bind.

So as to the actual date of the transfer, it is very problematic.

Senator CHILES. Give me a range.

Mr. YELDELL. They are saying somewhere around 1978–79. I am not sure the factors will be worked out in that time frame. Certainly, the President allocated $75 million in the capital budget for St. Elizabeths Hospital to begin to address the problems of certification as it relates to the physical plant there.

There is a lawsuit pending which may hasten a decision as to either the transfer or a program of care between HEW and the District as it relates to about 1,300 of the current 2,900 patients there.

INELIGIBILITY AND OVERPAYMENT RATE IN GPA PROGRAM

Senator CHILES. What is your current ineligibility and overpayment rate for the general public assistance program? How have these rates changed in the last years? What are you doing to reduce them?

Mr. YELDELL. The GPA ineligibility rate for the last 5 years has ranged from a factor of 23.4 percent in January through June 1973 to 30.6 percent in July through December 1975. Our current recertification process of doing the entire case load has shown an ineligibility factor of about 66.9 percent in general public assistance.

What we are attempting to do about it is to put the manpower in it to deal with these cases on a timely basis and also since GPA was designed to be a short-term program to limit eligibility to a 6-month period requiring a reapplication if benefits are required beyond that period of time.

I think the combination of these two factors will bring this program under control and get us into a posture where we can actually be providing benefits to those who need them for the specified period of time.

Senator CHILES. You would agree that that general error rate is awfully high?

Mr. YELDELL. Extremely, Senator. Let me say again that it has been very high because we have had increasing numbers of people on our rolls and we have not had the staff to do the job of recertification.

Senator CHILES. Do you have the staff now?

Mr. YELDELL. We do not. I have staff detailed from all over the Department. There is a task force of about 180 people working on this. Only 75 within the administration are responsible for this program.

That means we have taken them from the hospital, from mental health programs, and from various other programs to go through that entire case load.

INCREASE IN GPA CASE LOAD

I might also say that the case load itself has increased by almost 100 percent in a 2-year period—from an average of about 3,000 GPA cases to about 7,000 GPA cases now.

With this increase in case load and not only a stabilizing of staff, but a decline in staff, it has been almost impossible to keep up with the case load in terms of the recertification that should be done.

What I did was to determine that it just could not continue. I have detailed the staff to deal with the problem. I am confident that we will complete the review of all cases by October, and therefore, bring us to the manageable level of those persons who are eligible.

My concern, Senator, is that even at that point if we are not addressing it from a proper staffing ratio, we can get right back into the same cycle again.

It is a grave concern that we have and I certainly think it is a waste of dollars because with a fraction of the dollars that we spend in ineligibility and overpayments, if applied properly to staffing, we could manage the case loads at a reasonable level.

FOOD STAMP PROGRAM

Senator CHILES. What is your current ineligibility and overpayments rates for food stamps?

Mr. YELDELL. They are also very high, Senator. The ineligibility factors right now, for the July–December period are 19.1 percent ineligibility and 20.5 percent in terms of undercharge.

Again, the number of food stamp cases have increased from 38,000 households in fiscal 1972 to 48,000 households in fiscal year 1975, again with no increase in staff and making it virtually impossible to keep up with all the complex requirements of the Agriculture Department as it relates to food stamps.

We attempt to do what we can to keep this program under control. I must say though that the rates are higher than we want them to be. We have a problem of keeping the staffing updated as these program changes are coming down the pike. They are coming hard and heavy.

QUALITY CONTROL PROGRAM

As I am sure you are aware, the Agriculture Department is proposing additional major changes in the food stamp control program because this problem is occurring across the country. There was a period of time when there was a great influx of new cases and in every State they were running into major problems.

So they have now mandated quality control programs. This budget does carry a request for 22 positions to establish a food stamp quality control program.

There is also a requirement for us to establish an efficiency and effectiveness program which is to monitor the entire program from input and through the process. Unfortunately, that increase is not here. If it is to be implemented, it will have to be implemented from existing resources. But this is a major national problem.

Senator CHILES. You have got the money for the positions for the quality control, but you did not get the positions for efficiency and effectiveness?

Mr. YELDELL. We did not. Fourteen positions and $100,000 were requested for that. They were deleted.

Senator CHILES. How much of your budget request of $85.9 million for the Payments Assistance Administration will be used for payments to welfare recipients?

Mr. YELDELL. I think that is somewhere around 65 percent, Senator. Let me see.

It is 66 percent, Senator. Of the $85.9 million, $57.4 million is for payments to welfare recipients.

Senator CHILES. Fifty what?

Mr. YELDELL. $57.4 million or 66 percent are payments to welfare recipients.

Senator CHILES. The other 33 percent is?

Mr. YELDELL. $19.4 million or 22 percent is for medicaid. Only 8 percent of it is for staffing and other operations. The bulk of our program, 92 percent, goes into direct money payments.

Senator CHILES. Excuse me while I go vote.

[Brief recess.]

ELIGIBILITY AND REVIEW PROCEDURES PUBLIC ASSISTANCE RECIPIENTS

Senator CHILES. I noted that a recent newspaper articles reported the case of Mrs. J. G. Cooper who received illegal monthly welfare payments over a 2-year period. According to the article, Mrs. Cooper held full-time jobs while she was carrying out this alleged welfare fraud scheme.

How is it possible that a case could go undetected for more than 2 years? Describe for me the eligibility and review procedures for each of our major welfare programs.

Mr. YELDELL. Mr. Chairman, the review process is essentially the same for both programs, AFDC and GPA. Actually, in AFDC, we are supposed to review each case on a 3- to 6-month interval. In GAP, we are supposed to review it every 6 months.

The case could go undetected for 2 years. Based on the size of the caseload and the availability of workers, it is extremely conceivable, indeed it is happening that cases are on the rolls for a longer period of time without the necessary review taking place.

In this case, the case was accurately reported and it is again the factor of the improper staffing based on caseload. I might say Senator, that it is not only in this area that we have our concern. We also have concern dealing with internal operations within our administration itself.

We have workers inside the system who have found a way to manipulate the system dealing with cases and getting them on the roll and escaping our detection. It is a major problem. It costs the city and the Federal Government, particularly where AFDC is involved, large sums of money.

When you consider the return you could get for the investment in staff, it is one that doesn't make much sense. Frankly, it is one area where we should be properly staffed at the proper ratios so the reviews could be done in the fashion we have outlined.

If we could review them every 3 to 6 months as necessary, it would be reviewing one-sixth of our caseload each month. As we find an error, we would correct it immediately so we would be rapidly rolling through.

ERROR RATE OF OVERPAYMENT

Senator CHILES. This year, for the first time, the Federal share of welfare payments is going to be withheld from States whose errors exceed certain tolerance levels. The allowable error rate is 3 percent of the overpayments. Has the Department prepared the required HEW report covering the last 6 months of 1975 regarding errors in the welfare rolls? Which programs would fall within the allowable error rate and which ones would not?

Mr. YELDELL. We have completed the report, Mr. Chairman. We have provided a copy of it to the committee. In both areas, the District would be outside of the tolerance levels.

I might say again it was one of the considerations that caused us to go to our special certification process. As we set up a corrective action panel to meet the HEW requirements, we found that we were not by any means making a dent in the caseload.

I might also point out, Senator, that our problem is that many of these cases have been on the rolls for quite some time and were entered as a result of the declaratory system in which a client simply needed to declare eligibility and they were put on the rolls without verification. It is those very same cases that constantly come up in the sample and lead us to the problem of these high factors of ineligibility and overpayment.

We feel that with the implementation of our special certification process and the complete case review by October, that we will recede to well within the tolerance levels of both overpayment and ineligibility and, hopefully, will be able to stay near those levels.

Senator CHILES. Do you know the number of program recipients for each of your welfare programs?

Mr. YELDELL. The March 1976 statistics are for GPA 6,470 cases or 6,832 persons and for AFDG 31,614 cases and 101,101 persons. That is the welfare. In the food stamp, there are 47,000 homes, families. Food stamp eligibility is based on the household situation rather than individual situations.

HEALTH DELIVERY SYSTEM

Senator CHILES. Let us go on to the health delivery system. During the hearings on the 1976 budget, we discussed the February 1972 GAO report which revealed that neighborhood health centers were providing free health care to all patients regardless of the client's ability to pay for the services. Their report indicated that 110,000 bills, totaling approximately $1 million, had not been mailed.

Last January individuals cared for in these centers and who were not covered in one of the health insurance programs and not entitled to free medical services were still not being billed. Last January I urged the city to develop a policy on the matter of which services would be provided free because of concern to the general welfare and other services would be charged for.

Can you give me a report on that?

Mr. YELDELL. Yes, Senator. We have been working on this since the GAO study and certainly since the interest expressed by the committee. Simply by way of very short background, Senator, when the neighborhood health centers were opened, by some determination it was decided that all services there would be in the public interest. It has caused wide confusion trying to get around that particular problem.

As I reported to the committee at the 1976 budget hearings, we did a sample billing of those 100,000 bills that have been mentioned and we found, on the other end, a bunch of irate citizens who had no idea that charges would be levied since the services had been rendered absolutely without any indication of charge.

POLICY OF FREE SERVICE AT PUBLIC HEALTH CENTERS

Senator CHILES. Was that ever an announced policy that the public health centers were going to be completely free for all services?

Mr. YELDELL. Senator, maybe Dr. Washington can amplify it because it predated my involvement in DHR. At the time of my entry into the department, the health centers were operating as though they were providing services in the public interest.

Dr. Washington, can you amplify on that?

Dr. WASHINGTON. Mr. Chairman, in the Health Regulations, there is a chapter H–7, article H–710, section H–7110 which states:

"The commissioners have determined that the clinics of the District of Columbia Department of Public Health, except those indicated herein, be operated in the public interest without charge for clinical services unless voluntary payments are made. That for all patients receiving care in the outpatient clinics of the District of Columbia General Hospital after the first visit, and the prenatal and dental, excluding school children clinics of the Department of Public Health,

the following fees shall be charged." Then they had a schedule of fees.

This is taken from the D.C. Code. That has never been changed. As a matter of fact, it has been added to by adding additional services in the public interest. That was the legislation under which no services were charged for.

Senator CHILES. Excuse me a minute. I still don't completely understand. What is the schedule of fees that you would charge for, then? You said there was a schedule of fees.

Dr. WASHINGTON. Yes. I didn't read those because they have been outmoded and updated. For example, emergency room visits and treatment, $3 each. That has gone to $19 a visit at D.C. General Hospital.

Clinic visits, $3 each, and that has been changed to several different types of visits; for example, internal medicine has been changed to more accurately reflect what it is now.

So the fees may have been updated, but the statement was very clear that except for the ones for which they indicated fees, all others were operated within the public interest in the clinics.

Senator CHILES. I was told last time that there were certain public interest services that were felt to be in the public interest, family planning, birth control, screening for lead poisoning, TB, VD, and immunizations.

Dr. WASHINGTON. Venereal disease.

Senator CHILES. That is obviously what VD was.

[Laughter.]

Senator CHILES. Prenatal was also included in that. Then I assume that for everything else, there would be a fee charged.

Dr. WASHINGTON. We do charge medicaid for all other services. We charge any third party. For certain people who come in, we have been rendering a bill after the first visit. Those bills sometimes get paid, but it is rather confusing because of the statement that all of these services are in the public interest and certain ones have come along later to be more specifically designated as being in the public interest.

PROPOSED LEGISLATION

Mr. YELDELL. Mr. Chairman, we are preparing legislation to be forwarded through the Mayor to the City Council, which should be there by May 21, which would ask for a regulation to specifically outline those functions in the public interest and to establish rates for those that would be on a charge basis for an individual not covered by either Medicaid, Medicare or third-party payment.

Our effort, of course, is to straighten out the entire approach. As I understood the mission, as relates to GAO and the charge of the committee, it was to develop a plan to correct the situation. We plan to also accompany that with an education program to the community, to our clients and to DHA employees. Also to post such fees, once they are approved, in the facilities so that the client will know when they come into the facility that the particular service does have a charge and would be fully aware from that point.

Senator CHILES. When is the City Council going to have this?

Mr. YELDELL. We will have it to the Council by May 21.

Senator CHILES. I think something like that is very necessary. If you don't have some provisions for charging those people that are able to pay, you are backing into a New York situation. It is one thing to say you are going to provide service for the indigent, it is another thing to say that there are certain general public health things that you want people to feel free to come in and avail themselves of; but to have people that can pay that aren't paying, again that is putting a burden on the other citizens and there is no reason for that.

Mr. YELDELL. We certainly agree, Senator. We have done spot-checking in some of our facilities and find that not only District residents are using the facilities, but non-District residents as well. We are also putting collection people in the facilities rather than having the health people have a dual responsibility of providing health care and collecting billing data.

We will have the total package together. We will be forwarding it to the Council and, hopefully, the Council will act on that. We can institute a program and have it in place where the community will be fully aware of what the charges are, which charges they will have to pay and at which rates.

I might say the Council just recently passed new charges for our hospitals. That was just yesterday, or the day before. So the whole program is getting together.

FOREST HAVEN

Senator CHILES. A recent newspaper article reported on a suit filed in Federal Court charged that the mentally retarded at Forest Haven are denied adequate medical care and are sexually or physically abused, improperly imprisoned behind locked doors, and forced to eat in unsanitary dining conditions. The court charges that these residents often regress in their mental and physical abilities because of the lack of care other than minimal custodial care.

Could you give me a report on specific improvements that are planned for Forest Haven for 1977 as permitted by the 1977 budget?

Mr. YELDELL. Yes, sir. The situation in Forest Haven is certainly far below the level that we would want to see it. Again by way of brief background to the Senator, Forest Haven was established as a part of the public welfare system and was largely a custodial institution with very little happening in the area of therapeutic care.

Upon assuming control of the Department in late 1971, I transferred the operation to the Mental Health Administration and began to analyze the patients there and to apply the techniques of retardation treatment to those patients. We also developed an 8-year improvement program because, in the process of evaluating each patient, we found that there were some 400 of the 1,200 patients who did not require institutionalization at all.

EIGHT YEAR IMPROVEMENT PROGRAM

The 8-year program was geared to bring those persons into the community with the proper support care and maintain a reasonable staffing level within the institution itself.

We have implemented the first year of the 8-year program and proposed the second year in the 1976 budget, but because of personnel funding shortages, those funds were recommended to be diverted to the personnel funding base in the 1976 budget amendment.

Our recommendation that is before you in the 1977 budget would fund 19 positions at Forest Haven and would transfer 31 positions from the Rehabilitation Center for Alcoholics to Forest Haven. There is a major problem in the latter area in the sense that RCA is under what we call joint regulations—personnel procedure—while Forest Haven is a part of the civil service competitive system.

So the movement of those 31 positions to Forest Haven cannot be accomplished under existing personnel regulations.

Senator CHILES. Are you going to be able to straighten out Forest Haven in 1977 under the present budget that you have?

Mr. YELDELL. I cannot, sir.

Senator CHILES. What is it going to cost to straighten it out?

Mr. YELDELL. Our 8-year program would have taken about $7 million.

Senator CHILES. I am not talking about the 8-year program. I am talking about providing a child so he is not going to be sexually abused, so that they are not going to regress during the time that they are there.

Mr. YELDELL. I would say about $4 million, Senator. We have done a plan of correction that gears to the physical plant and the staffing pattern at Forest Haven. We have forwarded that to the Mayor for consideration.

[Brief recess.]

STAFFING AT FOREST HAVEN

Senator CHILES. Senator Mathias has also been interested in the Forest Haven question. He wanted me to submit the following:

Concerning the operation at Forest Haven, Mr. Coppie and Mr. Yeldell's office have been most helpful in forwarding certain data requested by staff. It might be useful to place in the record the occupation and grades of Forest Haven personnel on duty on different dates over the past three years.

[The information follows:]

FOREST HAVEN FILLED POSITIONS
As of Dates Shown

Occupation	Series	Grades	9/5/74	7/10/75	2/6/76
Mental Health Retardation Specialist	(602)	GS/15	1	1	1
Institutional Administrator	(009)	GS/14	1	1	1
Chief Mental Retardation Center	(601)	GS/13	0	1	0
Administrative Officer	(341)	GS/13	1	1	1
Clinical Psychologist	(180)	GS/13	1	1	1
Audio Speech Pathologist	(665)	GS/13	1	1	1
Clinical Program Administrator	(601)	GS/13	1	0	1
General Administration	(301)	GS/12	2	2	2
Supervisory Social Worker	(185)	GS/12	1	1	1
Principal	(1710)	GS/12	1	1	1
Vocational Rehabilitation Specialist	(1715)	GS/12	1	0	0
Clinical Psychologist	(180)	GS/12	1	0	1
Supervisory Clinical Nurse	(610)	GS/12	1	1	1
Chaplain (Rabbi)	(060)	GS/11	1	1	1
Social Worker	(185)	GS/11	4	3	3
General Administration	(301)	GS/11	1	1	1
Clinical Nurse Specialist	(610)	GS/11	1	1	1
Speech Pathologist	(665)	GS/11	2	2	2
Teacher (Special Education)	(1710)	GS/11	2	4	3
Supervisory Clinical Nurse	(621)	GS/11	4	4	4
Chief Dietitian	(630)	GS/11	1	1	1
Administrative Officer	(341)	GS/11	1	1	1
Physical Therapist	(633)	GS/11	0	1	1
Training Instructor	(1712)	GS/11	1	1	1
Assistant Principal	(1715)	GS/11	1	0	0
Clinical Nurse Specialist	(610)	GS/10	7	6	5
Social Service Representative	(187)	GS/10	2	2	2
Supervisory Clinical Nurse	(610)	GS/10	6	6	5
Hospital Housekeeping Officer	(673)	GS/10	1	1	1
Teacher, Special Education	(1710)	GS/09	17	15	6
General Administration	(301)	GS/09	4	4	4
Social Worker	(185)	GS/09	2	0	0
Therapeutic Recreation Specialist	(185)	GS/09	1	1	1
Clinical Nurse	(610)	GS/09	4	4	3
Social Service Representative	(187)	GS/09	4	3	3
Vocational Rehabilitation Specialist	(1715)	GS/09	2	2	3
General Recreation Specialist	(188)	GS/09	0	1	0
General Administration	(301)	GS/08	21	15	15
Assistant Hospital Housekeeper Officer	(673)	GS/08	3	3	3
Vocational Rehabilitation Specialist	(1715)	GS/07	1	1	1
General Administration	(301)	GS/07	48	45	42
Teacher	(1710)	GS/07	5	5	6
Psychiatric Nurse	(621)	GS/07	24	17	22
Training Instructor	(1712)	GS/07	4	5	5
Recreation Specialist	(188)	GS/07	2	2	1
Secretary, Steno	(318)	GS/07	1	1	1
Commissary Store Manager	(1144)	GS/07	1	1	1

General Administration	(301)	GS/06	45	46	47
Secretary	(318)	GS/06	3	3	3
Psychiatric Nurse Assistant	(621)	GS/06	60	58	58
Recreation Specialist	(188)	GS/06	0	1	1
General Administration	(301)	GS/05	25	25	31
Secretary	(318)	GS/05	2	2	2
Guard	(085)	GS/05	1	1	1
Nursing Assistant	(621)	GS/05	41	37	39
Teacher	(1710)	GS/05	1	1	1
Recreation Assistant	(188)	GS/05	2	1	1
Supply Clerk	(2005)	GS/05	1	1	1
Time & Leave Clerk	(590)	GS/05	0	1	1
Accounts Maintenance Clerk	(520)	GS/05	0	1	0
Guard	(085)	GS/04	4	4	4
General Administration	(301)	GS/04	5	5	5
Nursing Assistant	(621)	GS/04	42	37	39
Recreation Aid	(189)	GS/04	0	1	1
Clerk Typist	(322)	GS/04	4	3	3
General Administration	(301)	GS/03	2	3	1
Nursing Assistant	(621)	GS/03	31	35	31
Clerk Typist	(322)	GS/03	0	1	1
Nursing Assistant	(621)	GS/02	10	5	7
General Administration	(301)	GS/02	2	3	2
Cook	(7404)	WG/08	6	6	6
Motor Vehicle Operator	(5703)	WG/07	1	1	1
Cook	(7404)	WG/05	6	5	5
Food Service Worker	(7408)	WG/04	30	28	28
Cleaner	(3502)	WG/03	10	3	2
Housekeeping Aid	(3566)	WG/03	9	8	7
Housekeeping Aide	(3566)	WG/02	10	8	13
Food Service Worker	(7408)	WG/02	5	6	8
Cleaner	(3502)	WG/02	0	1	2
Housekeeping Aid	(3566)	WG/01	1	1	1
Food Service Worker	(7408)	WG/01	3	3	2
Cook	(7404)	WL/8	1	1	1
Housekeeping Aid Leader	(3566)	WL/3	2	1	3
Cleaner Leader	(3502)	WL/03	3	10	3
Food Service Foreman	(7401)	WS/10	1	1	1
Assistant Food Service Foreman	(7401)	WS/09	1	1	1
Food Serving Foreman	(7401)	WS/05	2	2	2
Food Service Worker	(7408)	WS04	8	8	8
Housekeeping Aid Foreman	(3566)	WS/02	5	5	5
Food Service Worker	(7408)	WS/01	6	5	6
		Total	583	550	546

LACK OF CONSTANT DOCTOR CARE AT FACILITY

Senator CHILES. It is very disconcerting to note the position of chief, mental retardation center was unfilled as of December 6, 1976, as are the top positions of vocational rehabilitation specialists and the assistant principal position and a GS–9 social worker position and some others.

It is also disheartening to know there appears to be no medical doctor position on this list. In fact, I am informed there is not a medical doctor on duty most of the time while the average resident population is 890 children and young adults and it often peaks at a number of over 1,100. I would appreciate a brief explanation of the medical doctor situation in the absence of key personnel and approved positions at Forest Haven and any other comments regarding the general level of services.

You have already talked some about the general level of services. What about these positions?

Mr. YELDELL. The chief of the retardation is actually the superintendent. Mr. Roland Queen is on board and has been since July 1975. The medical positions have not appeared in the Forest Haven budget.

Senator CHILES. You have a series 601, GS–13, Chief, Medical Retardation Center and the copy of the report I have shows that as of February 6, 1976, that position was vacant. I am not talking about the institutional administrator. I am talking about chief of the mental retardation center.

Mr. YELDELL. The institutional administrator is the one that has that responsibility. That position has been filled.

Senator CHILES. What about your GS–13, series 601, Chief, Mental Retardation Center?

Mr. YELDELL. No such functional position exists. It does appear on the printout. But functionally, that position is not operative at Forest Haven.

Senator CHILES. I don't understand that.

Mr. YELDELL. What I am saying, Senator, is that the position is functionally inoperative.

Senator CHILES. I know it is not operative.

Mr. YELDELL. That position is not used to employ a person to manage Forest Haven; that person is Mr. Queen who is in the first position listed in that table—mental health retardation specialist.

Senator CHILES. How about your vocational rehabilitation specialists?

Mr. YELDELL. I am sure that is vacant. We are trying to recruit one of those now.

Senator CHILES. It was vacant as of June 10, 1975, and as of February 6, 1976.

Mr. YELDELL. I think that would follow through on a lot of these key positions—that they are indeed vacant.

Senator CHILES. Why can't you fill them? Or are you trying to fill them at all?

Mr. YELDELL. Those which we have the dollars for. You said not to refer to the 8-year plan, but we have filled 44 of the 52 authorized positions we were allowed to fill.

MEDICAL PERSONNEL AT FOREST HAVEN

However, there are many vacancies that exist at Forest Haven that need to be filled for which there is no money. Moreover, as it relates to the medical positions, they have never really shown up in the Forest Haven budget because Forest Haven is part of the complex called the Childrens' Center. There are a complement of 50 medical personnel that service the entire center.

We took a look at that. Eighty-five percent of the patients were Forest Haven residents. We have now transferred the control of those positions to the Superintendent of Forest Haven and of the 50 positions, 43 are currently filled. That means that we now have the superintendent in control of the medical personnel. That means we now have medical personnel on duty each day and on call each day.

That was not true in previous years. In fact, that was effected a few months ago.

Senator CHILES. So you have a doctor on duty at Forest Haven at all times?

Mr. YELDELL. We have a doctor either on duty or on call. They are on duty each day. They are on call in the evening.

Senator CHILES. You have got 50 doctors?

Mr. YELDELL. No. Fifty medical personnel total. There are six doctors.

Senator CHILES. But the Forest Haven makes up 85 percent of the child care?

Mr. YELDELL. At the Children's Center. That is correct. But there are only six doctors total.

Senator CHILES. Where are the doctors physically if they are not at Forest Haven?

Mr. YELDELL. They are physically at Forest Haven, on duty each day. There are not enough doctors to cover 24-hour shifts 7 days a week.

Senator CHILES. How about Saturdays and Sundays?

Mr. YELDELL. They are there on Saturday during the day, on call during the evening. The same thing on Sunday. This only occurred in the last 2 months because they are now under the direct control of Forest Haven.

Senator CHILES. Where were they before then?

Mr. YELDELL. Under the control of the Social Rehabilitation Administration which was part of the complex, but the SRA people controlled their schedule as opposed to the Forest Haven people.

SECOND YEAR OF 8-YEAR PLAN

Senator CHILES. In the 1976 budget amendment, you delete 80 positions originally requested for in the second year of the 8-year Forest Haven improvement program. That was done at the recommendation of the Mayor because of delay in implementing the first year of the program.

Mr. YELDELL. That is not quite accurate, Senator. The second year program which called for 80 positions and a little over $1 million was a part of the original 1976 submission. When the original budget was put together for the Department of Human Resources in 1976,

there existed a major shortage of personnel funds, almost totalling some $16 million.

As the Council and the Mayor attempted to deal with this issue, one of the recommendations was to transfer the funds allocated for the second-year Forest Haven program to the personnel-base funding.

The amendment, therefore, would delete the entire 80 positions and the $1.2 million. Our request in the 1977 budget that we forwarded to the City Council requested 127 positions for Forest Haven, thus restoring all 80 of those positions and requesting 47 additional positions.

However, the budget before you now was changed by the Council so that there are only 19 new positions authorized and a redirection of 31 positions from the Rehabilitation Center for Alcoholics. As I mentioned, that is a problem not only because of the personnel system, but also because they have different skills.

Senator CHILES. So in effect, the 80 positions that were slid from 1976 supposedly to 1977 because of the delay in implementing the program now you have lost those 80 in effect, so you have got only 19 of the 80?

Mr. YELDELL. That is correct. But the delay had nothing to do with implementing the program. It was simply to put the money into the personnel base.

Senator CHILES. I think also the excuse was the program was kind of behind in time and it was late in the year.

Mr. YELDELL. Late in the year, yes, indeed.

Senator CHILES. So now we are seeing that 80 now shrunk to 19?

Mr. YELDELL. That is correct, sir.

Senator CHILES. Where do we stand now?

Mr. YELDELL. We are in trouble.

Senator CHILES. Where would the third year of the program have been?

Mr. YELDELL. Our recommendation would have been to implement the second year in 1977. We would have gotten the 80 positions back. We would have also requested 47 additional positions to strengthen the staffing at Forest Haven.

That has been reduced, as I said, to the 19 positions and the redirection of 31.

Obviously, it caused a problem.

SURVEY BASED ON HEW QUALIFICATIONS FOR MEDICAID

I told you we had done a survey based on HEW qualifications for medicaid reimbursement. That survey indicated a requirement of 292 positions and $3,700,000 to bring Forest Haven to the point where it should be. If that occurred, we then could get back to our original 8-year program, which would give us an outstanding facility.

HEALTH DELIVERY SYSTEM

Senator CHILES. Going quickly now to the health delivery system, we have another vote in progress, I want to ask you a series of questions and get you to answer them for the record if you don't get time to answer before I must leave to vote.

That will end it for today.

What specifically is the goal of the Community Health and Hospital Administration? Cite all pertinent legislation to clarify the goals of this organization. Then for each of the public interest health problems, provide the following information:

The name of the health problem, the date and reason it was added to the public interest category, upon what or whose authority was it added to the public interest list, providing papers to document this, and how many individuals were treated for this problem in 1975 and what are your estimates for 1976 and 1977? What was the cost of providing this service in 1975 and what is the estimated cost for 1976 and 1977?

What portion of the clients served by the Community Health and Hospital Administration receive assistance for public interest health problems? What was that portion in 1975 and what is the expected portion in 1976 and 1977?

What amount of revenue was raised through fees in fiscal year 1975? What amount was received through medicaid, medicare and third-party insurance? What are the anticipated revenues from these resources in 1976 and 1977? For each of these revenue sources, all 3 years, 1975, 1976 and 1977, what amounts of revenue are coming from clients receiving nonpublic interest health services?

I am going to let you start on that. That ought to hold you for a while. Then I am going to go and vote. After the conclusion of that answer, the subcommittee will stand in recess until 10 tomorrow when we will consider the agency budget request and the problems and issues of the public schools category.

JUSTIFICATION

I would like the justification material regarding the Community Health and Hospital Administration to be inserted in the record at this point.

[The justification follows:]

Justification

HEALTH DELIVERY SYSTEM

The Department of Human Resources through the Community Health and Hospitals Administration and Mental Health Administration provides a comprehensive and coordinated physical and mental health services delivery program for the residents of the District of Columbia. A comprehensive health care delivery system on a continuum of health care is administered. The physical health service include: medical, dental, and allied health services in a structure including home care, decentralized family-oriented neighborhood health centers, acute hospital services and long-term and rehabilitative health services; more specifically, physical health services are provided through inpatient facilities such as D.C. General Hospital, Glenn Dale Hospital and D. C. Village as well as numerous neighborhood health centers and clinics. The mental health services include: Forensic psychiatry, alcoholism detoxification centers, inpatient services for court ordered commitments, outpatient mental health treatment centers, emergency mental health centers and institutions for mentally retarded; the mental health services are provided through inpatient facilities (DHR institutions and St. Elizabeths Hospital on a prepaid basis), community mental health centers and at schools, etc.

Although any District resident may receive health care at public health facilities, high priority target groups for services in this subcategory include welfare recipients, other medically indigent persons, and any individual whose physical or mental conditions merits treatment due to its public health significance. The Department of Human Resources bears responsibility for assuring coordinated delivery of general health care. Medical services are performed at D. C. General Hospital and the neighborhood health centers, while medical assistance is purchased from the private sector in conjunction with the medicaid and medical charities programs. Mental health services are performed at the DHR inpatient facilities at D. C. General Hospital, Rehabilitation Center for Alcoholics, Saint Elizabeths Hospital or at the Community Mental Health Centers.

The current "health care delivery system in the District of Columbia may be characterized as a bi-level network of medical and mental health services. Patients requiring general medical attention may enter the system through health centers at the neighborhood level or through D. C. General Hospital at the city-wide level.

Similarly, patients requiring mental health attention may enter the system through the neighborhood-level mental health centers, D.C. General Hospital or be brought to D. C. General Hospital by the Metropolitan Police Department. Patients also enter the mental health services system by court orders or referrals for evaluation, by referrals from St. Elizabeths Hospital or through the Emergency Mental Health Services hot lines, etc. In either case, if the type of care necessary for successful restoration is best provided at the other level, patients are referred to the appropriate facility for further treatment. Consequently, the system is designed to provide comprehensive health care in a manner

which encourages efficient use of health care resources by assigning patients to the level best suited to their health needs.

Services provided free of charge to District of Columbia residents are considered to be in the "public interest." The medical public interest" services include: pre-natal, maternity, birth control, family planning, screening for lead poisoning, tuberculosis, veneral diseases and immunizations. The mental health "public interest" services include: inpatient services, outpatient services, emergency services such as crisis intervention, suicide prevention, etc., alcoholism treatment and detoxification and Forensic Psychiatry services.

These public interest programs/services were promulgated by Council directives and no monitoring is provided to assess eligibility of free services offered. Accordingly, these services are made available to all citizens of the District of Columbia regardless of ability to pay. Hospitalization at public expense is provided for the medically indigent; over-income patients are assisted in making hospitalization arrangements at their own expense, but when this is not accomplished such patients are provided hospitalization at D. C. General Hospital as emergency admissions. In the case of court ordered commitment of mental health patients, they receive services regardless of ability to pay.

It should be noted that services provided under Medicaid are not considered "public interest" services. Although Medicaid provided reimbursement for services rendered, it does not pay for services to providers including the Department of Human Resources where non-eligible patients are not charged for the same services, nor are these services considered in the public interest billable to other insurance programs. By virtue of the Council directives concerning "public interest" services/ programs, there is no cost for such services.

Preventive health services are those traditionally which have been considered in the "public interest" and theoretically available to all without charge at the health centers, in schools, or through special one day screening programs. Although many persons enrolled in fee-for-services insurance, as well as Medicaid, or Medicare patients, obtain these preventive services from their private physician whom they pay, nevertheless the Department must ensure, for the public good, that citizens have access to preventive health services in areas of maternal and child health programs, immunizations, screening for diseases present in the District and adversely affecting large numbers of citizens. The methods by which DHR makes such assurance can vary, e.g., it can pressure fee-for-service insurance companies to cover such services, or, it can centralize sites where such services are delivered or enroll indigents in insurance programs.

The Department of Human Resources has begun efforts toward redefining its "public interest" programs which would enable it to maximize its financial resources so as to be able to allocate necessary funds for new programs which must be added to the list of public concerns.

Although several services as indicated in the foregoing are provided in the "public interest" and at no charge to the recipients, fees are adopted for other services. Established fees are set at D.C. General Hospital for services including inpatient medicine, surgery, pediatrics obstetrics, crippled children, gynecology, psychiatric therapy, outpatient clinical services, emergency room, abortion services and home care services. Similarly rates are adopted for the skilled and intermediate care patients as well as the chronic disease patients at D. C. Village and Glenn Dale Hospital, respectively. Medicaid rates for services are based on income eligibility, utilizing a sliding fee schedule. The inpatient cost for St. Elizabeths Hospital is based upon a flat payment of approximately $21 million per year to St. Elizabeths. Persons committed to DHR institutions under court order are not required to pay for services.

Services which are billable under Medicaid, Medicare and other third party insurers are collected. However, fees generated by Medicaid go into a Medicaid Trust Fund which was established as a resource to pay for private vendors in the Medicaid program. Recovery of fees from Medicare as well as other third party insurers go into the D. C. General Treasury.

Recovering the full cost of fees is contingent upon several factors. These include the types of insurance policies, if any, carried by recipients, amount which Medicaid will reimburse and the ability of recipients to make a part payment for services received. Individuals eligible for the Medical Charities program are often billed for part of their services.

The Department of Human Resources is in the process of developing procedures for presentation to the D. C. City Council which would permit the billing of third parties and/or individuals for services rendered in all DHR programs. Some programs are not appropriate for billing, i.e., contact investigations for communicable diseases; Federal restrictions on some formula grant funds may restrict billing for services, i.e., under Title V of the Social Security Act, the Maternal and Child Health grant, prohibits the billing of individuals, but encourages third party billing. Also, the Department has procedures whereby referrals for non-payment by individuals are made to the Corporation Counsel who then determines the feasibility or cost benefit of litigation for payment.

ADDITIONAL QUESTIONS

Senator CHILES. Mr. Coppie, we have additional questions in the area of human support services which we would like to have inserted in the hearing record. We would appreciate it if you would see that they are answered for the record.

Mr. COPPIE. I would be happy to Mr. Chairman.

[The questions and answers follow:]

DEPARTMENT OF HUMAN RESOURCES

ELIGIBILITY OF RECIPIENTS AND PROPER PAYMENTS

REDUCTION IN POSITIONS FOR FISCAL YEAR 1977

Question. Over the past years your eligibility determination program positions have been drastically reduced. How many positions are you planning to reduce for FY 1977?

Answer. The decline in the number of eligibility workers has not been by choice but the inevitable result of declining resources in the City. Each year we have gone forward for funding to fill all vacant positions rather than ask for new positions. Each year this funding is denied and the eligibility determination function continues to be understaffed as are the other program functions in the Department of Human Resources.

Question. If you are planning to reduce positions; why? It has been documented that you aren't processing applications or doing the redetermination of eligibility of current recipients within the prescribed time limits. Will this reduction result in longer waiting and processing time for all applicants and current welfare recipients?

Answer. As stated in answer number one, we do not plan to reduce positions but of course as positions become vacant and they cannot be filled there will be a reduction in the staff available to determine eligibility for all financial aid programs. This loss of staff will result in longer waiting and processing time for all applicants and current welfare recipients.

INCREASE IN PUBLIC ASSISTANCE LEVELS

Question. Are you planning to increase the public assistance level to a higher percentage of the cost-of-living standard? If so, what month and year cost-of-living base are you planning to use? When do you expect to increase the payments? What would be the increased cost of the program to the District?

Answer. In the 1976 amendment we requested funds to increase effective April 1, 1976 the public assistance payment level to 90% of the February 1973 cost-of-living standard. The City did not approve any increase in the payment level for FY 77. At the current time, we are providing 85% of the February, 1973 cost-of-living standard which has been in effect since January 1, 1975. Assuming that congressional approval is given for the 1976 amendment, the cost of the rate increase to the District retroactive to April 1, 1976 and the remainder of FY–76 would be $876.1 thousand. It will cost $2,623.5 thousand in FY–77 to annualize this payment level increase.

Question. How will the increased payment level effect the average payment to public assistance recipients?

Answer. The average payment will be $162.90 per month for a single person household (from $153.85) and $314.10 per month (from $296.65) for a family of four.

Question. What is the average number per month of public assistance applications received? What is the average number per month public assistance applications received per worker? How long is it currently taking to process eligible applications? Is this timeframe meeting HEW's requirements? What can be done to expedite this process? How would a reduction of positions effect the statistics given in response to the above questions?

Answer. The average number of public assistance applicatons received per month over the last year is 1100. We do not calculate the number of public assistance applications received per worker in our current mode of operation. One worker is expected to do public assistance, medicaid and food stamp applications and recertifications. We have found this to be the most efficient use of staff resources. Currently 70% of the public assistance applications are processed within the 45 day time frame required by HEW. This process could be expedited if we had sufficient funds to fill existing vacancies in the eligibility determination program.

Question. What is the average number of required public assistance recertifications per month? What is the average number of required public assistance recertifications per month per worker? What percentage of the required monthly public assistance recertifications are being completed? How would a reduction of positions affect the statistics given in response to the above questions?

Answer. There are approximately 600 public assistance recertifications due each month. As you know we have begun a full audit of the entire public assistance caseload. We originally anticipated that each worker could do two recertifications per day. Recent experience has shown that it is more realistic to expect one recertification per day per worker. The amount of time spent contacting clients, interviewing them and verifying/documenting information provided by clients has proven to be greater than originally anticipated. This experience has also proven that we will require at the minimum 85 additional workers to complete recertifications in a timely manner after the audit is completed.

Eligibility Workers

Question. What is the current average caseload per eligibility determination worker? How would a reduction of positions affect the statistics given in response to the above question.

Answer. We do not consider an eligibility worker as carrying a public assistance caseload per se. As stated in answer number 5, we expect workers to determine and redetermine eligibility for public assistance, food stamps and medical assistance. Any loss of staff will drastically affect our ability to manage these three major financial assistance programs. Currently the following approximate active cases are distributed among approximately 330 eligibility determination workers (excludes clerks, aides and supervisors who do not take case action) for case maintenance:

AFDC	32,000
GPA	6,500
Non-PA food stamps	15,000
Non-PA medicaid	15,000
Total cases	68,500

These same workers also take and process applications for the three programs.

Field Investigations on Public Assistance Applicants

Question. Is a field investigation conducted on each new applicant when they apply for public assistance? If not, why not?

Answer. Currently a field investigation is being made selectively on public assistance applicants. Between July 1973 and November 1975, we are conducting home visits on every new applicant. It was our experience that this was delaying the processing time for applications since a decision could not be made until the field visit was completed. We have now instituted a process whereby the eligibility worker requests an immediate visit if there is any indication on the application that the client is giving false or inconsistent information.

Fraud and Perjury Cases

Question. How many alleged fraud or perjury cases have you identified in FY 75 and FY 76? How many of these cases were prosecuted? Of those cases prosecuted, how many were convicted?

Answer. In FY-75 and FY-76 there were 667 cases referred by the Department of Human Resources for possible legal action. Of these, 50 were determined to have prosecutive merit by the Corporation Council or the U.S. Attorney's Office. To date, we have had 40 convictions, 1 not guilty and 9 pending trial.

Question. If the prosecution rate is low, what are you using as a deterrent to prevent this type of crime?

Answer. Without convictions or even prosecutions of fraud, there is very little deterrence from this type of abuse.

Ineligibility and Overpayment Rates

Question. A. Why are your ineligibility and overpayment rates increasing when you have the sample results which isolate the main reasons why clients are overpaid and/or ineligible?

B. What was the error rate in 1974 and what is it today? Give us a breakdown of the kinds of errors and who they are attributed to.

C. What is the total overpayment to ineligible recipients in FY 74 and today?

D. What is the total over and underpayments and the number of recipients involved due to errors in FY 1974 and today?

E. What is your Administration doing about correcting these bad situations?

Answer. A. This question oversimplifies this critical problem. Isolating the causes of the errors does not in and of itself make the error easy to correct. The main cause of errors is the client's failure to report changes in the family's circumstances, particularly income or resources. Without a strong record of prosecution for deliberately withholding or falsifying this income information, there is little more than can be done to reduce this error. Even the IRS with its elaborate, sophisticated electronic system has a high error rate of unreported income. If a client chooses to withhold information about his employment, it is nearly impossible in the 45 day period required to process an application or in the time allowed to recertify to determine if that person is in fact employed. Without sufficient staff to maintain on-going contact with the client, it is extremely unlikely that errors due to income and resource will be significantly reduced.

B. The following chart compares the ineligibility rates for FY-74 and FY-75:

	1975		1974	
	July–December	January–June	July–December	January–June
Cases reviewed	833	839	811	823
Number of ineligible cases	112	107	103	117
Percent of cases reviewed	13.5	12.8	12.7	14.2

In both the 1975 samples, 70% of the errors were due to clients not reporting changes in circumstances which would affect eligibility. In the 1974 samples approximately 71% of the errors were due to clients not reporting.

C. Based on the quality control sample the estimated monthly cost of ineligible cases during FY-75 was approximately $842,000. During FY-74 the estimated cost of ineligible cases was approximately $880,000. These are projections based on the sample.

D. The quality control samples for 1974 indicated a cost of $580,000 per month for overpaid cases. The FY-75 samples showed a monthly cost of $637,600 for overpaid cases. 6.1% of the sample cases were underpaid in FY-75. Approximately 6.0% were underpaid in FY-74.

E. The Administration is endeavoring to make maximum use of available staff to reduce the number of ineligibles and overpayments from the welfare rolls. As you know, we are conducting a 100% audit of the caseload. However, unless we can fill exisiting vacancies in the eligibility determination functions we will again experience a gradual increase in errors. Given the proper staffing, we would be able to review monthly one-sixth of the total caseload. Any errors detected would be immediately addressed with proper adjustment to either reduce the payment or terminate the case.

Department of Human Resources

GOAL OF THE COMMUNITY HEALTH & HOSPITALS ADMINISTRATION

What specifically is the goal of the Community Health and Hospital Administration? Please cite all pertinent legislation to clarify the goals of this organization?

The Community Health and Hospitals Administration was formerly called the Department of Public Health. The Department of Public Health was established by Organization No. 141 dated February 11, 1964. At that time, the Department of Public Health was responsible for planning, implementing and directing public health and hospital care programs, including the enforcement of applicable laws and regulations which would effectively maintain and improve the health and well-being of the people of the District of Columbia and for the performance of certain allied medical and para-medical functions. Several amendments to this order were promulgated. These amendments outlined additional functions and organizational components, as part of the Department of Public Health.

On March 6, 1970 the Department of Human Resources was established by Commissioner's Order No. 70-83. This order merged the Department of Public Health, Public Welfare, Vocational Rehabliitation, and Veterans Affairs. Under the Department of Human Resources, the Community Health and Hospitals Administration emerged. The ultimate goal of the Community Health and Hospitals Administration is to provide a comprehensive and coordinated range of health services to all eligible persons in the District of Columbia. Included in these services are medical, dental, diagnostic, treatment, training and rehablitation. The Administration also has responsibility for planning, development, coordination and integration of the comprehensive health care delivery systems through utilization of community based clinics/centers, hospitals, outreach activities, long term and acute-care facilities. It maintains affiliation with local schools, colleges and universities for training in medical, dental and allied health fields. It is responsible for enforcing laws and regulations which affect the health of the District residents. The Administration conducts screening and educational activities designed to identify treatment and preventive health measures. The goal of this Administration is exemplified in the initial Commission's Order No. 70-83 as well as subsequent Organizational Orders promulgated by the Director, Department of Human Resources.

PUBLIC INTEREST HEALTH PROBLEMS

For each of the "Public Interest" Health problems provide the following information.

1. Name of Health problem.
The following are programs/services which are provided in the "public interest".

a. Venereal Disease
b. Tuberculosis
c. Prenatal Care
d. Family Planning
e. Immunization
f. Screening for lead poisioning, Diabetes and Hypertension

The above listed "public interest" programs are administered by the Community Health and Hospitals Administration. Further, the mental health "public interest" services include:

a. alcoholism treatment and detoxification
b. forensic psychiatry

These mental health services are provided by the Mental Health Administration. The Mental Health Administration was established by DHR Organization Memorandum No. 12 dated November 5, 1970.

The treatment of drug addicts is also a "public interest" service/program. This service is provided by the Narcotics Treatment Administration which was established under the Department of Human Resources in Feruary, 1970.

2. Date and the reason it was added to the "public interest" category.

The following list provides the District of Columbia laws and Federal directives for declaring those services in the "public interest" category. A general overview is included in the cited legislation for each of the "public interest" services/programs.

D.C. LAWS

A. D.C. Laws:

D.C. Code, 32-308, June 7, 1924: Admission of Pay Patients to Psychopathic Ward of Gallinger Hospital. This legislation provides that pay patients may be admitted to the Hospital for care and treatment under such rates and regulations as may be established by the D.C. City Council insofar as it does not interfere with the admission of indigent patients.

D.C. Code, 32-310, June 7, 1924: Admission of Pay Patients to Tuberculosis Hospital. This legislation permits pay patients into Tuberculosis Hospital insofar as it doesn't interfere with indigent admissions.

D.C. Code, Title 32-326, June 7, 1942: Standards of Indigency-Emergency Patients. This order requires the Commissioners of the D.C. to establish reasonable standards of indigency for municipal hospitals. It permits emergency and semi-indigent patients to be admitted to Gallinger Municipal Hospital on a full or part-pay basis at such rates determined by the Commissioners insofar as such admissions do not interfere with admission of indigent persons. It provides that agreements with Maryland and Virginia may be entered into for care of indigent patients, in an emergency situation from these States.

D.C. Code, Title 32-322, July 9, 1946: Availability of Appropriatior to Furnish Medical Services to Non-Indigent Persons. This regulation prohibits any appropriation for Gallinger Municipal Hospital or the Health Department shall be used for furnishing, other than at rates prescribed by the Commissioners, clinical services, drugs, pharmaceutical preparations, or x-ray service to non-indigent persons except in emergency cases or where Commissioners determine a "public interest".

D.C. Code, December 22, 1947: C.O. 301,974. This Order states that the clinics of the Health Department, except those listed, are to be operated without charge unless voluntary payments are made. Those clinics which are listed, and for which fees are therein established, are Gallinger

Municipal Hospital (DCGH) outpatient clinics and after the first visit pre-natal, dental (excluding school children), mental hygiene and child guidance clinics. This supersedes Title 32-322 for Health Department, not Gallinger Hospital.

EXECUTIVE ORDERS

Order No. 59-2276-A, Executive Office of District of Columbia, December 8, 1959: "Administration of General Hospital Services - General Medical Care Provided or Procured by D.C. Government." This Order delegates the Director of Public Health authority and responsibility to ensure medically indigent residents are eligible for hospital services provided or purchased by the D.C. Government and to establish reasonable standards of indigency and payment. The Order further establishes standards of eligibility for care but authorizes the Director to deviate from these if in his opinion denial of services would endanger life or pose a danger to the public health; a record of these exceptions is required. It outlines to whom free care is available.

Order No. 59-2276-B, Executive Office of District of Columbia, December 8, 1959: "Administration of Hospital Services for Tubercular Patients Provided or Procured by D.C. Government Department of Public Health." This Order delegates the Director of Public Health responsibility and authority to ensure that tuberculosis patients in D.C. General Hospital and at Glenn Dale Hospital receive care and it sets up eligibility requirements and standards for payment of such care. It also outlines to whom free care may be given.

Order No. 59-2276-D, Executive Office of the District of Columbia, December 8, 1959: "Administration of Interstate Hospitalization Services - Residents and Non-residents"- Department of Public Health. This Order designates the Director of Public Health responsibility for establishing the residence eligibility and for ensuring the transport to the District of Columbia medically indigent residents hospitalized outside the District or the transport out of the District of Columbia non-residents hospitalized at District of Columbia expense.

C.O. No. 59-2276-C, dated December 8, 1959, entitled: "Eligiblity and Payability of and for Inpatient Services for Psychiatric Patients who are Wards of the District of Columbia shall Receive Free Services." This Order originated under the former Department of Public Health, however, the stated provisions would be applicable for the Forest Haven facility of the Mental Health Administration.

PUBLIC LAW AND EXECUTIVE ORDERS

"Community Mental Health Centers Act of 1963 (P.L. 88-164)" and the NIMH Operation Handbook-Policy and Standards Manual states that within a community mental health center at least the five essential services which include emergency, outpatient, partial hospitalization, inpatient and consultation and education must be made available to all residents of the catchment area regardless of age, sex, race, creed, color, national origin, diagnostic category, voluntary or involuntary status or ability to pay. It states further that community mental health center grant funds are used to suplement, not supplant, and, to the extent practical, increase the level of State, local, and other non-Federal funds, including third party health insurance payments.

Order No. 64-1395, Executive Director, District of Columbia Government, September 29, 1964: Prenatal Program, Department of Public Health. This Order provides that the prenatal program is in the public interest and that services and supplies in hospitals and clinics under the jurisdiction of the Department and in private contract hospitals for residents of the D.C. shall be without charge unless voluntary payments are made.

D.C. Code, Title 8, 1965 Edition: This Order reestablishes above order as well as includes legislation on the Voluntary Patients at the Alcoholic Rehabilitation Clinic.

Treatment of Drug Addicts

Resolution N. 70-82 dated December 22, 1970, promulgated by the D.C. City Council calls for the provision for free treatment of drug addicts. The Resolution states that:

> "it is in the public interest that medical services treatment be provided without charge to any drug addict seeking or undergoing treatment in programs operated directly by the District of Columbia Government or in those run by non-profit organizations under contract with the D.C. Government."

STATUES AND ORDERS

City Council Regulation on Maternity Care, August 3, 1971. This Regulation orders that birth control and maternity services be offered without charge, unless voluntary payment is made, and without regard to age or marital status or the patient's parent or guardian's consent.

City Council Resolution No. 70-75: A Resolution to Provide Free Treatment of Children Suffering from Plumbism. This Resolution provides that medical services and treatment for screening and treatment be free of charge to children.

Only the above statutes and orders dealing with municipal hospitals explicitly indicate whether care is for District residents alone. Most of those dealing with clinic care are not specific on this issue.

A Resolution No. 73-2, dated January 9, 1973, promulgated by the D.C. City Council authorizes the admission of pay patients to mental health facilities of the Department of Human Resources for care and treatment at rates established by the City Council. Further, provisions include that under Titles XVIII and XIX reimbursement of the costs of certain services be furnished to patients who are subscribers to medicare and to certain persons who are indigent and medically indigent, regardless of age; and that Section 402, subdivisions (247) and (251) of Reorganization Plan No. 3 of 1967 transfer the function of establishing rates for the admission of pay patients and for furnishing certain medical services to non-indigents under Sections 32-308 and 32-322 of the D.C. Code, respectively, to the D.C. City Council.

Commissioner's Order No. 74-23, dated January 31, 1974, governs the reimbursement policy for treatment services provided to alcoholic patients by the District of Columbia in accordance with the provisions of Section 14 of P.L. 90-452, the D.C. Code and the District of Columbia Alcoholic Rehabilitation Act of 1967. These provisions require that

any person who receives such treatment is required to reimburse the District for all or such part of the actual cost of providing such services. This Order has a section entitled, "Standards for Payment." It specifically states that:

> "Liability for payment for the treatment given to alcoholic patients will be determined, according to ability to pay, in the following order: (a) person receiving treatment (or his estate); (b) father; (c) mother; (d) spouse; and (e) adult children."

This Order also covers determination of payabiltiy of treatment services offered to alcoholic patients.

It states that "the determination of ability to pay shall take into consideration income and resources such as liquid assets, compensation, or insurance. The ability to pay of the patient and legally responsible relatives shall be determined in accordance with income standards and administrative guidelines established by the Director of Human Resources.

The patient, or his responsible relative, shall be required to sign a contract to meet the agreed terms of payment.

In addition, the Order states that treatment services provided to alcoholic patients will be provided at the expense of the District to all patients for the first month. After the first month, patients will pay according to their gross income levels. In cases where patients are unable to pay, the responsible relative as listed previously of the alcoholic patient shall be charged for the cost of treatment on the same basis as patients.

Forensic Psychiatry Services

The provisions for the authorization of such services were:

1. Omnibus Crime Bill dated October 1954.

2. D.C. Law Enforcement Act, dated 1953 (P.L. 85, 83rd Congress, Chapter 159, First Session-H.R. 5312)

3. Court Reorganization Act of 1970 (P.L. 91-358, 91st Congress, S. 2601, July 29, 1970)

Federal Laws

The Public Health Service Act Excerpts:

1. Public Law 92-44, September 30, 1972 called "The Communicable Disease Control Amendments Act of 1972, "Section 317(i) refers to contagious and certain chronic disease other than venereal disease programs:

   (i) "Nothing in this section shall limit or otherwise restrict the use of funds which are granted to a State or to an agency or a political subdivision of a State under provisions of Federal law (other than this Act) and which are available for the

conduct of communicable disease control programs from being used in connection with programs assisted thru grants under this section."

INDIVIDUALS TREATED BY SERVICES

Communicable Disease Control Amendments Act of 1972," Section 318(c) 2D; refers to venereal disease programs:

(ii) "such funds will be used to supplement and to the extent practical, to increase the level of funds that would otherwise be made available for the purposes for which the Federal funds are provided under this subsection and will not supplant any non-Federal funds which would otherwise be available for such programs;..."

(3). Those services listed as "public interest" were promulgated by the District of Columbia City Council. The Council directives establishing the various "public interest" services/programs were indicated in response 2 of the foregoing.

(4). How many individuals were treated for this problem in 1975? What are your estimates for 1976? 1977?

No. of Individuals Treated By Services	FY-1975	Est. FY-1976	Est. FY-1977
Venereal Disease	37,900	36,000	35,500
Tuberculosis	20,132	22,000	22,200
Immunizations	135,000	120.000	615,000*
Lead Screening	12,930	14,200	14,200
Family Planning	11,300	12,000	13,000
Pre-natal	7,200	7,300	7,500
Diabetes	12,423	6,000	6,000
Hypertension	14,218	14,500	15,000
Detoxification (Alcoholism)	11,437	15,000	14,000
Alcoholism (RCA)	7,350	7,350	4,200
Forensic Psychiatry	2,467	2,837	3,263

*Increase due to proposed flu immunization per President's program.

COST OF PROVIDING SERVICES

(5) What was the cost of providing this service in 1975? What is the estimated cost in 1976? 1977?

Cost By Service Provided	FY-1975	Est. FY-1976	Est. FY-1977
Venereal Disease	$467,500	$430,000	$420,000
Tuberculosis	370,800	340,000	315,000
Immunizations	12,231	13,500	213,500
Lead Screening	231,997	239,602	269,645
Family Planning & Pre-natal	2,255,000	2,480,000	2,604,525
Diabetes	18,600	9,000	9,000
Hypertension	25,600	26,000	28,000
Detoxification (Alcoholism)	547,800	529,700	669,400
Alcoholism (RCA)	4,073,400	4,234,200	2,693,400
Forensic Psychiatry	456,800	528,000	1,761,200

The above costs represent District appropriated funds only.

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CLIENTS ASSISTED & FEES RECEIVED

What portion of the clients served by the Community Health and Hospitals Administration receive assistance for "public interest" health problems? what was the portion in 1975? what is the expected portion in 1976? 1977?

Total Visits CHHA

Clients Receiving Services	FY 1975	FY 1976	FY 1977
Clients receiving services	720,865	756,900	1,294,750
Public Interest Visits(Clients)	251,103	232,000	728,400
Public Interest Visits (DCGH)	14,571	14,600	14,670
Total Public Interest Visits	265,674	246,600	743,070

500,00 projected for proposed flu immunizations

12. What amount of revenue was raised thru fees in FY 1975? what amount was received thru Medicade, Medicare and third party insurance? what are the anticipated revenues from these sources in FY 1976? FY1977? for each of these revenue sources and for all three years (1975, 1976, 1977), what amounts of revenue are coming from those clients receiving "non-public interest" health services?

	FY '75	Estimated FY '76	Estimated* FY '77
MEDICARE	$ 4,108.6	$ 3,600.0	$ 3,600.0
MEDICAID	11,745.0	11,000.0	12,100.0
INSURANCE	1,444.3	1,500.0	2,200.0
PERSONAL PAY	225.1	200.0	500.0
TOTALS	$17,523.0	$16,300.0	$18,400.0
GROSS MEDICAID BILLINGS	$23,490.1	$22,100.0	$24,200.0

*Subject to changes pending final outcome of modifications in the District's Medicaid program.

Gross Billings

All of the above revenue is from "Non-Public Interest" health services with the exception of a small element involving Medicare and Medicaid. Note 1/ If a Medicaid cost containment program is implemented, there could be a reduction in Medicaid revenues.

Billing Policy for Health Services

Question. Describe for the Subcommittee the city's current billing policy for those individuals that receive services at a D.C. operated hospital or neighborhood health center. During our hearings on the 1976 budget we discussed the 1972 GAO report which revealed that neighborhood health centers were providing all services to all patients free regardless of their ability to pay? What has been done to rectify that problem?

Answer. The current billing policy for individuals receiving services at a hospital is to identify all services which are to be billed to Medicare, Medicaid, Insurance and Individual. Services are checked and matched for eligibility to programatic billings, coverage and eligibility for insurance, and individuals who do not have eligibility or coverage are billed as individual pay patients. Inpatients are billed upon discharge or monthly, whichever comes first. At Neighborhood Health Centers, services are billed for patients with Medicaid, Medicare eligibility and identified third party, but billing to individuals has been suspended pending clarification of Public Interest and establishment of an equitable charge rate for the various clinical services.

Billing to individuals outside these areas has not been fully implemented because when the Neighborhood Health Centers were established, by some interpretation unknown to me, all such services were deemed by health personnel to be "in the public interest". Legislation to completely clarify this situation to properly charge for such services is being drafted by this department and will be forwarded through the Mayor to the City Council by May 25, 1976. In the meantime, as a result of the GAO study, the necessary documentation on all persons treated who would fall within this category is being documented for subsequent billing. Additionally, an education program is being readied for the public, clients and DHR staff to prevent confusion when the re-definition of public interest services is enacted.

Question. Is it correct that individuals with health problems that fall in a "public interest" category are treated free regardless of income? What health problems fall in this "public interest" category? Who determines what is included on this list? How often is the list reviewed? Has a health problem ever been removed from the list?

Answer. Yes, it is correct that individuals who receive services that are in the "public interest" category are treated free of charge. This "free of charge" factor is stipulated in the Council directives outlining the various "public interest" programs/services. Those services considered in the "public interest" for which no fee is charged are: venereal disease, tuberculosis, pre-natal care, family planning, immunization, screening for lead poisoning, diabetes, hypertension, drug addiction, alcoholism detoxification, forensic psychiatry services, and emergency mental health services. Again, the District of Columbia City Council determines those services to be in the "public interest," and as such initiates and promulgates legislation for those "public interest" services. This list of "public interest" services should be reviewed by the D.C. City Council, with the review and concurrence of the Director, Department of Human Resources and the Administrators of the affected Administrations. The regularity of review is determined by the D.C. City Council. All "public interest" programs/services which have been established through council directives have never been removed from the list. However, the Department of Human Resources has begun efforts toward redefining its "public interest" programs which would enable it to maximize its financial resources so as to be able to allocate necessary funds for new programs which must be added to the list of public concerns.

Question. Are all individuals who do not have a "public interest" health problem billed? How much revenue do you expect to collect from your billing activities in fiscal year 1977?

Answer. Yes. All services that are not in the "Public Interest" are billed either to Medicare, Medicaid, Third Party or Individual Pay. However, at the present time, individual pay billings to the Neighborhood Health Clinics have been suspended pending establishment of an equitable pay scale and a clear determination and definition of "Public Interest" services. However, the necessary documentation to eventually prepare individual bills is being gathered pending a final decision in this matter. In fiscal year 1977 the expected revenue to be generated from billing activities is $18,400,000 from all sources.

Non-public Interest Category

Question. What portion of the clients served fall into the non-public interest category? Is there a policy to charge these individuals a full cost recovery fee?

Answer. The portion of clients served which falls in the "non-public interest" category is shown in the following table:

	Fiscal year 1975	Fiscal year 1976	Fiscal year 1977
Non-public interest visits	455,191	510,300	551,680
Percent of non-public interest visits	63	67	42

Yes. There is a policy to charge full cost recovery fee. Individual pay patients with no other coverage would be charged full cost.

Question. Is it true that the Payments Assistance Administration does the billing for the Hospitals and the Neighborhood Health Centers?

Answer. Yes, it is true that the Payments Assistance Administration provides the billing for the Hospitals and Neighborhood Health Centers.

Question. What is the average amount of time it takes from the time a service is provided until a bill is sent out?

Answer. *Inpatient:* Medicaid—within a month of discharge if eligibility is available. Medicare—dependent on receipt of Medicare eligibility information from intermediary. This usually takes between one and four months.

Insurance—subject to same procedural and time constraints as Medicare.

Individual Pay—at the end of month in which patient is discharged.

Outpatient—considering the processing requirements for data reduction and assembling all services for individuals including identification of billing sources, the average time is a minimum of three months.

Question. What is the collection rate on these bills?

Answer. *Medicare* bills comprise approximately 18 percent of the total billings for services and are less deductibles, co-insurance, and denials of benefits as a result of non-covered services.

Medicaid billings comprise approximately 35 percent of the total billings for services with a reimbursement rate of 50 percent of charges with a very small percentage rejected because of ineligibility.

Individual Pay billings comprise 27 percent of total billings with only a 3 percent collection rate.

Insurance and other third parties approximate 20 percent of services with an 80–90 percent reimbursement rate from insurance carriers.

Number of Service Recipients

Question. How many individuals received services from the hospitals in fiscal year 1975? How many of these people received "non-public interest services?" How many bills were sent out in fiscal year 1975? What is your expected collection rate from these bills?

Answer. A total of 304,865 individuals received services from the hospitals in fiscal year 1975. The following table will show a breakout of the hospital services provided and the number of individuals receiving these services. Of the 304,865 individuals receiving these services 179,001 were those individuals who received "non-public interest" services.

Fiscal year 1975 hospital services	*Number of Individuals Served*
Admissions	15,874
Emergency Treatment Room	95,419
Outpatient Department	193,572
Total Individuals	304,865

The "public-interst" services provided by the Hospitals in fiscal year 1975 reflects a total of 14,571 individuals. The services are shown accordingly in the following table:

"Public-Interest" hospital services	*Fiscal year 1975 number of persons receiving services*
Pre-natal	8,238
Family Planning	6,323
Lead Screening	10
Total Individuals	14,571

There were 164,255 bills sent out in fiscal year 1974. The disparity is because of inter-agency billings which is not counted as billings sent out. It should be noted that additional billings will continue to be sent until collection is obtained or settlement arrived at for payment of services. The collection rate is same as 19 above.

HEALTH DELIVERY SYSTEM—D.C. GENERAL HOSPITAL

Question. What efforts have been made to correct the deficiencies stated by the Joint Commission on Accreditation of Hospitals in December 1975?

Answer. The JCAH conducted a survey of D.C. General Hospital on October 15, 16, 17, 1975 and submitted a report of their findings in December 1975. Prior to the time we received the formal JCAH report on ad hoc committee was formed at the hospital which is composed of medical and administrative staff of the hospital. This committee is charged with the responsibility of reviewing the JCAH report and guiding the preparation of corrective action. After receiving the JCAH report in 1975 the entire report was carefully reviewed by the committee and assignments given to appropriate staff to take corrective action and report back to the committee. This committee has met on a biweekly basis since December 1975 to review the status of corrective action taken on the deficiencies.

In the JCAH report they cited 14 major deficiencies of which 12 related specifically to the Medical/Dental Staff. Primarily the problem cited by the JCAH committee related to the lack of effective documentation. We have requested a resurvey by the JCAH which will occur some time during the latter part of May 1976. The following are the 14 major deficiencies and corrective actions have been taken to eliminate them:

(1) *Failure to document timely reappointment of medical staff members.*

The Credentials Committee of the Medical/Dental Staff has been meeting on a weekly basis in order to properly review the credentials of all appropriate medical staff members. As of April 19, the committee has reviewed the credentials of 134 medical officers and attending physicians who are active members of the Medical/Dental Staff. The Credentials Committee activities will be forwarded to the Advisory Board of D.C. General Hospital with their recommendation for review the first week of May 1976.

(2) *Failure to comply with a previous recommendation to restrict medical staff membership to individuals who are licensed to practice medicine or dentistry or verify correct licensure of physicians on staff.*

Now that we have reactivated the Credentials Committee all incoming physicians and dentists are required to submit the appropriate information concerning their credentials to the Credentials Committee for review. The main thrust of this JCAH deficiency related to D.C. General Hospital Residents Staff who do extra work in the emergency room and who must have a valid D.C. license. Instructions have been given by the Medical Director that as of July 1, 1976 no resident will be allowed to perform extra work in the emergency room unless they are fully licensed.

(3) *Lack of Medical Director.*

As of March 1, 1976, Dr. Lay Fox was appointed interim Medical Director of D.C. General Hospital. We are currently recruiting in the Medical Director's position on a permanent basis.

(4) *Failure to delineate clinical privileges for medical staff as previously recommended.*

We have received delineation from most chief medical officers. The Medical Director has instructed those remaining chief medical officers to have this in by the end of April 1976.

(5) *Failure to document effective communication between the medical staff and the governing authority.*

In this instance, the Joint Commission accepts the D.C. General Hospital Advisory Board in lieu of a governing authority. One means that has been established to ensure effective communications between medical staff and Advisory Board has been the formation of a Joint Conference Committee. The committee has representation from the Advisory Board, the Medical/Dental Staff and the Administration. In addition, both the Medical and Executive Directors report to the Advisory Board as well as to the Accreditation Committee of the Medical/Dental Staff. Minutes of these meetings are a part of the permanent record.

(6) *Failure by the Medical Staff to hold monthly Departmental meetings to review the care and treatment of patients served by the hospital and to enforce Medical Staff rules for quarterly staff meetings.*

All but two services have completely submitted all required reports. The remaining services will be expected to be in full compliance by the end of April 1976. With regard to the required quarterly Medical/Dental Staff meetings, the first was held on February 23 with the next one scheduled for April 26, 1976.

(7) *Failure to document an effective infection control program.*

D.C. General Hospital recently employed an epidemiologist whose responsibilities will be to conduct daily and periodic surveillance inspections of the hospital. An Infection Control Committee has been meeting regularly on a monthly basis to address such concerns as the use of antibiotics, surveillance and enforcement of infection control practices and the reporting of suspected and confirmed infections. The committee is in the process of establishing written hospital procedures concerning infection control.

(8) *Failure to document medical staff review of blood transfusions.*

The Blood Transfusions Committee has been reactivated and is in the process of establishing policies and procedures for transfusion of blood and blood products and is preparing a protocol for the review of blood, blood products and analogous materials at D.C. General Hospital.

(9) *Failure to document regular Medical Staff review of antibiotic uses.*

Each chief medical officer has been requested to review antibiotic uses with their staff and to report this to the Medical Director in their monthly reports.

(10) *Failure to document Medical Staff review of medical records as documents.*

The Medical Records Committee has been meeting on a monthly basis and continues to review medical records for their documentary completion. In addition we have recently conducted a review of 200 emergency room medical records for their completion and effectiveness as medical record documents.

(11) *Failure to meet audit requirements.*

The Joint Commission currently requires that we have two complete audits and two in progress upon their return. As of this date we have completed an audit on pneumonia and an audit on fractured hips. We have also initiated two additional audits. One concerning Caesarean section deliveries and the other concerned with the treatment of lacerations in the emergency room. Action has been taken by the Executive Committee of the Medical/Dental Staff to have the Medical Audit Committee coordinate the activities of the Blood Bank Committee, Utilization Review Committee, Tissue Committee and the Medical Records Committee. Five hospital staff members attended a Joint Commission course on audit procedures to assure the audits were performed in compliance with requirements.

(12) *Deficiencies in utilization review.*

The primary utilization review activity is conducted by the National Capital Medical Foundation which is the PSRO for the Washington, D.C. area. In addition, the Hospital Utilization Review Committee has been reactivated and is looking into the appropriate utilization of resources in the Laboratory, X-ray Department, Heart Station, and Physical Medicine and Rehabilitation Department.

(13) *Deficiency noted in the content of outpatient medical records as well as large number of delinquent medical records.*

We recently had sixteen (16) vacant positions in the Medical Records Department for which we have selected twelve (12) candidates who will start work in the next several weeks. The Medical Records Committee has been charged with the responsibility to continue to monitor the number of delinquent medical records and report this to the Executive Committee of the Medical Dental Staff.

(14) *Environmental deficiency.*

Attached you will find a list of twenty-four (24) environmental deficiencies that were cited by the Joint Commission on Accreditation for Hospitals. To correct these deficiencies the District has submitted a request for 14.6 million capital outlay budget as part of the Fiscal Year 1976 budget amendment that is pending. It is clear from the Joint Commission Report that without approval action, D.C. General Hospital will be unable to re-acquire its accreditation status. Once we receive the appropriations for this capital expenditure, General Services Administration will be able to provide a detailed plan to correct these deficiencies. If Congress has acted upon this request prior to the resurvey by the Joint Committee which is scheduled for May 1976, D.C. General Hospital stands an excellent opportunity of regaining full accreditation.

PHYSICAL IMPROVEMENTS

Question. What required physical improvements have been made and how much money did it cost?

Answer. As indicated in the answer in the previous question the overwhelming majority of environmental, physical and life safety code deficiencies can only be corrected after receipt of the 14.6 million dollar capital outlay budget which is pending. However those deficiencies that could be corrected through administrative actions or minor expenditure of maintenance funds have been corrected. The following items listed as deficiencies in the JCAH report under Environmental Services have been corrected.

(Items 8, 10, 13, 16, 17, 18, 19 and 23 with partial completion of items 15 and 22).

A total of $2,070 has been spent for supplies and material to correct these items. As an example $1,500 per quarter is spent on a contract with Honeywell to provide the hospital with electrical safety testing.

Filling of Staff Vacancies

Question. What efforts have been made to fill existing staff vacancies? How many have been filled since December 1975 and how many more need to be filled?

Answer. The department has succeeded in getting all D.C. General Hospital positions exempted from the city-wide freeze on hiring. One hundred nine positions have been filled since December 1975. Currently there are 117 positions vacant; all positions need to be filled. An additional 303 positions are included within the 1976 budget amendment now pending.

Delinquent Billing Accounts

Question. How many D.C. General billing accounts are delinquent and how much money does this represent?

Answer. The delinquent accounts for D.C. General Hospital inpatients is limited to patient pay accounts. That is, all accounts for services to individuals not entitled to free care and for which no third party liability could be established.

Personal pay accounts are billed six times if the bill is not returned as a result of an improper address.

During any given mailing, 15 percent of the bills are returned for improper address as e.g. moved, unknown, etc.

Historically, in spite of intensive mailings the hospital has only been able to collect less than three percent of its patient pay accounts. For the cumulative 10 year period July 1966 thru March 1976, D.C. General Hospital has 27,221 delinquent Personal Pay accounts totalling $10,549,465. It is anticipated that delinquent accounts will not accumulate as fast in the future as they have in the past as a result of the implementation of new procedures instituted to more rapidly determine upon admission the payment status of the individual. We believe that many of the marginal income people admitted will be found eligible for free care under the medical charities program and that others will be medicaid and medicare eligible.

Accreditation of Hospital Operations

Question. What has happened to improve the hospital operations to enable it to be accredited?

Answer. On January 19, 1976 Mr. Robert B. Johnson was appointed Executive Director of D.C. General Hospital. Mr. Johnson has a Master's Degree in Hospital Administration from the University of Michigan, and over ten years experience in Health Services Administration, and was formerly Acting Executive Director of Kings County Hospital Center, Brooklyn, N.Y.

As previously reported, Dr. Lay Fox, was appointed Interim Medical Director March 1, 1976. Dr. Fox has had a distinguished career as a physician in the Navy and has previously served as one of the President's physicians.

D.C. General Hospital sent a team of two Doctors and three Medical Records Librarians to a course in Chicago to learn the JCAN Medical Auditing System, which has been implemented at the Hospital.

The hospital conducts biweekly meetings of the JCAH ad hoc committee to review the status of correction of deficiency.

The Executive Director conducts weekly rounds of the hospital, with his administrative staff to observe first hand the operation of the hospital and to review problems with the hospital staff.

The Executive Director conducts weekly staff meetings with the administrative staff.

Two members of the administrative staff have been assigned to support the administrative functions of the Medical/Dental Staff.

Work has begun to remodel the lobby of D.C. General Hospital to make it more attractive and functional.

A program of continuous maintenance of the physical facilities of the hospital has been established.

The Medical Dental Staff has been well organized and is functioning as a unified group to lead professional practices at the hospital.

The D.C. General Hospital Advisory Committee is functioning regularly and effectively.

Health Delivery Program—Glenn Dale Hospital

For some time, the Department of Human Resources had planned to purchase the Metropolitan Hospital which was to replace Glenn Dale Hospital. You told us in your budget request for Fiscal Year 1976 that, if closed, your Community Health and Hospitals Administration had no immediate plans for alternative use of the buildings and land.

Question. What use, if any, could be made of Glenn Dale by other administrations within DHR?

Answer. According to the best available information, Glenn Dale Hospital in its present condition would require approximately 23 million in renovations and improvements to qualify for reimbursements under the Medicare and Medicaid programs. Conversely, the Metropolitan Hospital can be obtained for less than $9 million, including needed renovations, and would be expected to generate almost $2 million in reimbursements each year. Since Glenn Dale Hospital would not be eligible for reimbursements without renovations, the uses to which the buildings in their current condition could be put are limited. Such uses might include domiciliary type live-in facilities for persons not having illnesses but who need some type of protective environment; provision of a sheltered workshop situation; use as a training facility or center, etc. The land and buildings, despite their unsuitability for reimbursing purposes are still extremely valuable, and the District of Columbia would wish to consider alternatives for use throughout the Department of Human Resources and/or other departments within the District Government.

Question. Because of continuing budget constraints, wouldn't it be advisable to come up with some alternative use rather soon?

Answer. The District of Columbia will be considering various alternatives to the use of Glenn Dale Hospital if it is approved to remove Glenn Dale Hospital to the Metropolitan Hospital site. This would require some time, and during the transfer period, plans would be made for alternative uses.

Question. What about the patients at Glenn Dale, how safe are they if a fire would break-out? Shouldn't something be done to correct the safety code violations you mentioned in last years' budget hearings?

Answer. Emphasis is placed on prevention. All units have Fire Safety Manuals which contains specific instructions for all staff members in case of fires. An all day fire safety program is conducted twice a year. Periodic inspections are conducted by both the D.C. Fire Department and local fire departments. Regular fire drills are conducted on all shifts, on a periodic basis, including the usage of smoke bombs to simulate actual fires. After each drill or actual fire, critiques are held to discuss the events. The local fire departments have always responded promptly within minutes of a fire alarm and have performed in a proficient manner. In those instances where there have been fires—such as in trash cans or bedding—those patients in the vicinity have been evacuated to safety without injury. We have corrected one major deficiency—that is connecting our internal fire alarm system to the fire board which can then send units directly to the scene. The other changes recommended would involve extensive renovations. The City recommended in the 1976 Budget the acquisiton of the Metropolitan Hospital (at a cost of 8.4 million dollars as a replacement for Glenn Dale Hospital) as an alternative to renovations which would cost approximately 23 million dollars.

New Receiving Home for Juveniles

Question. What is the status of the new Receiving Home?

Answer. Because of an explosion in the detenion population, we are considering two possibilities. Either we revert to the plan to build a new Receiving Home that would accommodate 125 juveniles or we adopt a viable alternative to building a new Receiving Home. Based on thorough research into this matter, the Department will make a decision and will submit our findings to the Mayor in May of the current year.

Question. In light of the GAO report, would a new Receiving Home be justified if the Superior Court reduced the pre-trial length of stay?

Answer. Even if the pre-trial length of stay is reduced, this does not necessarily mean that a new Receiving Home is not needed. The highly significant increase in the detention population has occurred because of an increase in the number of juveniles that are appearing before the court. The length of pre-trial detention may be an added factor.

Question. Have you spoken with the Chief Judge concerning the details GAO reported in January 1976? If not, why not?

Answer. The Department has not addressed GAO comments to the Chief Judge of the Superior Court of the District of Columbia. The Receiving Home has been under litigation since 1972 in re the Savoy Case and the Department must therefore relate to the Chief Judge through the Corporation Council of the District of Columbia in matters relating thereto.

Question. Do you feel that DHR's Administration of the detention population is in any way hampered by the Court? If so, what would you recommend?

Answer. At the time the Department of Human Resources established the Differential Detention Plan, the average daily population was approximately 225 juveniles. The Chief Judge of the Superior Court based his order on conditions (and numbers) as they existed at that time. The explosion of the detention population (over which the Department has no control) since the issuance of the Court Order approximately eighteen (18) months ago, has necessitated changes in the Differential Detention Plan. The total detained population on April 15, 1976 was 447. Further, the Department of Human Resources has been forced to reassess its position as to whether or not a new Receiving Home should be built, what size it should be, and what other viable alternatives there would be.

RESPONSE TO QUESTIONS FROM THE D.C. MENTAL HEALTH ASSOCIATION SUBMITTED BY GOTTLIEB SIMON, Ph.D.

The Mental Health Administration, Department of Human Resources did not request a pick up of 80% of positions from expiring Federal grants. An original request forwarded by the Mental Health Administration asked for 122 positions. This request was later modified through the Departmental and Mayoral level budgetary processes to reduce the number to 29 positions which went forward to the City Council. The City Council further reduced the Mayor's request to 26 positions, and added approximately 60 positions of redirected personnel from RCA/VH.

The addition of positions from RCA/VH is not relevant with regard to absorbing positions which will be cut because of expiring Federal grants. Virtually all of the positions redirected from RCA/VH are filled positions, and virtually all the positions now existing under Federal grants are also filled.

The Mental Health Administration, Department of Human Resources has three Bureaus around which priorities must be set. These Bureaus deal with areas of general mental health including community, inpatient and forensic activities; alcoholic treatment and prevention; and, the treatment of developmental disabilities. In all of these treatment areas the city and the Department are under civil suits alleging inadequate treatment practices and which would undoubtedly result in requesting greater resources. In addition, in all of these treatment areas, the Department is mandated to provide certain

kinds of services under Federal and local statutes. The budget resources for the Mental Health Administration are fixed, and decisions must be made concerning priorities around these three large areas of essential services. The community mental health centers, with the declining Federal grants for support represent a growth budget for the District in terms of appropriated funds. There is no area of District activity which is undergoing the kind of growth in the utilization of appropriated funds which the community mental health centers would generate. There was internal discussion within the Mental Health Administration and the Department concerning the feasibility of closing one of the centers and transferring the operations of that center to another center because of the declining Federal support. We rejected this option in favor of leaving all centers open even if they must operate at a reduced level.

The following represents the status of the District authorized positions for the Mental Health Administration :

	1975 Auth. Pos.	Abol. Pos.	1976 Base	Filled	Vacant	*SRA Staff Performing MHA Duties	Detailed to PAA
410 Office of the Administrator	17	1	16	14	2		
420 Mental Health Services	373	26	347	327	20	25	
Office of the Chief	23	-	23	23	-		3
Area A	52	5	47	45	2	3	2
Area B	77	3	74	70	4	6	3
Area C	193	15	178	166	12	16	5
Area D	6	2	4	4	-	-	-
Forensic Psychiatry	22	1	21	19	2		
St. Elizabeths Hospital	-	-	-	-	-	-	-
430 Developmental Disabilities	769	160	609	573	36		
Office of the Chief	3	-	3	3			
Developmental Services Center	24	1	23	20	3		
Forest Haven	742	159	583	550	33		2
440 Bureau of Alcoholic Treatment & Prev.	230	15	215	189	26	7	
Office of the Chief	3	-	3	1	2		
Detoxification Center	39	2	37	33	4		
RCA	188	13	175	155	20	7	2
Total, Mental Health Administration	1,389	202	1,187	1,103	84	32	17

*Under SRA supervisors in conformance with Title 20 Social Service requirements.

There are 284 Grant Positions, and of that number 207 positions are in the Bureau of Mental Health Services; 36 in Developmental Disabilities; 41 in Alcoholic Treatment & Prevention.

HEALTH DELIVERY SYSTEM - FOREST HAVEN

The comments regarding abuse of patients, unsanitary conditions, etc., are difficult to answer in the limited space available. However, it must be stressed that these statements do not in fact provide accurate descriptions of Forest Haven. The too frequently occurring act of abuse of a resident is a specific incident, unnecessary, unwarrented, not to be tolerated, but not a characteristic of the facility. Shortages of equipment and supplies have occurred from time to time, however, this problem has been corrected and future shortages will not occur because funds are limited.

The questions raised about vacant positions, i.e., Chief, Mental Retardation Center, Vocational Rehabilitation Specialist, Assistant Principal, etc. are puzzling. We have not, within recent years, had a GS-13 position - Chief of Mental Retardation Center. We can not explain why this appears on the printout, but the position can not be considered vacant because it does not exist. The Assistant Principals position has been filled for approximately four years, and we do not have a GS-9 Social Worker Position or a GS-12 Vocational Rehabilitation Specialist.

The Physicians working at the Childrens Center were, until recently, under the administrative control of the Social Rehabilitation Administration. They have been transferred and now are under the control of the Superintendent of Forest Haven.

The listing only included positions that were administrately within Forest Haven, therefore physicians would not be included.

There are six medical officers and two psychiatrists working at the Childrens Center. Because of the limited number of physicians available, and our need for 24 hour coverage, a schedule has been established whereby a physician is on grounds every day. Also all physicians are on scheduled duty (not call) at home and are expected to provide services as required. We are requesting funding for additional positions.

QUESTION

In two years the Forest Haven problems have not improved, but, it appears, have grown worse. In view of the fact that many of the problems at Forest Haven have existed for so long, why haven't they been corrected, or at the very least, improved? What are you doing now to correct these problems: Specify where tangible, visable improvements have been made (not general efforts such as planning)

ANSWER

The improvements made at Forest Haven are numerous and significant. It must be understood however that a massive increase in resources would be necessary to remediate or eliminate the deficiencies that exist at Forest Haven. The improvements that have been made or are in the process of being made have had, and will have a meaningful impact on Forest Haven, but have not placed the program in a posture

of adequacy. The amount of progress made is remarkable considering the limited new funding made available.

- New Food Service System
- New Therapy building
- Renovation of air conditioning and heating
- Work Incentive Therapy Program
- Expansion of educational program to comply with the "Waddy Decree."
- Expansion of Community Placement Program - approximately 200 residents now involved in community programs
- Implementation of Career Development and Vocational Training Program
- Implementation of Infant Stimulation Program
- Implementation of Horticultural Training Program
- Implementation of community based education program
- Revamping of record keeping system
- Reorganization of administrative structure to meet functional needs of programs
- Implementation of Foster Grandparents' Program
- Development of Special Education Program with Title I funds
- Implementation of the Epilepsy Program with Federal funds through Georgetown University
- Implementation of the "Life Skills Program" with Federal grant funds through George Washington University.
- Staff Training - during FY 1975 455 hours of training in twelve different areas given to 1289 persons (35,000 man hours)
- Volunteers - 1039 volunteers donated 38,701 volunteer hours of work.

This is not an exhaustive list but does illustrate that in fact changes and improvements have taken place.

QUESTION

During the past two years, you have testified to an eight year program of improvement at Forest Haven. If the plan is in effect, what are the actual accomplishments?

ANSWER

The eight year plan remains as both a methodology as well as a departmental goal for the remediation of many of Forest Haven's problems. Thus far however, only the first year of the plan (FY '75) has been funded. Due to budgetary deficiencies facing the Department the implementation of the second year of the plan (FY '76) was deferred. Funds were requested, but were to be used in bolstering the base, no new positions, ect. were requested. This budget request is of course still before the Congress.

The FY '1977 budget attempted to reestablish the second year of the plan. Eighty new positions and other improvements outlined in the second year of the plan, plus 47 additional positions (total 127) were requested. This proposal was cut by the City Council to 19 new positions, and 31 positions redirected from the Rehabilitation Center for Alcoholics to Forest Haven plus two positions to the Office of the Chief of the Bureau of Developmental Disabilities.

From the foregoing, it is clear that we have not had the opportunity to move beyond the first year of the eight year plan. However, the accomplishments of the first year are significant. Approximately 200 residents are currently working at Forest Haven under the Incentive Therapy Program, receiving at least minimum wages (average total monthly payroll-$22,000). We are now in compliance with the Fair Labor Standards Act. This program has many direct and indirect benefits. Not only do residents earn money to pay for personal items of <u>their own</u> choosing, but it has also provided

a meaningful stimulus to the therapeutic and training aspects of this work program. Monetary reward for work effort is a proven reinforcement technique in attempting to establish positive habits of various kinds. The total socialization program has been significantly enhanced.

Approximately 200 residents are now involved in some form of community placement program ranging from independent living and working, to attending public schools, sheltered workshops, etc. This has been possible because we have been able to accent our Career Development Program. (See answer to question #1).

The impact on staff morale can not be overlooked. The addition of new resources, albeit limited, has an uplifting effect upon staff who have consciously and unconsciously increased their effort. It is easier to elicit maximum effort from personnel if they feel that they are being supported.

QUESTION

Staffing has continually been a problem at Forest Haven. In November 1975, you testified that a total of 551 positions were filled out of a total of 1,200 needed to provide adequate patient care.

How many positions are currently authorized? How many of these positions are filled? How many of these filled positions are professionals and needed for the supervision, treatment and training of Forest Haven residents?

Did you receive appropriations for additional staffing positions in Fiscal Year 1975? If so, how many positions were authorized: Were they all filled? If the additional positions were not completely filled, what happened to the appropriation money?

ANSWER

The 1975 appropriation included 742 authorized positions, however, 159 positions were abolished as part of the City Council's action taken to reduce the total number of positions in the Department. The current authorized base is 583 positions of which 540 are filled (43 vacant).

The segment of the question regarding the number of positions filled by professionals needed for supervision, treatment and training is difficult to answer. It is not clear as what is meant by the term "professional." The overwhelming majority of persons working at Forest Haven are counselors and nursing assistants, all of whom are engaged in the activities noted above. The educational staff, the social services staff, the medical staff and all other staff (not including Housekeeping (37), Food Service (71) and Administration (28)) are involved in providing direct services to the residents; a total of 404. It should be noted however, that many of the residents are assigned to training work details under the supervision of housekeeping and food service staff. Also approximately one half of the persons listed under Administration are supervisory clinical personnel whose responsibilities include the direction of a variety of service programs.

The FY '75 budget provided funding for 52 new positions. Forty of these are filled, two have entry dates and active recruitment is underway for the other 10 positions. The primary reason for the existance of the 10 vacancies is the problems we are faced with in recruiting for positions through the U.S. Civil Service System.

QUESTION

The media reported you have failed to spend funds appropriated by Congress to upgrade the institution. You have been quoted as saying that $2.2 million was diverted by the Mayor and City Council to pay salaries of DHR Employees. How much of the FY '75 appropriation was actually spent for Forest Haven? Did you approve the transfer of funds from Forest Haven to other DHR Departments? If so Why? Especially since you are well aware of the conditions at the institution?

ANSWER

The FY.1975 budget provided $900,000 in new money ($1.2 million annualized.) Two hundred and twenty five thousand ($225,000)

was spent on the Incentive Therapy Program, Four hundred and fifty thousand ($450,000 was earmarked to support the addition of the 52 new positions. The remaining two hundred and twenty five thousand ($225,000) was added to the Forest Haven base to ease this facilities deficit. No funds were diverted to other DHR programs.

QUESTION

The media has also reported a hiring freeze in DHR which prohibits additions to the Forest Haven staff. Yet, many thousands of dollars in overtime are paid to employees each month. Why can't you hire additional staff instead of paying overtime to staff that is already frustrated and overworked? Have you studied the cost-benefit of paying overtime versus hiring additional staff?

ANSWER

Our present overtime costs are projected to be about $700,000 for FY'76. The Director, DHR, has requested us, along with all other DHR institutions, to submit a plan setting out the cost-benefit of paying overtime versus hiring additional staff.

We have submitted such a plan and the Director, DHR has given us approval to implement the plan and hire additional staff that may be funded by the reduction in overtime costs.

OFFICE OF YOUTH OPPORTUNITY SERVICES

QUESTION:
1. How many youth do you expect to enroll in the 1976 Employment Program?

ANSWER:
1. The District of Columbia has not received its funding level for the 1976 Summer Employment Program. However, if the funding is the same as last year, we anticipate hiring between 14,000 and 15,000 needy youth.

QUESTION:
2. What is the anticipated cost of the program youths' pay?

ANSWER:
2. It is anticipated that the program youths pay will amount to approximately $7,950,000.

QUESTION:

3. What is the anticipated cost of the administration?

ANSWER:
3. The Administrative cost will be approximately $650,000.

QUESTION:
4. What type of work will the enrollees be doing?

ANSWER:
4. Youth enrollees will be engaged in a variety of activities. (Attach xeroxed copies of the Washington Post article dated 1975), and copies of pictures of youth engaged in employment.

Recreational Aide	Truck Driver's Aide
Library Aide	Electrician's Aide
Clerical and Office Aide	Plumbers Aide
Maintenance Aide	Mechanics Aide
Gardner's Aide	Laundry Aide
Duplicating Aide	Draftsman's Aide
Photographers Aide	Surveyor's Aide
Hospital Aide	Laboratory Aide
Painter's Aide	NCHA Aide

National Capital Park Aide — RLA Aide

Jr. Lifeguard & Pool Aide — Environmental Aides

QUESTION:
5. Explain the changes made to improve the accounting and administrative controls for certifying youths eligible for the program, and to record and certify the youths work, to process time records, to issue and deliver and to cancel undeliverable checks.

ANSWER:
5. The Office of Youth Opportunity Services since 1973 has developed operational manuals for the Summer Employment Program. These manuals spell out in detail every administrative and operational phase of the program. The Monitor's Handbook for the Washington Youth Corps Summer Employment Program provides in detail specific instructions for the monitors role in operating the program. The Site Supervisor's Instructions on Payroll Duties and Responsibilities for the Washington Youth Corps Summer Employment Program spells out the responsibilities of the site supervisor.

Pages 75-106 of the 1976 Office of Youth Opportunity Services Operational Manual deals with Employment and Personnel. This section of the manual is for the use of those people administering the program, and is to be used for the general public who will be using Washington Youth Corps Aides in their programs and instructing them on how to get young people involved in their program.

All pertinent information pertaining to the operation of the Summer Youth Employment Program will be found in the following manuals:

1. Monitor's Handbook for the Washington Youth Corps Summer Employment Program
2. Site Supervisor's Instructions on Payroll Duties and Responsibilities for the Washington Youth Corps Summer Employment Program

3. The Office of Youth Opportunity Services' Operational Manual, pages 75-106

a. YOUTH CERTIFICATION - The responsibility for certification of eligibility for all summer youth employees hired under CETA is the mandate of the Department of Manpower. Coordination and cooperative work effort is made between DOM and OYOS on a one stop certification and personnel processing of the WYC's.

Waivers for non-disadvantaged youth have been requested directly through Region III Department of Labor, and are not acted upon until an official response is given in writing specifying grant and funding title.

b. RECORDING CERTIFICATION OF TIME - In program years 1974 and 1975, Office of Youth Opportunity Services developed a Supervisors Daily Time and Attendance Record (see page 16 Site Supervisor's Instructions...), to provide additional help in reading time by private non-profit agencies. The youth signs off on the appropriateness of his/her time for the two weeks period and likewise for the receipt of the pay check for that period. The accuracy of this time is also certified by the site supervisor. The monitors make up the official time and attendance sheet from these logs.

c. ISSUANCE OF CHECKS & CANCELLATION OF UNDELIVERABLE CHECKS - The Office has eliminated the use of an "advance payment" to youth, which was to provide car fare and lunch money until the regular paycheck was to be cut and let. This is where the bulk of the undelivered checks came from, as "advanced checks" were cut on the basis of personnel action rather than the youths reporting for work.

All unclaimed checks are now being returned to D.C. Finance within a week of issuance, (Site Supervisor's Instructions page 12-15) after being alphabetized and recorded by this Office. The number have been well under that of 1973. The youth in turn must go to the Disbursing Office to pick up his/her check.

Secondly, the program monitors pay off directly at least one-third of the youth assigned to them each pay period to assure that there is a body to go with the name of the paycheck. This means that the monitor pays a youth personally at least twice during the summer.

The Office of Youth Opportunity Services wishes to note that these changes in accounting and administrative controls were all made prior to the start of the 1974 WYC program, and were known to GAO, however, their report as filed, neglected to note any of these positive steps.

WHAT'S HAPPENING IN WASHINGTON'S SUMMER JOBS PROGRAM

The Washington Star Saturday, July 5, 1975

By Ned Scharff
Washington Star Staff Writer

Olivia Walton, a Dunbar High School junior, spent last summer at home watching television and babysitting for her younger sister — a pleasant enough school vacation, she said, though not very stimulating.

This summer's prospects were not so bright. Olivia's father, a printer, had been unemployed for seven months. She desperately wanted to find a way to help with the family's expenses, but where was a 16-year-old girl going to find work at a time when the District had 7.7 percent unemployment

The answer for Olivia and some 26,000 other inner-city youths, was the annual Summer Jobs for Youths program, a project which for the seventh year in a row is combining federal funds with a pool of private industry job offers to create work for about three-quarters of the District's neediest youths aged 14 to 21.

THIS SUMMER, Olivia, a shy, friendly girl, is working as a typist and filing clerk in the Social Services office at D.C. Superior Court, a job she likes so much she wants to continue in it after high school. Civics always has been my favorite subject," she said. My father is still unhappy about being out of work, but he's happy that I have a job for the summer."

James L. Jones, director of D.C. Youth Opportunity Services, estimated there was a need for some 40,000 jobs for youths this summer, but said he felt satisfied that the 26,000 jobs that the city and downtown businesses were being allocated to those most in need of them.

I don't ever say that I'm satisfied," said Jones, but I do feel that we are making the best possible use of the resources we have."

OF THE 26,000 JOBS, more than 20,000 are being paid for with 57 million in federal funds, part of the $456 million Congress voted earlier this month to spend on summer jobs across the country.

Private businesses, partly in response to the annual summer jobs drive staged by the National Alliance of Businessmen and the Metropolitan Washington Board of Trade, contributed another 5,112 summer jobs of which an estimated 2,549 went to youths who held them last year.

Frank Tennant, a spokesman for the NAB, said the hunt for summer jobs in Washington was well past its goal" here and for the rest of the country. NAB has rounded up approximately 200,000 jobs, not quite as many as last summer, but considering high unemployment figures, a satisfactory figure, he said.

ACCORDING TO a spokesman for the Board of Trade, most of the summer jobs in private industry this summer are in fast-food restaurants, office work and retail stores. The jobs campaign also netted 8,440 summer jobs in Northern Virginia, 5,654 in Montgomery County and 6,839 in Prince Georges, the spokesman said.

But the District summer jobs staff, headed by Jones, had the most difficult task of all — creating 20,000 in a matter of weeks (Congress did not vote on the White House-approved version of its summer jobs allocation until June 10). Under the terms of the legislation, none of the jobs under the federal funding could be in areas for which adult city employes already were on the payroll.

See JOBS, A-5

Jones and his staff compiled a massive list of jobs spread throughout the District government's departments.

APPROXIMATELY 3,000 District youths are working in the city's recreation programs supervising younger children in a variety of parks and playgrounds projects. Another 850 are involved in picking up litter in their own neighborhood.

About 50 youths are working on cultural projects at the Back Alley Theatre under a federally funded grant, and thousands of others, like Olivia, are typing, filing and running office duplicating machines in hundreds of D.C. government offices.

One of the most innovative programs is apt to present Washington tourists with a mild surprise this summer when they visit the U.S. Capitol.

They may run into Travis Washington, a junior at Calvin Coolidge High School, one of 100 youths hired as citizen ambassadors" by the D.C. Bicentenial Committee.

WASHINGTON, a friendly, street wise youth who sports a bushy Afro haircut and a wrist bangle made from a spoon, will be introducing himself to out-of town visitors and attempting to talk them into visiting the real Washington."

The real Washington," his supervisors said, means black Washington.

Tourists here are tired of looking at the Washington Monument," explained an adult Bicentennial Committee worker who is helping to prepare the citizen ambassadors for their work. What they really want to see is the 14th Street riot corridor."

Washington and the other youths, hired with federal funds under the District government's summer jobs for youths program, are receiving training in grooming, etiquette and local history, project director Herman Williams said. These young people are going to be the city's hosts and hostesses this summer."

ASKED WHETHER some tourists might not balk at the suggestion of touring some of Washington's poorer neighborhoods because of the city's reputation for crime, Rhonda Sowers, an out-going 16-year-old who will be starting McKinley High School in the fall, said. If they can't deal with the people here, then they shouldn't come. There's no shame in our showing them that our city's beautiful, even though it's messed up."

People need to see how people live within the city, not the museums. We're going to show them the things they don't see on TV," said Paul Wigfall, a Dunbar High School student who will also be working in the program.

The citizens ambassadors will be stationed at the Capitol four to six hours a day depending upon their age, and will be earning $2.25 an hour, the District's minimum wage, Williams said. He said the program did not have any funds to erect a booth for the citizens ambassadors this summer, but said he hoped to have one for the summer of 1976.

UNTIL THEN, the youths will have to approach tourists on a one-to-one basis, he said The young guides should be easily recognizable because they will be wearing privately donated uniforms. Girls will be dressed in red, white and blue dresses, and boys in stylish-looking Levi suits.

Young Washington, who believes that the program will be educational for both the tourists he guides and for himself, is candid about the most important reason for taking the job: Money, man. If I hadn't took this job, I'd still be out looking for work, picking up small change here and there, and filling out a lot of forms."

In fact, statistics show, Washington and the other citizens ambassadors might have been hard-pressed to find a job this summer if they had not succeeded in landing one through the city's summer jobs program.

Unfortunately, one side effect of the applications procedure has been to encourage youths to falsify income information on the application forms. Without exception, youths interviewed said it was common knowledge in the D.C. public schools that to qualify for a summer job it was necessary to make the family economic picture seem as gloomy as possible because there were not enough jobs to go around and because of the policy of handing out jobs to the neediest youths first.

THE YOUNG PEOPLE interviewed pointed out that since everyone else falsified forms, the person who did not would place himself at a distinct disadvantage in vying for a job

According to one city hall source, a youth probably will not qualify for a job unless his family is on public housing or welfare rolls, or unless he can claim to have four or five brothers and sisters and a family income well under $7,000.

Williams, the organizer of the citizens ambassador program, said he had arranged for the youths to be photographed with Mayor Washington on their first day of work.

I want you to put this in your column," he told a reporter who had just walked into his office for an interview. I think Mayor Walter Washington is a fine man who is fully in support of our program."

ASKED WHAT they might be doing had they not qualified for the summer job program, the half-dozen youths in Williams office volunteered almost unanimously that most of their out-of-work friends were robbing people and pushing drugs. They suggested that the problem might be alleviated if the federal government allocated more money for summer jobs.

It's really pathetic how many kids in this city walk around with criminal records," Rhonda noted.

I think they should dish out more summer jobs because it would help improve people's peace of mind," said Travis Washington.

"I THINK President Ford should swim in one of the city's public pools," said another girl. That money he's using to dig a hole in the White House lawn could get somebody a job."

Jones conceded that the practice of falsifing income statements was a problem in the summer jobs program, but said it was not so widespread as many youths believe it to be. Actually, it's only a small percentage of young people who abuse the system," he said.

Both the federally funded summer jobs program and the NAB-Board of Trade campaign to pool summer jobs in private industry began in 1968 after a nationwide series of riots in response to the assassination of Martin Luther King Jr.

In those days, Jones said, summer jobs programs had one basic aim to keep young people busy and off the streets during what euphemistically were known as long, hot summers."

Jones feels that the programs no longer are viewed as a payoff" to potentially troublesome youths.

We've come a long way towards exposing youngsters to real occupational fields and we've made an effort to find jobs for many of them in their own neighborhoods," he said.

If the jobs program were cancelled tomorrow, he said, there would be no rioting in the city, though there might be a slight rise in the summer crime statistics.

What you'd really have in that event is a lot of disappointed youngsters," Jones said.

QUESTION:
6. What assurance can you give the Committee that appropriated funds will not be over-obligated and grant funds will be handled properly?

ANSWER:
6. In Fiscal Year 1977, as in past years the Office of Youth Opportunity Services will place a high priority on the agency apportionments and financial plans for appropriated funds. The apportionments and financial plans will reflect planned obligations on a quarterly basis with the exception of personnel services and benefits which will be reflected on a monthly basis.

Controls will include anti-deficiency checks and checks of the "object class" at the total agency within appropriation level.

The Office of Youth Opportunity Services does not anticipate receiving any grant funding for FY 1977.

QUESTION:
7. How do you expect to operate the two centers and two satellite centers on this years budget? Please provide for the subcommittee a detailed cost analysis including direct and indirect Fiscal Year 1977 budgeted expenses for each center and satellite center.

ANSWER:
7. The Council'a action regarding the transfer of 20 positions to the Department of Manpower would also have a profound impact on the operation of the Youth Assistance Centers. The 28 positions were initially provided to do precisely what the Council has recommended; that is, planning, evaluation, research and demonstration.

In 1969, 28 positions were requested from Congress on the basis that this Office would serve as the youth advocate office and coordinate all youth programs for the city. The composition of the 28 positions was of such a nature that it would allow us to be highly proficient in those areas affecting youth.

This small staff of 28 had expertise in juvenile delinquency, recreation, youth employment, research and evaluation, education, program design and proposal development, community organization and administration. The Office of Youth Opportunity Services' core staff of 28 has served not only to spawn new programs, but also to evaluate and coordinate these programs. Additional staff brought on with grant money will mainly operate these programs.

With these 20 positions being transferred to the Department of Manpower, it would be impossible to perform the role as prescribed by the City Council. It would be nearly impossible for this Office to perform its original role, and without such positions, the retention of the Twenty-Four Youth Assistance Centers, and their efficiency would be severly impaired. This 28 core staff has been an integral part of every program funded through grants or appropriations to ensure that they operate in the most effective manner. With the absence of this staff, the ability of the Office of Youth Opportunity Services to conduct research and obtain data from the Centers wouldbe severely hampered. The general capability of monitoring and evaluating over 300 public and private youth programs throughout the city would be stopped. In addition, the technical assistance this Office has provided all the youth programs in the city would be all but lost. The Council has left 8 positions to do formerly what 28 positions were mandated to do. These positions must be restored if the Office of Youth Opportunity Services is to perform the Council's mandate.

If these positions were to be restored it would increase the chances of the Office of Youth Opportunity Services carrying

out its new role and maintaining the kind of balance, service and training to the Twenty-Four Hour Centers.

As I am sure you are aware, the Twenty-Four Hour Centers serve as a community-based barometer of problems and needs of our youthful citizens, and provide this Office with vital, timely, and accurate information which is an essential element in the planning and coordination process. The utility of the Twenty-Four Hour Centers in this regard have enabled this Office to maintain its youth advocacy role based on first hand knowledge of their aspiration as well as the institutional obstacles which inhabit the successful matriculation of today's society. The Centers, therefore, allow us to review a microcosm of the city's youth from a service delivery context which ultimately facilitates progressive youth program development.

Listed below are the original Twenty-Eight (28) positions in addition to the Eight (8) positions remaining. It can be seen by the list that there would be a tremendous reduction in services and efficiency as a result of this 72% reduction.

1.	Special Assistant to the Mayor.....	GS-16
2.	Deputy Director.....	GS-15
3.	Manpower Specialist.....	GS-14
4.	Recreation Specialist.....	GS-14
5.	Program Analyst Officer.....	GS-13
6.	Program Analyst Officer.....	GS-12
7.	Program Analyst Officer.....	GS-12
8.	Program Analyst Officer.....	GS-9
9.	Program Analyst Officer.....	GS-9
10.	Computer Analyst (ADP).....	GS-13
11.	Computer Program Analyst.....	GS-11
12.	Research Assistant.....	GS-11
13.	Research Assistant	GS-9
14.	Research Assistant.....	GS-7
15.	Education Specialist.....	GS-12
16.	Social Science Analyst.....	GS-11
17.	Field Technical Assistant.....	GS-11
18.	Field Technical Assistant.....	GS-9
19.	Field Technical Assistant.....	GS-9
20.	Field Technical Assistant.....	GS-9

21.	Field Technical Assistant.....	GS-9
22.	Secretary.....	GS-7
23.	Secretary-Typist.....	GS-6
24.	Secretary-Typist.....	GS-5
25.	Clerk.....	GS-5
26.	Clerk.....	GS-4
27.	Clerk.....	GS-4
28.	Clerk.....	GS-4*

O.Y.O.S. Appropriated Positions

Eight positions are to remain with the Office of Youth Opportunity Services according to City Council action, they are as follow:

1	Special Assistant to the Mayor..	GS-16
1	Manpower Specialist.....	GS-14
1	Recreation Specialist.....	GS-14
1	Program Analyst Officer.....	GS-13
1	Computer Analyst (ADP).....	GS-13
1	Education Specialist.....	GS-12
1	Secretary.....	GS-7
1	Secretary-Typist.....	GS-6

Nineteen positions to be transferred to Manpower Administration:

1	Deputy Director.....	GS-15
1	Program Analyst Officer	GS-12
1	Program Analyst Officer.....	GS-12
1	Program Analyst Officer.....	GS-9
1	Program Analyst Officer.....	GS-9
1	Computer Program Analyst.....	GS-11
1	Research Assistant.....	GS-11
1	Research Assistant.....	GS-9
1	Research Assistant.....	GS-7
1	Social Science Analyst.....	GS-11
1	Field Technical Assistant.....	GS-11

* One clerk GS-04 was reduce from 28 Appropriated positions due to attrition imposed by D.C. Government to reach 35,000 employees by June 30, 1976.

1	Field Technical Assistant.....	GS-9
1	Field Technical Assistant.....	GS-9
1	Field Technical Assistant.....	GS-9
1	Field Technical Assistant.....	GS-9
1	Secretary Typist.....	GS-5
1	Clerk.....	GS-5
1	Clerk.....	GS-4
1	Clerk.....	GS-4

A Summary report on the impact of services of the Youth Assistance Services Centers on youth of the District of Columbia.

According to data released annually from the D.C. Superior Court for the two (2) target areas serviced by the Twenty-Four Hour Youth Assistance Centers a significant reduction in referrals of youth from the Metropolitan Police Department and other sources to Juvenile Court has been noted:

In Police District Number Six (Youth Assistance Center #1 the data reflects a 17% reduction in the first year of operation. For 1972 in Police District Number Six, 934 males and females were referred to Juvenile Court; of this number 289 were for acts against persons, 473 were for acts against property, 104 were for acts against public order and 68 were for persons in need of supervision.

For 1973 in Police District Number Six (Youth Assistance Center #1) 775 males and females were referred to Juvenile Court; of this total 277 were for acts against persons, 350 were for acts against property, 96 were for acts against public order and 52 were for persons in need of supervision. This data indicated that referrals to Juvenile Court experienced a 17% reduction.

In 1974 for Police District Number Six (Youth Assistance Center #1) a total of 579 males and females were referred to Juvenile Court; of this total 167 were for acts against persons, 315 were for acts against property, 66 were for acts against public order and 31 were for persons in need of supervision. This data reflects a 25% reduction in referrals of Juvenile. Court.

In 1975 for Police District Number Six (Youth Assistance Center #1) a total of 516 males and females were referred to Juvenile Court; of this number 200 were for acts against persons.

236 were for acts against property, 66 were for acts against public order and 14 were for persons in need of supervision. This data reflect an 11% reduction in referrals to Juvenile Court.

In Police District Number Seven (Youth Assistance Center #2) the following data has been collected: For 1973, 989 males and females were referred to Juvenile Court; of this number 300 were for acts against persons, 425 were for acts against property, 165 were for acts against public order and 99 were for persons in need of supervision.

In 1974 for Police District Number Seven (Youth Assistance Center #2) a total of 868 males and females were referred to Juvenile Court; of this total 256 were for acts against persons, 421 were for acts against property, 135 were for acts against public order and 56 were for persons in need of supervision. This data reflects a 12% decrease in referrals to Juvenile Court.

In 1975 for Police District Number Seven (Youth Assistance Center #2) a total of 1,000 males and females were referred to Juvenile Court; of this number 364 were for acts against persons, 498 were for acts against property, 120 were for act against public order and 18 were for persons in need of supervision. This data reflects a 15% increase in referrals to Juvenile Court.

In conclusion with the exception of 1975 in Police District Number Seven, the Centers have accomplished their objective of reducing juvenile delinquency. With the anticipated reduction in funds, we can expect an increase in referrals to Juvenile Court.

During the third year of operation (1975) the actual number of clients receiving services (837) showed a decrease of 60% from the previous year. Juvenile court referrals for that year (516) show a decline of 11%.

In the first full year of operation Twenty-Four Hour Youth Assistance Center II (Police District Number Seven) provided services for a total of 2,400 youthful clients. Since there was not an operational model of the Youth Assistance Center during 1973, there is no data for comparison for the actual number of clients receiving services nor in the percentage of decrease or increase in clients receiving services. Based on the actual number of Juvenile Court referrals, data collected revealed a total of 989 referrals, prior to the first year of operation of Youth Assistance Center II (1973).

During the first year of operation (1974) the actual number of court referrals to Juvenile Branch, D.C. Superior Court (868) decreased by 12%.

In the second year of operation (1975) the actual number of clients receiving services (1,109) declined by 54%. The number of court referrals to Juvenile Branch, D.C. Superior Court (1,000) show an increase of 15%.

The following kinds of statistical data have been collected that reflect a direct corollation between the presence and function of the Twenty-Four Hour Youth Assistance Center and its implied impact and influence upon juvenile delinquency.

In the first full year of operation, Twenty-Four Hour Youth Assistance Center I (Police District Number Six) provided services for a total of 3,364 youthful clients. Since there was not an operational model of the Twenty-Four Hour Center during the year of 1972, there is no data for comparison for the actual number of clients receiving services nor in the percentage of decrease or increase in clients receiving services. Based on the actual number of Juvenile Court referrals, data

collected revealed a total of 934 referrals made, prior to the first year of operation of Youth Assistance Center I (1972).

During the first year of operation (1973) the actual number of court referrals to Juvenile Branch D.C. Superior Court (775) decreased by 17%.

During the second year of operation (1974) the actual number of clients receiving services (2,136) declined by 37%. Court referrals to Juvenile Branch D.C. Superior Court declined by 25%.

In summary this data significantly illustrates that due to a reduction in resources, which also caused a reduction in staffing, there was a distinct decline in the service, delivery capabilities of both Centers.

Secondly, in reviewing the statistics provided for both Centers it can be surmized that the closing of either Center will have a profound and damaging effect on the youth population of those respective communities and will leave a void in rendering services to those youths in danger of becoming involved in the Juvenile Justice System of the District of Columbia.

The Office of Youth Opportunity Services recommends that the concept of the Twenty-Four Hour Youth Assistance Service System be applied on a city wide basis to reduce and ultimately eliminate juvenile delinquency within the District of Columbia based upon the information gained from this study.

SUBCOMMITTEE RECESS

Senator CHILES. The subcommittee will recess, to reconvene at 10 a.m., Friday.

[Whereupon, at 4:05 p.m., Thursday, April 8, the subcommittee was recessed, to reconvene at 10 a.m., Friday, April 9.]

DISTRICT OF COLUMBIA APPROPRIATIONS FOR FISCAL YEAR 1977

FRIDAY, APRIL 9, 1976

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 10:35 a.m., in room 1223, Everett McKinley Dirksen Office Building, Hon. Lawton Chiles (chairman) presiding.
Present: Senator Chiles.

DISTRICT OF COLUMBIA

PUBLIC SCHOOLS—EDUCATION

STATEMENT OF COMER S. COPPIE, DIRECTOR, OFFICE OF BUDGET AND MANAGEMENT SYSTEMS

ACCOMPANIED BY:

VINCENT REED, SUPERINTENDENT, D.C. PUBLIC SCHOOLS
EDWARD WINNER, DEPUTY SUPERINTENDENT, D.C. PUBLIC SCHOOLS
JULIUS HOBSON, JR., CHAIRMAN, FINANCE COMMITTEE, BOARD OF EDUCATION
DR. WENDELL P. RUSSELL, PRESIDENT, FEDERAL CITY COLLEGE AND D.C. TEACHERS COLLEGE
KEN GRAMZA, DIRECTOR OF INSTITUTIONAL RESEARCH, FEDERAL COMMUNICATIONS COMMISSION
DR. CLEVELAND DENNARD, PRESIDENT, WASHINGTON TECHNICAL INSTITUTE
GEORGE WEAVER, CHAIRMAN OF FINANCE COMMITTEE, BOARD OF VOCATIONAL EDUCATION

JUSTIFICATION

Senator CHILES. The subcommittee will now consider the budget estimate of several agencies in the public education system category. In support of this request, we will have Mr. Vincent Reed, Superintendent, along with Mr. Julius Hobson, Jr., Dr. Wendell Russell, and Dr. Cleveland Dennard. We will insert the justification material in the record at this point.

[The information follows:]

69-502 O - 76 - 34

Legislative History:

Free public education is required for children from 7 to 16 years of age. The responsibility of the City to provide free education originally appeared in a Federal statute in 1906 (P.L. 254). Over the years, programs have been broadened to provide educational opportunities for kindergarten and preschool for children, and for adults who have not completed grade 12 but wish either to secure a high school certificate or to take courses below the college level.

Two recent judicial decisions (commonly called the Wright and Waddy decrees) have significantly influenced educational policy in the last several years. As a direct result of the Wright decree, equal educational expenditures must be made in all elementary schools within a 5% variation from the city average. The Waddy decree requires that educational opportunities be made available to all handicapped children of school age.

Higher Education: By an Act of Congress in 1929, public higher education in the District of Columbia consisted of two teachers colleges--the Miner Teachers College and the Wilson College offering degrees in teacher education.

In 1955 after passage of the School Desegregation Act these two colleges were merged into the D. C. Teachers College (DCTC) under the jurisdiction of the Board of Education and included as part of the budget of the D. C. Public Schools.

In 1966, Public Law 89-791 established two land-grant institutions--Federal City College (FCC) and Washington Technical Institute (WTI). Public Law 89-791 also authorized the Board of Higher Education to assume control of the D. C. Teachers College from the Baord of Education which was accomplished in January 1969.

In 1974 Congress, through the passage of Public Law 93-471, moved to reorganize public post-secondary education in the District of Columbia by establishing the University of the District of Columbia. The provisions of this Act call for the establishment of the University as an independent agency of the District of Columbia and for consolidation of the existing institutions into a single, land-grant university under the control of a Board of Trustees. Also included in the Public Law was the provision that the Act shall take affect July 1, 1975 unless the City Council after January 2, 1975 adopted legislation repealing the Act.

The first elected City Council modified Public Law 93-471 which basically included the same provisions as enacted by Congress with the exception of moving the

effective date to September 1, 1976 and establishing a nominating committee whose responsibility is to develop a list of persons to be presented to the Mayor for selection of the Board of Trustees, which is now D. C. Law - 1-36.

The third cornerstone of the District's education system, the D. C. Public Library, was established by an Act of Congress in 1896 as a supplement of the education system of the District of Columbia. As stated in the Organic Act, the Library serves all those who live, work, or go to school in the District.

Program Highlights:

The Public Schools provide education to 130,000 children from pre-school through high school. The program from grades 1 to 12 is compulsory for children from 7 to 16 years of age. Early childhood education-both kindergarten and pre-kindergarten is also offered.

About 86% of the population of 5 year old children in the city is served by the Public Schools in kindergarten classes. Using the current year pattern, 32% of this kindergarten group would have been provided with public school supported pre-kindergarten programs with an additional 7% provided with a pre-kindergarten or other preschool experience in programs meeting in public schools but supported by other funding.

Teaching and support services are provided by about 15,000 employees - full and part time - (85% of whom are paid from District funding; the balance from Federal grant funds). The service to children has been maintained at about the same level between 1973 and 1976.

The following table shows the changes in school population and the statistical indicator of professional service over recent years:

	1973	1974	1975	1976	1977
Student Population:	139,989	136,101	131,758	130,054	128,985
Professional Staff per 1,000 Students District funds:	60.2	61.6	62.9	62.0	N/A

A major part of the increase in per pupil expenditures from a level of $1,225 in FY 1973 to a proposed level of $1,780 in FY 1977 have been to meet the cost of maintaining school program cost because of increased salary and inflationary trends.

New and improved secondary education programs have been instituted in the last few years. Examples are:

- The District's special education programs have been expanded; about 14,000 children are now served and compliance with the Waddy requirement has been reached.
- The adult and community school education programs have been expanded and strengthened as reflected in the Adult Education Demonstration Center, the new Community Facility Schools concept and the district funding of the Mott Community Schools.
- Support staff and backup resources have been provided for the significant new school capacity added over the last several years.
- A regional system has been established affording the city the opportunities inherent in such a decentralization.
- Programs originally funded by federal grants have been transferred to the District budget, i.e., the Adult Education Demonstration and Spanish Centers, and the pre-school program.

A major gain has been the increase of over 49,000 new and modernized student stations under the ongoing capital program.

Since Fiscal Year 1969, the City has been committed to the growth of public higher education and has made a substantial investment to achieve this objective. The Fiscal Year 1977 budget of $39,883,100, which supports a full-time equivalent (FTE) enrollment of 10,000 students is more than four times the amount provided in Fiscal Year 1969.

Federal City College and D. C. Teachers College are presently under the control of the Board of Higher Education, which is appointed by the Mayor. Washington Technical Institute is under the control of the Board of Vocational Education, which is appointed by the President of the United States. The new University Act will abolish these Boards and establish the Board of Trustees to govern the new University.

The three institutions are fully accredited and have over 1,500 faculty and staff. The new University bill calls for a new personnel system to be established by the Board of Trustees which must be approved by the Mayor and the City Council.

The undergraduate tuition at FCC and DCTC is $52.00 a semester for residents and $450.00 per semester for a nonresident. The graduate tuition at FCC is $15.00 per semester hour for a resident and $30.00 per semester hour for a nonresident. The

tuition at WTI is $25.00 per quarter for residents and $75.00 per quarter for a non-resident.

While these three institutions share many similarities they also have some unique characteristics especially in carrying out their programs:

a. The District of Columbia Teachers College is located in two permanent facilities, the Wilson Building and the Miner Building. Its program is teacher-oriented and prepares teachers in early childhood education, elementary education and secondary education. DCTC also provides an In-Service Teacher Education program to help teachers improve their teaching skills, and a Teacher Certification Program to assist individuals who already have a degree to qualify for a teaching certificate.

b. Federal City College is located in sixteen different facilities, most of which are leased. It offers the baccalaureate and masters degrees and operates one component of the Cooperative Extension Program which is matched on a 50-50 basis with U.S. Department of Agriculture funds. Two very significant and highly acclaimed programs at FCC are the Lorton Program, funded by the Department of Corrections, which provides educational opportunities at the college level for inmates at the Lorton Reformatory, and the in-service Upward Mobility Program funded by the Department of Health, Education and Welfare.

c. Washington Technical Institute is located on the grounds of the old Bureau of Standards at Connecticut and Van Ness Streets, N. W. It offers associate of arts degrees in technical and vocational programs and like FCC operates a component of the Cooperative Extension Program. WTI's organized research program concentrates mainly on water resource research and materials testing such as the testing of concrete, soil and other construction materials.

The Public Library system in the District consists of the Martin Luther King main branch 20 branches, two storefronts, and an Extension Department consisting of the Bookmobile service and the Special Services Division. The Special Services Division provides service to institutions, the blind and physically handicapped, and the Lorton Correctional Facility. The staff of 494 persons provides service to the approximately 756,000 library users, all of whom live, work, or go to school in the District. The library, for an annual fee of $10, also provides service to some persons who live in adjacent counties, but do not live, work, or go to school in the City.

As part of its program, the library also provides meeting-room facilities for use by private groups and individuals for a wide range of civic, educational, political and cultural discussions open to the general public.

There has been a marked increase in the number of registered borrowers since 1971. The City recognizes this trend and has attempted to provide sufficient resources to meet the demand for books and other circulating materials. In 1974, the City provided an increase of $50,000 in the library book fund, the first such increase in nearly a decade. Additional increases have been provided every year since FY 1974 in an effort to offset inflationary pressures that had eroded this fund over prior years.

Resource Requirements

The major increase in the Public School requirements for 1977, as they have been for the last several years are to meet the costs of maintaining Public School services. This means provision of such additional personnel funding as $2,660,800 for GS and WB pay raises, the step increases for school employees of $3,695,400 and the recently approved increased health benefits for all employees amounting to $466,900.

Further it means the provision of funding for the increased cost of such non-personnel costs as electricity, fuel oil, textbooks and finally, for the higher costs of tuition grant contracts for special education children.

The following chart indicates some sense of the effect of inflationary pressure on the Public Schools budget:

	1972	1976	% Increase
Salary Teacher (B.A. Step 3)	$ 7,020	$ 10,730	53
Cost of fuel	870,300 (.1247/gal.)	2,135,900 (.3350/gal.)	145
Electrical costs	2,351,265	3,356,000	168
City Contribution to teachers pension fund	5,200,000	10,800,000	43
			109

A five year review of the operating budget for higher education from 1973 to the proposed FY 1977 Budget reflects an increase of twenty-five percent in operating dollars. While there was some growth in personnel between FY 1973 and FY 1975, the growth rate has declined sharply over the last two budget years as the City has moved to stabilize its personnel base.

This twenty-five percent increase in budget dollars reflects the cost of maintaining the current level of services at the three institutions with little program expansions. It includes an increase in personnel expenditures to meet across the board salary increases for General Schedule and Wage grade employees; salary increases for the faculty and administrative personnel in Fiscal Years 1975 and 1976; within grade increases and statutory increases is social security and health benefits. In the area of non-personnel costs, increases reflect inflationary cost of electricity, gas, steam, telephones, books for the bookstore operation, supplies, equipment, maintenance, and repair. Also included in this increase is approximately $1 million in non-personnel costs to move and operate the Phase I facility of the new campus at WTI.

Because the increase in budget expenditures over the last five years provided the necessary funds to meet required personnel and inflationary costs, there has been little program expansions. During this period, the budgeted student enrollment at the colleges has remained at approximately 10,000 with the student/faculty ratio increasing in FY 1975 and 1976 due to a decline in funded faculty positions and increasing enrollments. This is reflected in the following table.

Budgeted FTE	1973	1974	1975	1976	1977
DCTC	1,850	1,850	2,015 1/	2,015	2,015
FCC	5,500	5,500	5,335 1/	5,335	5,335
WTI	2,600	2,770	2,770	2,770	2,770
	9,950	10,120	10,120	10,120	10,120
Student/Faculty					
DCTC	15.2:1	15.2:1	13.7:1	15.3:1	15.3:1
FCC	12.7:1	12.7:1	12.7:1	13.5:1	13.5:1
WTI	14.5:1	14.5:1	14.5:1	16.1:1	16.1:1

1/ Represents a transfer of 165 FTE students in the teacher Education program from FCC to DCTC.

Major increases for the Library in Fiscal Year 1977 include pay raises, inflationary costs, (including the book fund) and staffing and maintenance for the new Garnet C. Wilkerson Branch Library, which is to be housed in a school facility.

Statistical Indicators

	1972	1973	1974	1975	1976	1977
Books purchased (thousands)	106	93	98	116	153	160
Registered Borrowers (thousands)	237	333	366	380	402	415

Capital Program

A major commitment of the City over the years since 1969 has been the provision of additional space for all three of its educational thrusts.

In the Public Schools, the increase in school stations has been achieved through a significant capital construction program. School instruction operates in a system that has about 200 buildings with capacities ranging from a few hundred up to more than 2,000 pupils.

The on going capital construccion over the years since 1969 has provided significant new and modernized spaces. The total program will provide 49,000 such additional spaces and about 80% of this total will be available before the end of fiscal year 1977.

Overcrowding - a city problem in the 1960's has been eliminated. The concern of the Public Schools now is with the most effective use of available space. Up to 26,000 spaces can be eliminated from the school inventory by Fiscal Year 1981. The need for modernization and for special use space does remain. The current projects in the Public Schools program are for special education and career development.

The current thrust of the higher education capital program is to build permanent campuses for both FCC and WTI. The FCC campus will be located at the Mount Vernon Square in downtown Northwest Washington and the WTI campus will be located on the north side of the Old Bureau of Standard grounds at Connecticut and Van Ness Streets, N.W.

The Mount Vernon Square Campus for FCC is designed for 6,100 FTE students which will enable FCC to relocate from all the leased facilities. Site and partial design funds have been approved. The present schedule calls for completion by FY 1980. The gateway to this campus will be the old central library which is being renovated for conversion into a new Media Center.

The Van Ness campus is planned in three phases for 8,000 FTE students with Phase I and Phase II will accommodate 4,500. Phase I has been constructed and just recently opened. Funds for construction services and construction have been approved for Phase II with equipment funds to be requested in FY 1968. The scheduled completion of Phase II is FY 1980.

The Martin Luther King Library was completed and opened for use in Fiscal Year 1972. In FY 1975 the Library requested and received funding for 6 portable libraries, the kiosks and portabranches. In FY 1976, the budget requests construction funds for two new libraries, the Deanwood and Chillum Branches.

A significant cost increase in FY 1977 over recent year has been the increase in the cost of the Teacher's Retirement Fund. Public School teachers and officers are members of this fund. It is supported by contribution and earnings from its investments. Disbursements are made to more than 2,400 annuitants and survivors. The major reason for the increase of $7.5 million in disbursements between 1973 and 1976 is the significant increase in the cost of living allowances.

	F.Y. 76 Amended Request		F.Y. 77 Request	
	Pos.	Amount	Pos.	Amount
Public Schools	10,526	199,886.0	9,934	207,388.1
Board of Higher Education	9	153.5	9	265.0
D. C. Teachers College	219	4,720.7	219	5,095.5
Federal City College	955	21,197.0	943	22,153.5
Washington Technical Institute	405	11,884.4	405	12,369.1
Public Library	551	8,411.1	533	8,566.2
Teachers Retirement and Survivors Annuity Fund	...	.....	...	.....
Total	12,665	246,252.7	12,043	255,837.4

EDUCATION
BUDGET SUMMARY

	Obligations						Budget Request			
	FY 1973		FY 1974		FY 1975		FY 1976		FY 1977	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Public Schools	10,303	$154,682.4	10,480	$167,592.7	10,711	$185,688.7	10,526	$199,886.0	9,934	$207,388.1
Board of Higher Education	4	95.3	6	98.2	9	151.8	9	153.5	9	265.0
D.C. Teachers College	194	3,458.0	200	3,605.2	241	4,370.6	219	4,720.7	219	5,095.5
Federal City College	963	19,382.9	974	19,548.8	943	19,855.4	955	21,197.0	943	22,153.5
Washington Technical Institute	410	9,039.8	429	8,988.2	432	10,241.9	405	11,884.4	405	12,369.1
Public Library	569	7,111.5	565	6,940.1	620	7,796.9	551	8,411.1	533	8,566.2
Total	12,443	193,769.9	12,654	206,773.2	12,956	228,105.3	12,665	246,252.7	12,043	255,837.4

Grant Summary

	F.Y. 75	F.Y. 76	F.Y. 77
		(thousands)	
Public Schools	$28,865.4	$36,128.6	$37,814.2
Board of Higher Education	.....	.....	.....
D. C. Teachers College	669.7	787.4	740.9
Federal City College	4,292.3	4,881.4	4,847.9
Washington Technical Institute	4,154.5	4,516.6	4,068.5
Public Library	594.3	427.9	374.7
Total	38,576.2	46,741.9	47,946.2

Grant assistance to the Public Schools is significant with about 15% of the city's public school personnel being paid by Federal funding. Most of these funds are designated by the specific purposes in the categorical grant legislation.

Major examples of this type are the food services programs where assistance of more than $7.0 million a year comes from the Department of Agriculture and vocational education act help which is about $3.0 million.

The greatest single assistance has been Title I of the Elementary and Secondary Education Act where as much as $10 million yearly has been available to supplement regular program effort. The Public Schools have placed most of their emphasis here on additional efforts in reading and math instruction.

The final major grant support has been the Impact Aid program. About $3.5 million has been available each year without significant restriction. It is probably the most useful single grant in that it has been used across the entire school program to provide vital and needed services that are not available elsewhere.

The budgets of the colleges are supplemented significantly by grant assistance that the Congress makes available nationally or which comes directly from various Federal agencies.

Major programs are common to each of the District's three schools as well as schools in other states. In general:

• Student support is gievn through such broad programs as the HEW's basic educational opportunities program, the national direct student loan program and the supplemental educational opportunity program or through such specific assistance as financial help to nursing students and law enforcement students.

- Academic support to individual classroom situation by procurement of books, audio visual materials and lab equipment

- Public service activity is sponsoered through extension activity of the schools.

- Research is supported.

Public Library

Grants come to the Library under the Library Services and Construction Act. They are used for trying experimental ways of providing better library services to the various communities the Library serves. Available funding has helped support a wide variety of unique efforts such as book distribution to remote parts of each local community; metropolitan library cooperation; night owl services at Martin Luther King; and computer production of catalog cards.

I. OVERVIEW OF CURRENT PUBLIC SCHOOL CAPITAL PROGRAM

The District Government, over the past six years, has initiated its most ambitious building program in a century. A central purpose of this effort has been the replacement, modernization and contruction of new public school facilities. The District's goals have been to provide modern educational facilities throughout the City and to strengthen individual neighborhoods through the development of service oriented buildings.

Several factors led the District Government into an extensive $300 million Public School building program. The first factor was the inadequate space that existed throughout the school system in the 1960's. Rapid increases in the school age population were experienced in the District of Columbia during the late 1950's and through the 1960's. In addition, several population shifts in the City resulted in a 25% increase in the population east of the Anacostia River, and caused a tremendous increase in the demand for public schools in that area. The impact of these two factors was so dramatic that the Public School system was forced into providing education programs in severely overcrowded facilities, in temporary schools made up entirely of portable classrooms, and by massive busing of pupils throughout the City to less crowded, although often obsolete, facilities. The problem became so acute that the Board of Education made the elimination of severe overcrowding its first priority and the City launched a program to both expand current facilities and tho build 12 new school buildings.

The second factor in the initiation of the large Capital Program was that the school system was faced with a physical plant that was in great need of modernization. A prime concern was the condition of 17 major school buildings

that ranged in age from 65 to 110 years old. These facilities were both obsolete and potentially hazardous. Due to a small public school building program during the preceeding 30 years most other facilities were also inadequate for modern school programs and were in need of major structural improvements. To address this problem, the Board of Education identified the elimination of obsolete facilities as its second priority, and the City initiated a program that will modernize more than 40% of the public school space in the District.

Finally, the development of improved school space in the City is consistent with the District's goal to improve the City's various neighborhoods. During the past several years the District has initiated major plans for housing developments and improvements in the City, and the provision of new and improved public school space is a key portion of these developments. The City believes that improved public school facilities help to stabilize individual communities within the City; and that public school construction must therefore be viewed in terms of both the provision of improved space and in terms of the positive impact the buildings have on the City's future.

Scope of Public School Capital Program

The Public School Capital Program initiated since 1969 includes 55 individual facility projects. The program is now essentially moving into a final stage with 25 projects completed and in operation, and 18 projects under construction. In addition to the projects under construction 10 facilities are under design and 3 projects have been proposed in the FY 1976 Capital Budget*.

*In addition to the facility projects the FY 1976 budget contains 4 playground expansions. The FY 1977 budget contains a request to purchase a bus storage yard and a proposal for a preliminary design for a prevocational school for handicapped.

The Public School building program will furnish the City with 10 new elementary schools, 12 elementary school replacements, and 18 elementary school modernizations. The program will replace one and construct two additional Junior High Schools. The program includes the construction of 1 new high school, the replacement of one high school and modernization programs at 11 high schools. The specific facilities included in the program are detailed below:

NEW ELEMENTARY SCHOOLS: Fletcher-Johnson, Winston, Washington-Highlands, Fort Lincoln, Terrell, Oxon-Run, Malcolm X, Shaed, Mamie D. Lee, and Wilkinson.

ELEMENTARY SCHOOL REPLACEMENTS: Takoma, Brookland, Benning, Burrville, Merritt, Congress Heights, Orr, Perry-simmons, Bruce-Monroe, Morgan, Gage-Eckington and West.

ELEMENTARY SCHOOL MODERNIZATIONS OR ADDITIONS: Langdon, Thomas, Young, J. O. Wilson, Montgomery, Walker-Jones, Bancroft, Eaton, Lafayette, Bowen, Amidon, Webb, Payne, Ketcham, Carver, Randle, Birney and Moten.

JUNIOR HIGH SCHOOLS: Shaw Junior High School replacement, new Fletcher-Johnson and Oxon-Run.

HIGH SCHOOL PROJECTS: New Woodson Senior High School, Dunbar Senior High School replacement, Roosevelt Senior High School modernization and addition, M. M. Washington Vocational High School addition, Phelps Vocational High School addition, Wilson Senior High School Swimming Pool, Anacostia Senior High School Addition and Penn Career Center.

In addition to the above projects, the following projects are currently in the first stage of design study: Eastern Senior High School, Coolidge Senior High School, Bell Career Development Center, Phelps Career Development Center, and the Ellington Center for the Performing Arts.

The Public School facilities that have been part of the current capital program generally provide modern space through the learning center concept,

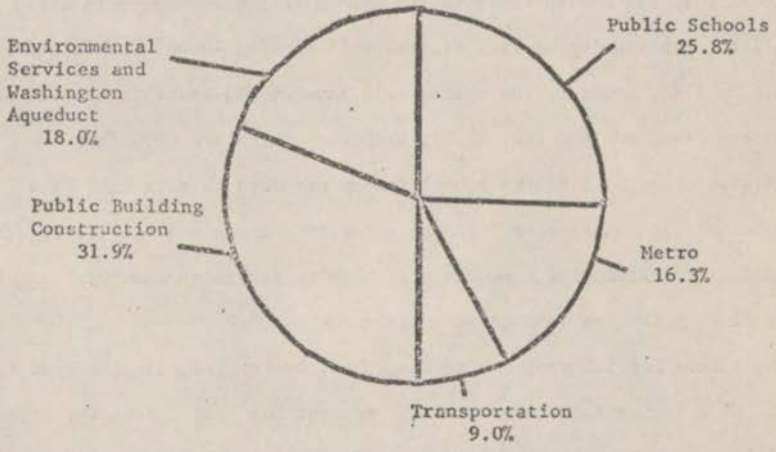
and include skill development rooms with carrels, art areas, science areas, a teacher's preparation room, individual instruction and conference rooms, resource teaching rooms, cafeteria and indoor physical education space, speech, music and health suite rooms. The facilities include recreation space that is available to the community.

The Public School Building Program also includes several public school projects that have expanded community programs. These facilities go beyond the normal public school requirements by providing a full range of community services, including such features as health and dental clinics, community rooms, indoor and outdoor recreation centers, a swimming pool (in selected facilities) and other services. The Morgan Elementary School Replacement, Washington-Highlands Elementary School, Fort Lincoln Elementary School #1, Shaw Junior High School, Fletcher-Johnson and Walker-Jones Elementary School have expanded community program.

Impact on City Debt

The rapid construction program for the public schools during the late 1960's and early 1970's is reflected in the current and projected debt of the City. Of the $28 million in debt service for fiscal year 1973, $7.6 million or 27 percent was attributed to borrowing for public school projects. Of the $63.4 million in debt service requirements for fiscal year 1976, $16.2 million or 25.6 percent is attributed to public school projects. By 1980, the City's debt service is projected to be $144.8 million dollars of which $37.4 million or 25.8 percent will be attributed to public school construction. The chart below graphically shows the public school debt as related to debt incurred in other program areas.

1980 DEBT SERVICE PROJECTIONS BY AGENCY



II. FUTURE DIRECTIONS OF PUBLIC SCHOOL CAPITAL PROGRAM

The completion of the currently authorized Capital Program for Public Schools will eliminate overcrowding in all schools and replace the most obsolete program space. The new student spaces provided coupled with future projected decreases in school enrollment will allow for flexibility in student space planning.

The school system has recognized the need to adjust school planning to the new trends in school enrollment by proposing a six-year capital improvements program that calls for new space to be added only in developing areas such as the Fort Lincoln New Town. The District has proposed no new space expansion for the last three fiscal years, and has reduced the capacity of 6 planned elementary school projects.

A prime concern of the school system, will have to be a review of the relationship of new modern space in the system to student space in older facilities. The ongoing capital program will provide 49,000 modern student spaces. By 1981, however, the system will have 26,000 spaces that will not meet modern standards and that are in buildings which are more than 40 years old*. Since by 1981 the school system projects that it will have 23,000 excess elementary school spaces and 6,500 excess junior high spaces, the Board of Education and the City will have to determine how this additional capacity can be used or eliminated.

The future capital program for the school system reflects the need for modernizing existing facilities at their present (or lower) capacity rather than adding any new space to the system. The long-term modernization program has a primary emphasis on the need to improve facilities now used as junior high schools and buildings that are required for high school programs.

*Schools that have not had a major capital improvement during the past twenty years.

Plans for New School Buildings

The public school construction program has progressed to the point that only two elementary school replacements, one secondary school, and a prevocational center for the handicapped are proposed for new facility construction. These projects are the Burrville Elementary School Replacement, the Perry-Simmons Elementary School Replacement, the Prevocational Center for the Handicapped and the Fort Lincoln Secondary School. With the exception of these facilities, other projects in the School Capital Program are modernizations of existing facilities.

The Burrville Elementary School Replacement is in the final stages of design and will be reevaluated for need prior to construction. This project will replace an obsolete facility built in 1912. Equipment funds are requested in the fiscal year 1976 Capital Budget.

The Perry-Simmons Elementary School Replacement now under design is being requested for construction and equipment funding in the fiscal year 1976 Capital Budget. This project will replace obsolete facilities built in 1890 and 1896. The school will serve the Northwest One Urban Renewal Area community and provide facilities for modern educational programs.

The Prevocational Center for the Handicapped is proposed for first stage design in the fiscal year 1977 Capital Budget. This project proposes the development of a center for 300 students to provide career development programs for handicapped pupils. The preliminary survey will determine the site and the scope of work necessary to accomplish this objective.

The Fort Linco.n Secondary School is currently identified for funding in the fiscal year 1978 Capital Program. This project would be a combination junior-senior high school. The progress of new housing construction at Fort Lincoln and the final development plans affect the timing and the required capacity for the school. These factors will be analyzed prior to a capital budget submission.

New Facilities Planning Process

Funds have been requested in the fiscal year 1976 Operating Budget to initiate a facilities planning unit as part of a design to strengthen the entire educational facilities planning process. This facilities planning process will:

1. Develop an information system for school facilities planning.
2. Develop procedures through which the educational staff delineates the educational program to be accommodated in a facility.
3. Develop procedures for interaction for the purpose of evaluation of proposed educational programs and related facility design by educational research and facilities planning staff.
4. Provide procedures for interaction for the purpose of evaluation of proposed educational programs and related facility designs by educational research.
5. Develop procedures through which technical analysis of the physical properties can be evaluated to accommodate the described educational programs.
6. Develop procedures for the use of accumulated city demographic data; school population studies information; and up-to-date facilities design and equipment standards.

7. Develop a comprehensive Public School system plan that includes:

   - o A specific philosophy, with goals and orientation.
   - o Citizen Participation in Planning.
   - o Delineation of facilities to be phased out.
   - o Priorities among City areas and communities and criteria for them.
   - o Priorities among program areas and facilities and criteria for them.
   - o Revised population projections.
   - o Facility requirements, standards and criteria.
   - o Modes of community involvement in program and facilities planning.
   - o Provisions for, and cooperation with, other District agencies to use school facilities.
   - o Criteria for replacements and modernizations.
   - o Rationales for site locations.
   - o Clarification of Community Schools concept with respect to expanded school services and their relationship to other public services.

III. PROJECTED ENROLLMENTS AND EXCESS CAPACITY

The Public School System in October of each year makes an official count of enrollments. Using these enrollments as a base, the Public School Administration takes into account birth rates, data on cohort survival, and major new housing activity such as urban renewal, new development, etc. and projects population for the next five years.

The most recent population projections for the school system appear in Table A. This Table shows actual enrollments for the period 1973 through 1976 and projected enrollments for the 1977-1981 period. Enrollments during the 1977-1981 period are expected to decrease from approximately 140,000 in 1973 to approximately 110,000 by 1981.

Table B in this section compares existing capacity in the Public School System with the planned new capacity and the projected enrollment. This chart shows that the school system by 1981 could have excess capacity of approximately 20%, composed of 23,000 elementary school spaces and 6,500 junior high spaces.

Although the possibility of excess capacity in the school system represents a major concern to the City, the Government feels that several factors will occur to reduce the impact of this situation:

1. New Housing in the City

New housing starts at the Fort Lincoln New Town, in the area east of the Anacostia River, at Bolling Field, in the 14th Street, H Street, Northwest #1 and other Urban Renewal Areas will add to the number of families with school age children. Although several school facilities have progressed further than the projected housing for these areas, these developments are now nearing realization. Additionally, the District feels that the new public

SUMMARY OF ACTUAL AND PROJECTED PUBLIC SCHOOL MEMBERSHIPS, FY 1973 - FY 1981

Fiscal Year	Pre-Kindergarten	K	1-6	K-6	Junior High	Senior High	Vocational High	Special Education[1] In Full Time Class Situations	Other[2] Schools	Total[1]
(Actual)										
1973	1,948	9,027	72,132	81,159	31,487	19,946	2,851	1,359	1,239	139,989
1974	1,963	8,556	66,563	75,119	32,806	20,162	2,823	1,621	1,607	136,101
1975	2,447	8,291	62,988	71,279	33,021	19,635	2,430	1,364	1,582	131,758
1976	2,785	8,787	59,774	68,561	32,781	...22,915[3]...		1,425	1,587	130,054
(Projected)										
1977	2,900	9,200	58,000	67,200	31,200	...24,600[3]...		1,500	1,585	128,985
1978	3,000	9,000	56,200	65,200	29,700	...25,400[3]...		1,500	1,585	126,385
1979	3,000	8,500	55,000	63,500	28,000	...24,800[3]...		1,500	1,585	122,385
1980	3,000	8,000	52,500	60,500	25,800	...23,500[3]...		1,400	1,585	115,785
1981	3,000	8,000	49,900	57,900	23,900	...22,000[3]...		1,400	1,585	109,785

Actual data are memberships as of October (the 6th week report) 1975.

1 Excludes tuition grant students - estimated at 548 for projection purposes.
2 Includes population of STAY and Capital Page schools. For Capitol Page, population is projected at 85.
3 Vocational highs become career centers in FY 1977. All 10, 11, and 12 grades will be considered residents of senior high schools.

TABLE 6

Public School Capacity
Following Completion of Funded Capital Projects

	1974 Capacity	New Spaces In Process	New Capacity	Projected 1981 Enrollment	Excess Capacity
Elementary ..	73,400	10,800	84,200	60,900	23,300
Junior High .	26,700	3,700	30,400	23,900	6,500
Senior High .	19,600	1,800	21,400	22,000	(600)
Totals ...	119,700	16,300	136,000	106,800	29,200

school facilities will improve various areas of the City and attract additional housing ir the District.

2. Shifts in the Makeup of School Age Population

While the absolute level of enrollments is expected to decrease during the next five years, shifts in the makeup of school age population will require new demands. For example, in 1973, Pre-Kindergarten through Sixth Grade enrollment totalled 83,107 pupils or 59.3 percent of the total school population. By 1981, Pre-Kindergarten through Sixth Grade enrollments are projected to be at 60,900 or 55.4 percent of the total enrollment. By contrast the senior high school population of 22,796 (16.2 percent) in 1973 is projected to be 22,000 or 20 percent of the public school population in 1981. This means that the school system must be prepared to plan for the intelligent use of space in the school system, and that a portion of the excess space in the system can be absorbed through the redefinition of program space.

3. Reduction in the Use of Older Facilities

The Public School Administration has initiated a program to reduce the number of obsolete facilities in the system (see Appendix A). The school system currently has more than 50 facilities representing 26,000 seats that will be more than 40 years old during the planning period. These facilities have received no substantial modern improvements and are not scheduled for improvements in the future. Through a careful examination of these buildings, the school system will be able to substantially reduce the number of excess seats in the school plant. The following chart shows the capacity of

facilities that will be over 40 years of age in 1980 (the chart refers only to facilities that have not received major capital improvements for more than 20 years):

Age of Facility	Number of Facilities	Capacity	% of Total Capacity
40-49	13	5,663	4.2
50-59	18	10,421	7.6
60-100	23	9,720	7.1
Total	54	25,804	18.9

It should be noted that if Public Schools is able to reduce even half of the space indicated in the chart above, it will be able to reduce its projected excess capacity to between 10 and 12 percent by 1980. Based on the unknown development factors in the City a projected excess capacity rate of between 10 and 12 percent appears reasonalbe for planning flexibility.

IV. PLANS FOR CLOSING SCHOOLS

The school system is in the process of planning for the phasing out and closing of schools. The Acting Superintendent, on December 8, 1975, appointed a panel consisting of representatives of the various unions, student council, parents organizations, and regional and central administration, to develop proposed policy and criteria for the utilization, phasing-out and closing of under capacity schools. The panel has submitted a report to the Acting Superintendent of Schools.

On February 20, 1976, the Acting Superintendent submitted to the Board of Education the proposed policy and criteria for school closings. This information is attached as Appendix A.

The Board of Education is currently studying the proposed policy and criteria for the closing of schools.

APPENDIX A

Proposed Public School Policy and Criteria for the Utilization, Phasing-Out and Closing of Under-Capacity Schools

PUBLIC SCHOOLS OF THE DISTRICT OF COLUMBIA
SUPERINTENDENT OF SCHOOLS
PRESIDENTIAL BUILDING
415 - 13TH STREET, N. W.
WASHINGTON, D. C., 20004

February 17, 1976

To the Board of Education
of the District of Columbia

SUBJECT: Proposed Policy and Criteria for the Utilization, Phasing-Out and Closing of Under-Capacity Schools

Ladies and Gentlemen:

On December 4, 1975, I informed the Board of Education that a panel, consisting of representatives from the Student Council, Washington Teachers Union, Council of School Officers, District Council #20, D.C. Congress of Parents and Teachers, and regional and central administration, had been named to develop proposed policy and criteria for the utilization, phasing-out and closing of under-capacity schools.

Since December, the panel in its deliberations has reviewed and discussed a publication and filmstrip from the American Association of School Administrators - "Declining Enrollment and What To Do", policy, guidelines and administrative procedures on closing of schools from Montgomery County and Prince George's County Public Schools, enrollment data for the last five years and projected enrollment data for the next five years prepared by the Division of Research and Evaluation, operational and maintenance costs of school buildings prepared by the Division of Budget, data on age and condition of buildings from the Division of Buildings and Grounds, data on under-utilized schools from the Division of Buildings and Grounds and the 120 Day Report, and a "Cost Model for Small Schools" developed for Montgomery County Schools by Ohio State University.

I am pleased to submit the proposed policy and criteria for the utilization, phasing-out and closing of under-capacity schools. I recommend that the Board of Education approve the policy and criteria.

Respectfully submitted,

Vincent E. Reed
Acting Superintendent

Board of Education
District of Columbia Public Schools
Washington, D.C.

Policy and Criteria for the Utilization, Phasing Out and Closing of Under-Capacity Schools

The Board of Education of the District of Columbia considering:

- Declining enrollment in the elementary schools of the District of Columbia over the past five years;
- Projected continued downward trend in the student population on the elementary and junior high school levels in the District of Columbia Public Schools for the next five years;
- Projected fluctuation of student population on senior high school level ... a rise in student population in the next three years and a downward trend in 1980;
- Escalating operational and maintenance costs;
- Present and projected limited financial resources;
- High operational and maintenance costs of schools with low enrollments, facilities being used for non-instructional purposes, and facilities being used by non-public school groups;
- Resulting inequitable amount of resources produced by the high cost of operating and maintaining under-capacity schools;
- Scheduled completion of nine (9) new elementary facilities and three (3) new secondary facilities in 1976; and the projected completion of seven (7) new elementary facilities, and two (2) new secondary facilities by 1980 which will add capacity;
- Present and projected excess student seats in certain areas of the city;

on this date, _____ 1976 establishes the following policy and criteria for the utilization, phasing out, and closing of under-capacity schools and facilities being used for instructional support purposes or by non-public school groups.

- Policy -

The Board of Education, in continuing its efforts to provide quality education for all the students in the District of Columbia, shall explore all available options and techniques before making final decisions about the utilization, phasing out and closing of under-capacity schools. In its deliberations, the Board of Education shall consider the concerns of all affected groups. Two categories of facilities shall be considered: Category I - Facilities Being Utilized for Instructional Support Purposes or by Non-Public School Groups, and Category II - Facilities Being Utilized for Direct Instruction to Students. The Board of Education shall make the phasing out and closing of facilities classified under Category I top priority.

The Board of Education shall take action on the utilization, phasing out and closing of an educational facility only on the recommendations of the Superintendent of Schools; such recommendations shall be accompanied by supporting data and justifications. Public Hearings conducted by the Board of Education on such recommendations shall be held thirty (30) days prior to action on a facility being used for instructional support purposes or by non-public school groups and sixty (60) days prior to action on a facility being used for instructional purposes. Final action on the Superintendent's recommendations shall be accomplished within ninety (90) days following submission to the Board of Education.

The implementation of the Board of Education's action on utilization, phasing out and closing of a school facility shall be the responsibility of the Superintendent of Schools. An overall implementation plan shall be submitted by the Superintendent for the information of the Board of Education.

The Board of Education shall seek the appropriate changes in the Mayor-Commissioner's Orders which will give the Board of Education authority over the disposition of school buildings which are no longer needed for educational purposes.

- Criteria -

The following criteria shall be used in determining the effectiveness of educational facilities recommended for phasing out and closing:

Category I: Facilities Being Utilized for Instructional Support Purposes or by Non-Public School Groups

- Role of the facility
- Age of the facility
- Building location
- Auxillary facilities

- Availability of space in other facilities to house the program or services
- Capital improvements needed for renovations
- Required health and safety measures
- Alternative uses

Category II: Facilities Being Utilized for Direct Instruction to Students.

- Effectiveness of the facility to house the educational program
- Student population related to capacity
- Maintenance and operational cost per student
- Average age of classrooms
- Capital improvements needed for renovations and modernization
- Required health and safety measures
- Enrollment trends; actual and projected
- Building location, student residential patterns and potential new housing
- Availability of space in and condition of neighboring schools
- Role of school in the community
- Articulation with other schools
- Alternative educational uses

The Board of Education and the Superintendent, in an effort to ensure objective and fair application of these criteria, shall seek resources to support the Administration's accomplishment of the following tasks: contruction of operational and maintenance cost model, development of a formula for the application of the criteria, and application of the formula in measuring a facility's effectiveness.

Definitions

Category I

- Role of the Facility

  A statement of the current use of the facility.

- Age of the Facility

  The age of the building in years from date of construction.

- Building Location

  The physical location of the building related to its role.

- Auxillary Facilities

  Special facilities which accommodate the role of the facility, i.e. parking areas, storage areas, security systems, air-conditioning, docking areas, etc.

- Maintenance and Operational Costs

  Facility's salaries (custodial staff), utilities, maintenance and repair costs.

- Availability of Space in Other Facilities to House the Program or Services

  Identified suitable available space to accommodate the role of the proposed phased-out facility.

- Capital Improvements Needed for Renovations

  Estimated costs of improvements required to retain the facility.

- Required Health and Safety Measures

  Estimated costs of improvements or corrections required to bring the facility up to standards.

- Alternative Uses

  Possible other uses of the facility based on school system's priorities.

Category II

- Effectiveness of the Facility to House the Educational Programs

  A determination of a facility's capability to house the educational program in comparison with the capability of other facilities in the area to house the educational program.

- Student Population Related to Capacity

  A school's student enrollment (head-count) compared with the building's capacity.

- Maintenance and Operational Costs per Student

  Facility's salaries (custodial staff) utilities, maintenance and repair costs per student compared with the maintenance and operational costs per student at other schools in a planning area.

- Average Age of Classrooms

  The total age of classrooms in a facility divided by the number of classrooms in a facility.

- Capital Improvements Needed for Renovations and Modernizations

  Estimated costs of improvements required to bring the facility up to current educational standards.

- Required Health and Safety Measures

  Estimated costs of improvements required to bring the facility up to health and safety standards.

- Enrollment Trends: Actual and Projected

  Actual student enrollment by schools for the past five years and current enrollment. Projected enrollment by regions for the next five years.

- Building Location, Student Residential Patterns and Potential New Housing

  Physical location of the building in relationship to the location of the homes of the students and planned housing in a planning area.

- Availability of Space In and Condition of Neighboring Schools

  A determination of the capability of neighboring schools to accommodate students from proposed phased-out facilities.

- Role of Schools in the Community

  A determination of the frequency and kinds of uses of the facility by the community.

- Articulation With Other Schools

  Cooperative uses of facilities by several schools and/or cooperative implementation of educational programs by schools.

- Alternative Educational Uses

  Possible other uses of the facility based on school system's priorities.

FUNCTIONAL STATEMENT

Mr. COPPIE. Mr. Chairman, I have a brief functional statement which I would like to have provided for the record.

[The statement follows:]

SUMMARY

EDUCATION

The area of Education includes six separately funded elements and a FY 1977 budget request of $255.8 million.

Of this amount 80 percent is allocated for Public Schools; nearly 17 percent for the Board of Higher Education, the District of Columbia Teachers College, Federal City College and the Washington Technical Institute; and slightly over 3 percent is provided for the Public Library.

The Public Schools program from pre-school through high school serves 130,000 children. The programs from grades 1 to 12 are compulsory for children 7 to 16 years of age. Early childhood education, both kindergarten and pre-kindergarten, is also offered. In accordance with the Waddy Decree, Public Schools also provide an opportunity for educations to all special education children of compulsory school age.

Many improvements in the Public Schools program have been made over the last ten years. The ratios of professional staff to students have been improved from 48.5 professional staff per 1,000 students in FY 1965 to 60 staff members per 1,000 students in FY 1976. The present ratio compares favorably to most other urban systems.

An on-going capital construction program, when completed, will provide 49,000 new or modernized student stations for pre-K to 12th grade. This program has eliminated a severe overcrowding situation, particularly in Anacostia; and replaced several outdated and substandard schools.

The higher education program serves more than 10,000 full-time equivalent students. In 1968, the City opened the Federal City College and the Washington Technical Institute. The addition of these institutions provided the City with comprehensive higher education opportunities for the first time. Until this time, the only public higher education in the City was the District of Columbia Teachers College with an enrollment of 1,890 full-time equivalent students.

The City began its new colleges in leased space scattered throughout the city. The City has moved forward to provide permanent campuses for the higher education program. In the Fall of last year, the Washington Technical Institute moved into the first phase of its permanent campus at Van Ness St. and Connecticut Ave. Legislation approved by the Congress, and modified by the D.C. Council calls for merger of the three institutions into a university by September 19, 1976.

The Public Library has a good neighborhood system with 20 branches. In 1972, the Martin Luther King central library was opened to give a needed focus to the system's efforts to reach all who live, work or go to school in the City. Stress has been placed on making the library available to the community's needs for education.

An indication of this success is shown in the increase in registered borrowers from 237,000 in 1972 to the current 402,000.

After a period of steady progress, these programs have been faced with tremendous inflation and other cost increases in recent years. To illustrate from the Public Schools budget, increases in heating fuel, electricity, pension costs, and the like have ranged over a four-year period from 50 to 150 percent. In preparing the FY 1977 budget, the Board of Education identified $18.0 million of such increases.

The City government has had to ask the educational agencies to hold education programs within funding levels that has required of them significant program adjustments. For Public Schools, this has meant $11 million in base reductions which still has to be identified to stay within a $207.1 million budget.

Finally, there will have to be some hard program decisions by the City's Board of Education in such matters as to what schools might have to be closed and what shall be the personnel staffing pattern for the next school year. The first is, of course, the subject that the Committee has elected to discuss.

BUDGET REQUEST

Mr. COPPIE. I will summarize it for you. The area of education requested for 1977 represents $256 million for the city's total fiscal

year 1977 budget request. In the education functional component, we have the public school system, the higher education system, and the public library system of the city.

Eighty percent is allocated for D.C. public schools, 17 percent for the comprehensive system of public higher education and 3 percent for the D.C. Public Library.

As we have pointed out, all the representatives for this functional component are here. Sitting to my right is Mr. Vincent Reed, the Superintendent of Schools and Mr. Julius Hobson, a member of the Board of Education of the District of Columbia.

Senator CHILES. Do you have an opening statement?

Mr. REED. Mr. Chairman, I have an opening statement. I hope it will deal with some of the concerns that have been presented to us.

OPENING STATEMENT

The D.C. public schools today face serious problems of retrenchment, not only because of losses in funding, but because of a gradually diminishing school population, and its effect on program operations and facilities.

For a number of years, in the late fifties and sixties, birth rates and school populations exerted a steady and critical pressure on the resources of the public school system.

Ten years ago, the entire city and the school system were under extraordinary pressure to relieve clearly intolerable overcrowded conditions in many areas of the city. In some sections, there were entire complexes of inadequate demountable buildings, themselves crowded with children.

Now, that population curve has changed. The inexorable pressure has been relieved, and we must turn our attention to the appropriate use or disposition of school space.

APPROPRIATE USE OF SCHOOL SPACE

Let me say at the outset that the public school system is well aware of the projected availability of space. In the past several years, no new school space has been requested; our capital program has been directed exclusively to the better utilization of available space. In some cases, construction projects already under way have been adjusted to conform to new population projections.

In addition, we have greatly refined our population estimating techniques, and have worked closely with the city to determine a single best estimate of population projections.

Most recently, the Board of Education has established a clear policy to remove all demountable and temporary buildings from the inventory at the earliest possible date. The Board has also clearly established that obsolete buildings now scheduled for replacement will be removed from school service, typically the new Shaw, Benning, and Dunbar.

In studying the entire inventory of buildings available to the Public School System, the administration has developed a set of proposed criteria to be used in determining buildings to be maintained or removed from the inventory.

These criteria were carefully developed by a committee representing all affected areas of the school system. The criteria have been submitted to the Board of Education, and have been referred by the Board to committee, where they are being refined still further to insure that every important consideration is accounted for. In addition to such criteria, any examination of available school space must also take into consideration the following:

Considerable new housing is now planned for several major sections of the city, and we anticipate that such new housing will produce additional demand for classroom space.

Even if total space requirements for the city are not increased, significant shifts in space requirements within the city will occur.

Within currently available space, there is a significant need for better space utilization. Much of our elementary school space consists exclusively of self-contained classrooms; our current program calls for many different kinds of space and learning centers at the elementary level, including gymnasiums, language facilities and so forth.

Within the next several years, we anticipate the total addition of some 49,000 modernized student spaces; but the school inventory will still have more than 26,000 student spaces which are clearly obsolete by reasonable standards.

There are some signs that population trends are again changing, and at least the decline is less precipitous.

The early childhood program of the public schools, a critical program in the learning experience of children, has always been limited by the availability of space. As additional space becomes available, and as funding is available, it should be possible to expand the early childhood program to serve a greater portion of the population which does already exist with a clear need for these programs.

FACILITIES PLANNING UNIT

In fiscal year 1976, we have requested the beginning elements of a facilities planning unit, and we hope with this base to reorganize much of our planning organization into a truly productive facilities planning unit which will deal with all aspects of educational planning and the facilities and materials required to meet those plans.

Even before such a unique planning unit comes into existence, we would point to the highly flexible design of all of our recent construction, which takes clearly into account the fact that programs and requirements change, and change quickly and repeatedly. We hope that our new facilities will give us the flexibility to change with those program requirements at minimum expense.

In closing, I wish to assure the committee that the Board of Education and the Public School Administration are well aware of the problems created by changing programs and changing population, and are moving quickly and—we hope—intelligently to make the best possible long-range decisions which are clearly called for.

We will most certainly keep the committee informed of our decisions and actions in this area.

COMPLIANCE WITH WADDY DECREE

Senator CHILES. I understand from your justification materials, that the *Waddy* decree requirements to provide special education programs for the handicapped have now been met. Does this generally imply an end to the recent growth in public education programs and curriculum?

Mr. REED. The requirements have been met. We are working to meet all of the requirements. We have set into motion programs to service those youngsters who have the kinds of needs that would not permit them to work in a regular classroom.

I am not sure I understand completely the last part of what you asked me.

Senator CHILES. In your statement, you said the District special education programs have been expanded by 14,000 children and that you are now in compliance with the *Waddy* decree requirements.

Mr. REED. That number that is quoted there is the number that we have identified at this particular time. We have developed programs to deal with the needs of those youngsters. That is an ever-changing figure. That figure is changing as we move into mainstream along with the population change and shifts.

TUITION AT DISTRICT COLLEGES

Senator CHILES. When were the tuitions at Federal City College, D.C. Teachers College and Washington Technical Institute last adjusted?

Mr. COPPIE. I would like Dr. Dennard, president of the Washington Technical Institute and Dr. Russell, president of Federal City College to respond.

Dr. RUSSELL. The tuition for Federal City College and D.C. Teachers College was last adjusted on March 17, 1975, effective with the summer session of 1975. Tuition for FCC and D.C. Teachers College is based on Public Law 89–719, effective November 7, 1966, which among other things, gives the Board of Higher Education the power and duty "to fix, from time to time, tuition to be paid by students attending the Federal City College. Tuition charged nonresidentials shall be fixed in such amounts as will, to the extent feasible, approximate the cost to the District of Columbia of the services for which such charge is imposed. Receipts from the tuition charged students attending the college shall be deposited to the credit of the general fund of the District of Columbia."

The level of tuition was established by the Board of Higher Education for D.C. Teachers College and Federal City College to provide residents of the District with a realistic opportunity for low-cost, quality education. This tuition level was tailored to meet the special needs of the disproportionate number of low-income families living in the District who otherwise would not be able to afford higher education. The Board of Higher Education does not presently have any proposal to increase the tuition.

Senator CHILES. The tuition is $52 per semester at Federal City College and at Washington Technical Institute it equals $25 per quarter. Is that correct? $25 a quarter?

Dr. RUSSELL. Yes; and tuition at FCC is $52.50 a semester or $105 per regular academic year for residents.

Senator CHILES. I recognize the need to try to meet the needs of the disadvantaged. I wonder, though, if we wouldn't be better off if we had some kind of scholarship programs or some kind of break in tuition on those that need it but if you are letting everybody come to your institution at $52 a semester, you are sure not doing much toward getting any money for tuition.

TUITION RATES AT LOCAL COLLEGES

I notice the University of Virginia is $325, University of Maryland resident tuition, per semester is $493. To my knowledge, University of Florida and other places across the country do charge much more than $52 a semester. You do have some special needs and I think that might well be fine to permit those people to attend at reduced rates. But how about the people that are attending there that could pay more tuition?

Dr. RUSSELL. The question of persons who could pay more is obviously one which needs to be considered. I do not feel that FCC has large numbers of students who fall into that category. The students served by FCC and DCTC, by and large, are persons who fall into the low-income category.

STUDIES ON TUITION RATES

Senator CHILES. What kind of studies have you made? Do you have any definitive studies that would show that? We are dealing with a District certainly that has a tremendous amount of disadvantaged people, but it also has the highest per capita payroll of any place in the country. So there are a lot of people here that do have funds.

Dr. RUSSELL. I think we could supply you with data. Our Director of Institutional Research is present today. I didn't ask him to prepare for this particular question, but I am sure we have data that will speak to this subject.

Senator CHILES. I would like to see some of that material. It is my feeling that those that could pay are getting a free ride at the expense of other taxpayers who are having to make up the difference of that low tuition.

Dr. RUSSELL. May I present Ken Gramza, FCC Director of Institutional Research?

Senator CHILES. Yes.

TUITION LEVELS

Mr. GRAMZA. Senator, we have, over the last 5 years, done three or four studies on tuition levels at the college. The first one began with the levels at which students could afford to pay and each year we watch the proxy for student income by looking at ZIP codes to determine which parts of the city the students are coming from and comparing those with the census survey of family earnings as well as the IRS data on the same topic.

On the basis of these analyses, I think we can supply you with the median earnings of the families of our students. Basically, they are from a population of less than $8,000 per year.

Senator CHILES. I think we would be interested in seeing some data on that.

[The information follows:]

A REVIEW OF STUDIES CONCERNING THE FORMULATION
OF TUITION POLICIES FOR FEDERAL CITY COLLEGE

Public Law 89-791, which created Federal City College on November 7, 1966, states that the D.C. Board of Higher Education is entrusted with the power and duty "To fix, from time to time, tuition to be paid by students attending the Federal City College. Tuition charged nonresidents shall be fixed in such amounts as will, to the extent feasible, approximate the cost to the District of Columbia of the services for which such charge is imposed. Receipts from the tuition charged students attending the college shall be deposited to the credit of the General Fund of the District of Columbia."

The Office of Institutional Research (OIR) at FCC, in cooperation with FCC's Budget Office, has continuously performed studies over the past five years which were intended to assist the administration and the D.C. Board of Higher Education with their review of tuition policy for FCC.

Responsive to questions raised in Senate hearings on the FY'77 budget for FCC is a recent study devoted to assessing the financial capability of FCC students to pay for their undergraduate education. A survey reported on by OIR in 1974 concerning graduate and undergraduate students who were attending FCC revealed:

- Ninety-three percent of the students (graduate and undergraduates) were 21 years of age or older; seventeen percent were 36 years of age or older. The median age was 27.5.
- Forty percent of the students were married; thirty-six percent of the students had dependent children.
- Approximately seventy-four percent of the students were employed during Winter Quarter 1973-74.
- The majority of those employed (78%) were working full time.
- Sixty percent of the students were employed in sales, clerical, and service occupations; about a third of them (30%) were employed in professional, technical, and managerial positions, while ten percent of the students were reported working in "other occupations"[1].
- About thirty-eight percent of the students were employed by the Federal Government, twenty-eight percent by the District Government, and thirty-four percent either worked in private industry or were self-employed.

Table 1 is a distribution of the annual salary status (in 1974) of the FCC students sampled who were employed at the time of the survey. Table 1 reveals

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[1] "Other occupations" refer to processing, machine trades, bench work, and structural work occupations.

that of the students employed full time 44% earned less than $8,500 annually; and, of all working students, approximately two-thirds earned less than $8,500 annually.

The median annual income of all employed students during Winter Quarter 1973-74 was $7,767. By occupational types their incomes were as follows: professional, technical, and managerial positions-$8,900; sales and clerical jobs-$8,200; and service-related occupations-$7,500.

Two surveys conducted by the Office of Institutional Research on FCC's 1973-74 graduates disclosed that:

- About 72% of the graduate alumni and 56% of the undergraduate alumni were engaged in teaching, research and evaluation, or management and administration. (See Table 2.)[2]

Table 1

Number and Percentage Distribution of Employed Federal City College Students by Annual Salary and Work Status, Winter 1973-74

Annual Salary	Work Status					
	Full time		Part time		Total	
	N	%	N	%	N	%
<$3,499	20	11.9	25	53.2	45	20.9
$3,500-$5,999	18	10.7	3	6.4	21	9.8
$6,000-$7,499	22	13.1	1	2.1	23	10.7
$7,500-$8,499	14	8.3	0	0	14	6.5
$8,500-$9,999	38	22.6	0	0	38	17.7
$10,000-$12,499	29	17.3	1	2.1	30	14.0
$12,500-$14,999	12	7.1	0	0	12	5.6
$15,000-$24,999	10	6.0	0	0	10	4.6
Median Salary	$8,598		$7,029		$7,767	
Not reported	5	3.0	17	36.2	22	10.2
Total	168	100.0	47	100.0	215	100.0

Source: Office of Institutional Research, Federal City College, Winter Registrant Survey, Jan. 1974.

[2]Federal City College, Office of Institutional Research, Experiences and Reflections of Federal City College Graduate Alumni: One Year After Graduation, (Working Draft), and Experiences and Reflections of Federal City College Undergraduate Alumni: One Year after Graduation (Working Draft).

Table 2
Distribution of Federal City College Graduate and Undergraduate Alumni by Occupational Responsibility During Their Last Year, 1973-74

Main Job Responsibility	During the Last Year	
	Graduate Alumni	Undergraduate Alumni
Teaching, research and evaluation	53.3	16.2
Management and administration	18.7	37.5
Counseling	10.7	--
Clerical and sales	--	18.4
Other (para-professional)	17.3	27.9
Total	100.0	100.0

Sources: Federal City College, Office of Institutional Research reports: Experiences and Reflections of Federal City College Alumni: One Year After Graduation. (Working Draft)
Experiences and Reflections of FCC Undergraduate Alumni: One Year After Graduation, (Working Draft).

- The median salary of undergraduates who were employed during their senior year was $9,100.

- The median annual income of graduate students was $12,100.

Although one might assume that seniors and graduate students who are employed are able to maintain a comfortable life style, a review of Table 3 suggests that this is certainly untrue of employed seniors at FCC. Nearly 70% of the seniors who were employed and graduated in 1974 had incomes that could be classified as a low standard of living.

Table 4 has been prepared to provide current information on the possible economic status of FCC students. This table will also identify their expected standard of living and, in turn, reflect their ability to pay for higher education. Table 4 presents the student headcount (Fall '75-'76), Internal Revenue Service (IRS) median family income for 1969[1] and IRS estimated median family income for Washington, D.C. in 1975.[2]

Past OIR studies on enrollment patterns have found that approximately 63% of FCC's students reside in one of six zip code areas.[3] Table 4 reveals that for

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[1]Federal Individual Income Tax Return Data for each 5-digit Zip Code area in Maryland: (includes D.C.): 1969, Internal Revenue Service, May 1972.

[2]The 1975 estimated median family income was derived by multiplying a 5-year growth factor times the IRS median family income for 1969. This growth factor was based on data presented in Urban Family Budget and Comparative Indexes for Selected Urban Areas (Washington, D.C.), published by the Bureau of Labor Statistics.

[3]Federal City College, Office of Institutional Research, Students at Federal City College, January 1976.

Table 3

Distribution of Federal City College Master's and Bachelor's Degree Students Classified by Budget Levels As Reported Before and After Graduation, 1975

Washington Metropolitiah Area Annual Budget for a Family of Four [a]	Percent of Students in Category [b]
	1974
A. Master's Degree	
Lower Level ($9,723)	45.4
Intermediate Level ($15,035)	49.4
Higher Level ($21,725)	5.2
B. Bachelor's Degree	
Lower Level ($9,723)	69.9
Intermediate Level ($15,035)	24.1
Higher Level ($21,725)	6.0

Sources: [a]U.S. Department of Labor, Bureau of Labor Statistics, Urban Family Budgets and Comparative Indexes for Standard of Living for a Family of Four, Selected Urban Areas, April 9, 1975.

[b]Federal City College, Office of Institutional Research, Experiences and Reflections of Federal City College Graduate Alumni: One Year After Graduation (Working Draft).

Table 4
Median Income for Families of Selected Washington, D.C. Zip Code Areas, 1975

Washington D.C. Zip Code Area	Student Headcount (Fall 1975)	Median Family Income (1969)	Estimated Median Family Income (1975)
20001	343	$5803.30	$5514.90
20002	661	4589.60	6654.90
20003	223	4817.70	6985.70
20004	6	4806.10	6968.80
20005	125	5458.20	7914.50
20006	11	7547.40	10943.80
20007	27	8068.50	11699.40
20008	72	8182.50	11864.70
20009	707	4288.60	6218.40
20010	411	4391.10	6367.20
20011	1105	5982.80	8675.00
20012	233	6824.90	9896.10
20015	35	8818.30	12786.50
20016	23	9614.90	13941.70
20017	226	6201.20	8991.70
20018	297	5825.60	8447.10
20019	932	5399.00	7828.50
20020	1015	6002.60	8703.70
20024	102	8433.00	12227.80
20032	654	5638.40	8175.70
20036	54	6938.80	10061.30
20037	22	8181.80	11863.60
Total students	7284		
Median income		6666 .01	9215.09

Sources: U.S. Department of the Treasury, Internal Revenue Service, Federal Individual Income Tax Return Data in Maryland (Includes the District of Columbia): 1969, May 1972 (Washington, D.C.).

U.S. Department of Labor, Bureau of Labor Statistics, Urban Family Budgets and Comparative Indexes for Standard of Living for a Family of Four, Selected Urban Area, Washington, D.C.: Bureau of Labor Statistics, April 1975.

these areas of primary student residence, estimated 1975 IRS median family income ranged from less than $6,655 to $8,675. The Bureau of Labor Statistics (BLS) current budget for a family of four (Washington, D.C. area), autumn 1975, was $10,335.[1] In addition, the Bureau of Census national poverty cutoff income level for a non-farm family of four was $5,500 (1975 estimate).[2]

Weighting the estimated IRS median family income for 1975 by the student headcount in each zip code area results in a normalized IRS student body median income for 1975 of $7,951.[3,4] In a study published in 1971, OIR found that the median annual wage in 1970 for all employed FCC students was $7,909.[5] Expressing the estimated IRS student body median family income for 1975 in terms of 1970 dollars indicates an equivalent annual income of $5,787. This would suggest the possibility that the population currently being served by FCC is more disadvantaged than the population served in the late 1960's and 1970's. Any increase in budgeted expenses could only further strain what must be an increasingly tenuous economic situation.

Considering the economic status of our current student population (i.e., about $2,450 above the poverty line for urban families and approximately $2,380 below the low standard of living for a family of four in the District), it is unlikely that any appreciable increase in the current annual tuition and required fees is warranted.

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[1]Office of Price and Living Conditions, Wage Section, U.S. Department of Labor.

[2]Poverty Section, Income Branch, U.S. Bureau of Census.

[3]Because the IRS income data was presented as a frequency distribution open at both ends, it was impossible to develop any statistical measure of the variability of the data. Also, crucial to the use of zip code area student headcount in determining weighted IRS student body median family income for 1974 is the assumption that the FCC student family is representative of the "typical" zip code area resident family. Past OIR studies would tend to confirm that the FCC student's family is not in reality a high income resident of the specific zip code area. (Students at Federal City College, 1974; The Potential Effects of Tuition Increases on the Demand for Education at FCC, Report No. 3., 1971.)

[4]As an informational point for the reader, applying this same methodology to DCTC enrollment patterns for 1974 by Washington, D.C. zip code area produces a weighted IRS median student body family income for 1975 of $7,966.

[5]Federal City College, Office of Institutional Research, The Potential Effects of Tuition Increases on the Demand for Education at FCC, Report No. 3.

TUITION POLICY AT WTI

Mr. COPPIE. I would like to have Dr. Dennard and a member of the Board of Trustees, George Weaver, also respond to that question.

Dr. DENNARD. Mr. Weaver is Chairman of the Finance Committee of the Board of Trustees.

Mr. WEAVER. Mr. Chairman, the Board has had this question under continual study over the last several years. We have found our situation is similar to the one described by Dr. Russell for the Federal City College. A majority of our students are those that would fall within the income range as mentioned at the Federal City College, some below.

Senator CHILES. How long has it been since you raised your tuition?

Mr. WEAVER. It has not been raised in the 7 or 8 years that we have been in the business.

Senator CHILES. That in itself tells me something, because in the last 7 or 8 years, everything else has gone up tremendously, including your costs.

Mr. WEAVER. Our general costs have gone up following the inflationary measures that all institutions and all individuals face.

Senator CHILES. It seems to me that if you haven't made any increase in your tuition you are not keeping pace and you are putting more and more of the cost off on the general taxpayer. We know that the salary levels and everything else, all other costs, have gone up. So again, you have widened the range between what it is costing and what people are paying. If you had kept the students direct share of the costs on a level of where you were 8 years ago, your tuition would have had to made some kind of increases over that period of time, under this general equation.

TUITION AND MEDIAN INCOME LEVELS

Dr. DENNARD. We really need to provide you with some additional definitive data on the median family income structure within the District of Columbia regarding those students who attend Washington Technical Institute. Although the median family income for the general population in the surrounding counties both Maryland and Virginia, is higher than the median income in the District of Columbia, within the population that attends our institutions the median family income is particularly different.

I guess one of the considerations that the trustees have had before them, in terms of the legislative history, is the discussion that there should be a tuition, but such tuition should be a minimal tuition to enlarge the number of opportunities for the largest number of persons possible and provide the kind of education that could make it possible for them to increase their income capability in the District.

The most reliable data at the moment, of course, is still the 1970 Census. The Municipal Planning Office does periodic checkup dates of the data looking at the census periodic updates. Except for the operating base from income taxes paid and reported in the 1970 Census and 1969, this is the base from which we have been operating basically.

We cross-reference that with the employment structure and the personal income within the District.

It has not been an easy kind of decision to recommend.

SLIDING SCALE TUITION RATES

Senator CHILES. I am sure it hasn't. I know that you could never raise the tuition without hearing from everybody that is concerned.

Again, I would like to see a minimum tuition for those who cannot afford to pay, but I am concerned about the disproportionate burden that you place on the other taxpayers if you have people there that can afford to pay a higher tuition and you are letting them in at these very low rates.

Mr. WEAVER. If I may speak to that, the Board has considered this factor along with other factors. We have also looked at what has happened to our graduates, what contributions they make to the general economy of the metropolitan area.

When you balance this out, our studies indicate that around 80 percent of our graduates move into positions a little above the median salary in the District immediately contributing to the tax base, which contributes to society.

When you balance these factors out, starting out from the basic assumption of where our student population is drawn you come out with some grave questions on feasibility of trying to have a sliding scale of tuition based on really income and need; the administrative costs for establishing this kind of system, in addition to what it does to the morale within the institution, you have to weigh these factors in terms of whether it is worth it, the contribution that we are making to the community over and against all these other many ramifications and difficulties in attempting to establish a sliding scale.

This is a question that has been under continual consideration by the Board of Trustees in light of the preoccupations, particularly in Congress on this matter.

Senator CHILES. That is a good argument.

Dr. RUSSELL. I would like to point out two actions of the Board of Higher Education in regard to tuition. First the Board has directed FCC and DCTC to assess the full $450 per-semester tuition of all legal nondomiciliaries of the District of Columbia, including non-immigrating foreign students. This had not been done previously for foreign students having D.C. addresses. Second, in regard to DCTC, the Teachers College had previously had no tuition charges; the Board adopted a policy applying to DCTC the same tuition charge as at FCC.

COMPARATIVE TUITION CHARGES

Dr. DENNARD. Mr. Chairman, our public law which created the institute stipulated that the tuition consideration should be developed in comparable terms of comparable institutions.

The legislative history highlights the fact that this matter of tuition should be dealt with not in terms of the University of Maryland or Howard University, but was intended that Montgomery College, Prince Georges Community College, Northern Virginia Community College and such institutions would be the basis on which that comparison would be done. It is a considerable difference between the tuition rates of those institutions and the same universities within those States.

Senator CHILES. Could you tell me what those tuition rates are at those schools now?

Dr. DENNARD. The most recent data that I have in front of me——

Senator CHILES. You may have opened the door for me.

Dr. DENNARD [continuing]. It looks like $175 per year for Montgomery College. This is a county institution.

Senator CHILES. That is only 75 percent more than your institution.

Dr. DENNARD. And the Prince Georges County, this was part of the response that we submitted earlier to this question, so I was just simply referring to that point. At Northern Virginia Community College, it is $60 per quarter.

Senator CHILES. $60 a quarter, and you are getting $25?

Dr. DENNARD. But, Mr. Chairman, we must look at the median family income in the District in relation to the median family income in the neighboring areas.

Senator CHILES. Read me that portion of the public law again that says you ought to be charging comparable to what those other schools are doing.

Dr. DENNARD. The quotation from the report was—and I think we should make it clear that the committee did not contemplate that these charges and fees would be comparable to those of the University of Maryland or Howard University for that type of institution.

But when we say "comparable to publicly supported institutions," we mean schools such as Northern Virginia Community College, the Montgomery College, and technical institutions.

Senator CHILES. That would tell me that you ought to look at those other institutions and see what their history has been. It sounds like they have wrestled with this question a little bit, too. They are doing something about it over a period of time.

I think you can reach beyond a point of $100 a year. I think a lot of those students are going to feel that they are not receiving a very good education if all they are paying is $100 a year.

Dr. DENNARD. That is only the tuition costs.

Senator CHILES. I understand that.

AEROSPACE PROGRAM AT WTI

Earlier this week I wrote to the Mayor regarding some airplanes being used by WTI in your aerospace program. Are you in receipt of that letter?

Mr. COPPIE. Mr. Chairman, the letter was submitted to the Mayor, and he immediately requested a response from the college. Yesterday, the president, Dr. Dennard, submitted an interim response to the Mayor which complied with your first request, which was to ground all aircraft at the college effective immediately. That has been done.

The balance of the request outlined on page 2 of your letter was requested by April 20. We will honor that request, but the immediate request to have the aircraft grounded has been accepted and implemented by the college.

Senator CHILES. I trust there is no dispute now as to the fact that the school did not have the authority and had not been granted the authority to operate and fly airplanes.

Mr. COPPIE. Mr. Chairman, I think that there might be some nominal dispute about that issue, but I think the fact that we have moved forward to ground the aircraft is an indication that we are in agreement with the fact that language should be provided for in the 1976 appropriations which will give the college the authority to maintain and operate aircraft as needed.

Senator CHILES. I don't know what a nominal dispute is as to whether you fly or don't fly. I wouldn't like a pilot making that kind of choice. [Laughter.]

Senator CHILES. There is a requirement in title XXXI, section 638 of the U.S. Code which provides ". . . excepting appropriations for the military and naval establishments, no appropriation shall be available for the purchase and maintenance or operation of any aircraft unless specific authority for the purchase, maintenance or operation thereof has been or is provided in such appropriation."

We haven't been able to find anything in the law that authorized the operation of airplanes.

Mr. COPPIE. I think that is correct, Mr. Chairman.

Senator CHILES. You could fly the plane if you don't operate it. [Laughter.]

ACTION ON CLOSING OF PUBLIC SCHOOL BUILDINGS

Senator CHILES. Mr. Reed, you were telling us about this plan that you have to provide for termination and closing of schools. Have you gone through that process now? Do you have such a plan in being?

Mr. REED. We have submitted to our Board of Education a plan for dealing with the criteria of closing schools, yes.

Senator CHILES. But it hasn't been approved yet?

Mr. HOBSON. The committee which is considering that policy is the Committee on Student Services and Community Involvement, which has approved the policy that is now before the Board's counsel who is putting it in rule-making form.

It will be given back to the committee for approval and sent to the full Board, hopefully, by the end of this month, when we meet on the 26th. Then it will be published in the D.C. Register for 30 days and it will come back to the Board again for second reading and final approval.

Senator CHILES. So we are looking at a time of around July for having a final plan approved?

Mr. HOBSON. If the first reading is approved April 26, it will then be published in the D.C. Register for 30 days, which will mean that since the 30-day period will extend past our regular meeting date in June, July will probably be right.

Senator CHILES. In looking at your criteria, just on first glance, it appears that the criteria is pretty general. So how do you see the transferring of that criteria into the decisions as to what schools you are going to close and when we would have or you would have a plan of actually implementing the criteria?

Mr. REED. Once the Board has finally passed on the criteria as we present it to them, then the Administration will look at many phases of what is going on in the system to decide what schools

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to close, which may be based on the age of the building, or the cost of upkeep of certain buildings.

We may look at the undercapacity use of the building. The buildings closed would not necessarily be the oldest ones. We look at population shifts and look at the programmatic system. That recommendation will come back to the Board based on taking those things into consideration.

Senator CHILES. If your experience is anything like what I have seen in trying to close schools, that is about the toughest thing in the world because that gets into local neighborhood pride. Everybody wants the school that is there and closing it is not an easy thing to do.

What we are looking at here is the fact that you have identified that you have more space than you really need now and through to the 1980s. Yet you may need some new or renovated space in different places or new kinds of space. So the rationale is very sound that we are going to try to close some of what we have and are going to come back and ask for some new.

I think the subcommittee, to do its job properly and for considering new construction, I think we need to see something in hand of what is going to be closed. I know you are talking about it, but it is a lot easier to talk about it than it is to do.

Mr. REED. Mr. Chairman, we have been cautious in deciding what buildings to close because it is a very sensitive area. We understand. We are moving to make sure young people are served. They can be served. We are recognizing and accepting the fact that we have to close schools. We are going to make that tough decision.

As soon as we get the final okay with our proposal to the Board, we will move to do that. This Administration has accepted that as one of the things we have to do and we are going to do it.

VOCATIONAL CENTER FOR HANDICAPPED

Senator CHILES. The justification material on page 7 indicates that a vocational center for the handicapped was proposed for the first stage design in fiscal year 1977 capital budget. This center will provide space for 300 pupils. Why is the new facility needed for this activity? Why couldn't existing facilities be used?

Mr. REED. We have submitted to the committee previous to this conference the information contained in that. We don't have a facility now that has been designed for the handicapped, per se.

The vocational facilities we presently have in operation are those for those youngsters who can function as "normal youngsters" are able to function. There are other facilities that are necessary for those youngsters who have certain kinds of handicapped conditions that would permit a different kind of facility altogether.

We have not at this time been able to create space in the regular schools, or vocational schools, for those youngsters because the population of our vocational schools at this particular time is one that has been totally used. We have not created enough additional space to bring in other youngsters who have different kinds of problems and along with the youngster engaged in the career development programs.

BURRVILLE AND PERRY-SIMMONS

Senator CHILES. There are funds in the 1976 budget for two elementary schools replacements, Burrville and Perry-Simmons. Have you reconsidered the need for these schools in the light of the decreasing enrollment trends that we have been discussing?

Mr. WINNER. In both of those cases, we had earlier submitted responses, during the 1976 hearings, because the issue was raised at that point. In both cases, there is, as a result of our study, clearly a need for the building.

The question is not one of whether the building is needed at all. It is a question of capacity. In reevaluating both of those buildings and in the response, we indicated we had changed fairly significantly the use of the capacity, and in particular, we have added in both Burrville and several other buildings, including Perry-Simmons, other programs that could be accommodated in those buildings.

We mentioned those in the response. They are specialized facilities, for example, which have been added to those buildings.

PLANS TO REVERSE SCHOOL ENROLLMENT DECLINE

Senator CHILES. During the hearings on the 1976 budget, you discussed plans, Mr. Reed, to reverse the declining D.C. school population. Has it gone any further in that area?

Mr. REED. Yes. We moved to offer the citizens and students more in terms of educational programs. We have moved into a massive science concentration in one of our schools. We have aerospace marine science schools, we have built a new wing onto one of our Anacostia high schools. We have the school of the arts.

Now we have proposed an academic school that will be no different from other academic schools outside of the fact it will have a very strong program that will allow youngsters to move into advanced placement courses and to fifth year languages and the other kinds of areas that will serve the youngsters who are very, very motivated and very serious about where they want to go in life.

I really feel these kinds of programs will entice people to stay with the public school system. Next year, we are planning to move all of our efforts to prekindergarten through first grade to try to increase those skills in reading and math. We will have only reading and math in some schools and make sure the whole system is reflected in what we are doing in building philosophy.

I do feel that the thrust of what we are trying to do along the lines of making sure that we service all young people will be an enticing factor for people to stay with us. We have a tremendous response in the proposed high schools.

USE OF SPACE IN PRESIDENTIAL BUILDING

Senator CHILES. During the hearings on the 1976 budget, the fact that the public schools and Board of Education are occupying about 30,000 more square feet in the Presidential Building than they should have was discussed. The subcommittee was advised that this 30,000 square feet represented about $200,000 in lease expenses.

Has the Board of Education moved out of that space yet?

Mr. REED. No, we haven't.

Senator CHILES. Do you have any plans in that regard?

Mr. REED. Yes, we have plans to move. To be candid, I would like to move from the Presidential Building. I have plans to do that and move it closer to the city and closer to the citizens and vacate that space completely.

ATTENDANCE AT NATIONAL SCHOOL BOARD CONVENTION

Senator CHILES. I note from the Wednesday paper that nine members of the School Board were going to go out to the National School Board Convention in San Francisco. How many members are there on the School Board?

Mr. REED. There are 11. I will let Mr. Hobson answer that one. [Laughter.]

Mr. HOBSON. There are 11 members on the Board of Education.

Senator CHILES. Was there discussion as to whether that many members needed to go to a convention? Where do those funds come from?

Mr. HOBSON. The funds came from title V of the ESEA.

Senator CHILES. Those are Federal funds?

Mr. HOBSON. That is correct. I am sorry. I don't have a copy here. I will see you get a copy. The Executive Secretary of the Board drew up a corrected press release for that article. I believe the correction was in the Post yesterday. I didn't see it myself. We sent two delegates and two alternates. A fifth Board member, Mrs. Simmons, was also invited to make a presentation.

Senator CHILES. How many people and how many alternates?

Mr. HOBSON. Two delegates and two alternates; also a fifth person, Mrs. Simmons, who is a Board member, was asked to make a presentation. Since I have been on the Board—this is going on my third year—we have not sent more than four people to the NSBA convention.

In this instance, Dr. Evans, who is president of the Board, and myself declined to go. Dr. Evans is out of town, I believe, related to his employment.

Senator CHILES. I think sometimes meetings like this can be beneficial. I am not one to say no one should go. It just seems to me if virtually the whole Board was going every year, that is loading it up a little bit heavy.

Mr. HOBSON. Let me say that since I have been on the Board, this is the first time this many have gone. I believe five went to Houston 2 years ago and I believe five went to Miami. I am not certain. I can only speak to those. I attended those two, the one in Houston and the one in Miami. I find them helpful.

Senator CHILES. Thank you, sir.

ADDITIONAL QUESTIONS

Senator CHILES. Mr. Reed, would you please respond to a number of questions which we will submit to you for the record?

Mr. REED. I would be happy to, Mr. Chairman.

[The questions and answers follow:]

D.C. PUBLIC SCHOOLS

Question 1. If approved, would this facility take the place of any of the existing special education facilities? If so, which facilities would be replaced and are you

planning to raze these facilities? If not, wouldn't it be more feasible to use the $7 million to renovate the existing special education facilities?

Answer. The proposed prevocational school for the handicapped is intended to replace three (3) facilities: the Lenox Annex (1908), the Richardson Annex (emergency temporary housing 1956, discontinued 1962, reopened 1964) and the Webster School (1884). At the present time the intentions are to raze the Richardson Annex; the Lenox Annex and Webster School would be returned to the city.

The feasibility of renovating these facilities has been explored. From a cost standpoint, based on the programmatic needs, the renovations would be prohibitive. The present facilities are not barrier-free or fire resistive and prohibit program participation by the physically handicapped. The prevocational and vocational training program intended for this facility are currently housed not only in the three specified buildings, but also in two other buildings. The nature of the program and its activities would require such extensive renovation as to approximate new construction.

Furthermore, the consolidation of three buildings into one, (as well as the availability of classroom space now used in the other two buildings) as a result of the proposed new facility, will in itself present considerable administrative (Principal, office staff, etc.) cost savings.

Question 2. Your current enrollment forecast on page D–11 shows a significant decline over the next five year period in the elementary and junior high schools. For example, you are predicting that the student enrollment in elementary schools (pre-K through 6 grade) will drop from 71,346 in 1976 to 63,500 in FY 1980. Last year you predicted that the FY 1980 enrollment would be 59,300.

A. Could you explain the variance of 4,200 in these two projections?

Answer A. The variance is accounted for by several factors. First, the actual elementary school membership in October 1975 was higher than had been projected. This increase had an effect on the trend statistics. It changed the figures previously determined on the basis of a greater negative trend. Second, a return to the Public Schools from private schools of elementary level students has begun to actualize. Third, the completion of new housing at Bolling Air Force Base has brought additional students to the D.C. Public Schools in FY 1976 and will also add students in FY 1977. Fourth, planned new housing in the District should increase the number of school-age children in the District of Columbia.

Question B. How much of this variance is attributable to the anticipated new housing activity in the District?

Answer B. A part of the variance is attributable to the anticipated new housing as described in "A" above.

Question 3A. What is the progress on new housing at Ft. Lincoln?

Answer 3A. The first development area package is in various stages of planning and construction. Fifty-seven townhouse units are under construction to be completed by the end of May. Another 505 apartment and townhouse units are scheduled for ground breaking by mid-May. In total about 4,500 housing units are planned for Fort Lincoln New Town.

Question 3B. You indicate also on page D–6 that you will have 6,500 excess spaces in junior high schools by 1981. Have you considered using this excess capacity to meet the needs of the Ft. Lincoln community?

Answer 3B. Planning to meet the facility needs of the Ft. Lincoln community is a continuous process, and the projected availability of school space outside Ft. Lincoln is an important consideration before a decision is made for construction of the Ft. Lincoln secondary facility. Construction lead time of up to six years must also be considered for this proposed project. Since no increase in secondary enrollment is expected until the middle 1980's, if at all, construction of the secondary facility will not be necessary before 1979. Proposed plans will also be considered in light of actual enrollment experience at Fort Lincoln New Town.

Question 4A. When do you anticipate that this housing activity will start showing an effect on your enrollment?

Answer 4A. The new housing has already had an effect on public school enrollment. The Bolling Field development has added about 700 pupils to the system; east of the Anacostia approximately 500 housing units have recently been completed or are under development; Fort Lincoln is under construction, with some housing to be completed by July 1976 and development of the urban renewal areas is proceeding with new vigor.

Question 4B. What would be the net increase in enrollment as a result of this new housing activity? Will it actually cause an increase in enrollment or just a reshuffling of students in the District?

Answer 4B. The net enrollment effect of new housing activity will be to slow the enrollment decline that has occurred because of migration to the suburban jurisdictions and the decline in the birthrate. Both of these trends are nationwide in incidence. When and if these nationwide trends slow or reverse the same effect will probably occur in the District of Columbia.

The major effects of new housing activity are its creation of new neighborhoods, as in the case of Fort Lincoln and Bolling Field, and its revitalization of older neighborhoods, as in the urban renewal areas (Northwest Number One, Shaw, and Fourteenth Street, etc.), in the government encouraged areas (Parkside, Old Anacostia or Congress Heights) and in the privately revitalized areas (Capitol Hill or Mount Pleasant).

Public Law 90–292 charges the Public Schools to serve the neighborhood when its states:

"The Congress hereby finds and declares that the school is a focal point of neighborhood and community activity; . . . It is therefore the purpose of this Act . . . to make District schools centers of neighborhood and community life."

So while the total enrollment is important as an indicator of total city demographic activity, the Public Schools must serve existing neighborhoods (even those in decline), developing neighborhoods and future planned neighborhoods. Procedures are being developed by the Board of Education to efficiently cope with the decreasing facility needs of those neighborhoods affected by the declining birthrate and migration patterns.

Question 5. Judging from the projected decline in Junior High School Enrollment—a drop of about 8,900 over the next five years—it appears that you will have excess capacity in senior high schools after FY 1981. Please explain how you plan to deal with this and the effect on your facilities needs and related funds?

Answer. There is a projected decline in the senior high school enrollment in the early 1980's. Including Career Center enrollment and building capacity, the senior high program is currently operating at a 2,700 student station deficit with 1,300 additional seats fully funded. Funding of the Roosevelt Addition, if approved, will increase this figure to about 1,750 additional student stations. No additional student stations are proposed, although modernization of some existing facilities is being requested (Coolidge, Eastern and the Career Centers).

When the Dunbar Replacement and Roosevelt Addition are completed, there will be excess seats on the senior high level. At that point, it is anticipated that obsolete secondary facilities can be closed.

Question 6a. Could you explain what you mean by a redefinition of program space and when you plan to undertake this action?

Answer. The redefinition of program space is primarily a change in the age groups using particular school space; e.g., elementary schools are originally planned for kindergarten through sixth grade, but more recently are being used to accommodate pre-kindergarten and even pre-school age youngsters, and are also being used for programs at the seventh and eighth grade levels. Junior High Schools have recently been proposed for expanded programs to include Senior High School students, and some Senior High Schools have introduced ninth grade programs.

The introduction of open space and learning centers also permits a more flexible use of space than the ordinary academic classroom, which was severely limited.

This redefinition and flexible use of program space is currently underway, and is particularly evident in those facilities where the design permits maximum flexibility.

Question 6b. What impact will this redefinition of program space have on the excess capacity in your Elementary and Junior High Schools?

Answer. The impact on net capacity for the city as a whole, considering all grade levels, will not be significantly altered by such redefinition. It should be possible, however, to use such flexibility to minimize the effect of internal population shifts; that is, a flexible building in a particular geographic area previously designated for elementary schools might no longer be required as the elementary population drops. The flexibility of the space and program definitions, however, might make it possible to continue the cost effect of use of that building by changing it to a junior high school or middle school program to serve a population which could continue to exist in the geographical area.

Question 6c. What are the cost implications of this redefinition of program space?

Answer. For the most part, the cost requirements of a program are primarily in teacher's salaries and non-installed equipment. Only in certain particular cases such as science or language laboratories is there a capital cost requirement.

If the facility is open space, or at least potentially flexible, there should be no significant capital requirement to change the use of such space. Most of the equipment and materials are readily transferrable, and the staff are obviously highly mobile.

We would anticipate, therefore, the cost implications of this would be minimal.

Question 7A. What timeframe are you talking about here?

Answer. The timeframe for the elimination of obsolete facilities has not been established. It will be developed after the Board of Education approves the proposed policy and criteria for the phasing and closing of under-capacity schools.

Question 7B. What schools are you referring to? Could you provide us with a list of these "obsolete" schools showing the purpose for which they are being used? What effect will the closing of these schools have on the excess capacity you say will exist by 1981?

Answer. The schools to be phased or closed cannot be identified until the Board of Education's approved criteria are applied to the facilities. It is assumed that the closing of some facilities will result in a reduction of the projected excess capacity by 1981.

Question 7C. Do any of these obsolete facilities include schools which have been or are being replaced by another structure? If so, didn't you initially plan to eliminate these facilities?

Answer. The school system did initially plan to eliminate obsolete facilities which have been or are being replaced by other structures. This continues to be the policy of the Board of Education. The projection of excess seats by GAO appears to include the seats in these facilities.

Question 8A. Are you making reference here to the 26,000 spaces that presently exist in obsolete facilities (cited on D–13)? If not, explain what space these represent and what effect the elimination of these spaces will have on your excess capacity.

Answer. Yes; these are spaces identified in connection with obsolete facilities.

Question 8B. Last fiscal year you testified that you planned to fill the excess seats (30,000) by turning the system around and attracting youngsters who are attending private institutions. In view of this year's statement—eliminating excess spaces—are you abandoning this goal? If not, how many youngsters—under 16 years of age—attend private institutions and what percentage could you hope to attract?

Answer. We are not abandoning our goal in regards to attracting private school pupils back into the public schools. We are maximizing our efforts in numerous ways to bring about a reversal of the decline of enrollments in public schools.

First, we have developed clearly stated goals for the instructional program:

I. To promote academic achievement by providing a viable and comprehensive curriculum, Pre-K through 12 leading to the attainment of knowledge and skills which will enable each student to function as a useful citizen.

II. To ensure the active participation of all components of the D.C. Public Schools in the implementation of this systemwide competency based curriculum.

III. To develop a systematic plan for continuous assessment and evaluation of educational needs and achievement.

Second, we have moved to develop a positive climate for learning in the local schools. It is strongly felt that we must create a working atmosphere in which school employees and citizens join ranks in recognizing, supporting and strengthening the needs and potential of every student we serve.

There are specific movements to develop specialized schools and magnet programs such as:

Six School Complex, School of the Arts, Academic High School (proposed), Math and Science Program (Ballou), Marine Science & Aerospace Program (Randall), Friendship Education Center (Benning), and Westinghouse Plan (Brookland).

Our October 1975 membership figures indicate that 10,014 D.C. residents attend Parochial Schools while 3,993 D.C. residents attend private schools. We would hope to be able to attract between ten and fifteen percent of those students attending private schools each year during the next five years.

Statement. A recent news article in the Washington Star showed a picture of the Oxon Run Elementary and Junior High School and indicated that the facility was ready to open in December, 1975. Also, it states that students from four (4) nearby schools will move into the new schools when it opens in September, 1976.

Question 9a. Approximately how many elementary and junior high school students will attend this school? These students will come from which nearby schools? How far will these students have to walk to attend the Oxon Run School? What effect will the opening of this new facility have on the use of the nearby elementary schools?

Answers. The Friendship Educational Center located at Oxon Run Parkway and Livingston Road will open September, 1976. The following phasing-in schedule will be used to facilitate the orderly entry of students and to provide a reasonable adjustment period for them in this new facility.

PHASE I—1976–77

Levels	*Number of pupils*
Pre-kindergarten	40
Kindergarten	75
Grades 1–6	860
Grades 7 (from Leckie, Patterson, Hendley, and Friendship Schools)	300
Total	[1] 1,275

PHASE II—1977–78

Levels	*Number of pupils*
Pre-kindergarten	40
Kindergarten	75
Grades 1–6	860
Grade 7	300
Grade 8	300
Total	[1] 1,575

PHASE III—1978–79

Levels	*Number of pupils*
Pre-kindergarten	40
Kindergarten	75
Grades 1–6	860
Grade 7	300
Grade 8	300
Grade 9	250
Total	[1] 1,825

[1] These figures will, of course, vary by levels but totals are expected to be fairly accurate.

There is some consideration being given to expanding to grade 10 by 1980.
In phase I, students will come from the following schools:

School	Elementary	Junior High
(From home) pre-school	40	----------
Kindergarten	75	----------
Leckie	226	104
Friendship	503	67
Patterson	97	78
Hendley	34	51
Total	975	300

The farthest distance that any elementary student will have to walk will be approximately seven (7) city blocks.

The farthest distance that any junior high school student will have to walk will be approximately ten (10) city blocks.

Junior high students attending from nearby Bolling Field and Bellevue (Naval Research Laboratory) will be bussed in by the Defense Department.

This new facility will have the following effect on the nearby elementary schools:

Eliminate the demountables at Friendship and Patterson which currently house Friendship students (approximately 225).

Relocate the Friendship students (approximately 345) currently housed in the Patterson Annex to relieve overcrowding and permit Patterson to enroll 100 additional students from Bolling Air Force Base (Projected Enrollment for Patterson—680).

Relieve overcrowding at Leckie and permit them to continue to enroll children from Bellevue (Naval Research Laboratory) (Projected Enrollment—695).

Stabilize enrollment at Hendley at approximately 835.

Make it unnecessary for the younger elementary children to have to cross dangerous throughfare (South Capitol Street).

Question 9b. What are you doing now to protect this facility from vandalism? What is it costing you to let this facility remain idle for ten months?

Answer. The staffing for this facility is requested in the FY 1976 new and improved services budget not covered by the current continuing resolution, but dependent upon final congressional approval of the FY 1976 appropriation. The appropriate staffing for this building is therefore not available regardless of the current availability of the building. We are currently providing a skeleton maintenance staff from current resources. The staff is working with the regional staff and the Logistical Support staff to put into place the furnishing and equipment which are still being delivered. The building is also available to the regional staff for training and for some preliminary work such as the establishment of the school library.

Heating, air conditioning, and other utilities are being maintained at minimum levels, and costs are expected to be minimal. When the building was first accepted, the security system had not yet been installed, and we therefore requested guard service from the Department of General Services. The security system is now installed, and the guard service is no longer required. The total cost has not yet been billed to us by General Services, but we estimate it to be $15,000.

Question 10. Is the city required to provide special educational opportunities to non-English speakers? (Yes, Supreme Court case *Lou* v. *Nichols;* January 1974 pursuant to the Civil Rights Act of 1964). To what extent is the city providing these special educational services to non-English speakers?

Answer 10. The city, as stipulated by both *Lou* v. *Nichols*, and *Mills* v. *the Board of Education* (*Waddy* decree), is required to provide special services to students whose handicapping conditions are not so severe as to require special education services outside of their local neighborhood schools.

At the present time, psychological assessments can be readily obtained for students whose primary language is any of the following: Spanish, French, Portuguese, Chinese, Italian, German and Hebrew. Through the services of the Division of Bilingual Programs special educational program services can be then provided at the student's neighborhood school.

New Bus Storage Yard

Question 11. The FY 1977 Capital Outlay request includes funds for a bus storage yard. Describe the need for this new facility. Where is the yard located? How big is it? What is the city's funding request for this yard? What is the appraised value of this land for tax purposes?

Answer 11. The Public Schools have 243 with 22 additional school busses due to be delivered within 60 days; 46 busses are parked at District owned property located at 2nd and M Streets, S.E. with the 22 new busses to be parked when received. Ninety-three busses plus an additional 20 vehicles are parked at the 2115 5th Street, N.E. location (the site in question). D.C. Schools and the Department of Transportation maintenance facilities for these buses are also housed at this location along with washing, dispatching, central gasoline pump and storage facility.

The property covers 63,102 square feet and contains two buildings. This property has been leased for 5 years at a cost of $61,680 per year. We consider this site necessary to support our transportation of the handicapped students program. There is no other District owned facility designated to suport this mandatory operation; the city funding request is for $534,000 and the appraised value for tax purposes is $350,135.

STATEMENT OF COMER S. COPPIE, DIRECTOR, OFFICE OF BUDGET AND MANAGEMENT SYSTEMS

ACCOMPANIED BY:

BEN W. GILBERT, DIRECTOR, OFFICE OF MUNICIPAL PLANNING

ROBERT H. SIGHOLTZ, GENERAL MANAGER, D.C. ARMORY BOARD

JAMES HILL, DIRECTOR, DEPARTMENT OF ECONOMIC DEVELOPMENT

LORENZO JACOBS, DIRECTOR, HOUSING AND COMMUNITY DEVELOPMENT

ARCHIE MORRIS, ADMINISTRATOR, RENTAL ACCOMMODATIONS OFFICE

JUSTIFICATION

Senator CHILES. The subcommittee will now consider the budget estimate of the various programs and agencies in the housing and economic development category. The largest increase in this category, I understand, is $873.7 thousand requested for the establishment of the new rental accommodations offices.

Do you want to make a functional statement Mr. Coppie. Before you do, we will insert the justification material in the record at this point.

[The justification follows:]

Legislative History

A Reorganization Plan dated April 8, 1975, established the Department of Housing and Community Development. The new department was established to formulate, develop and recommend housing and community development policies, plans, and programs, and to accomplish the promotion, coordination and execution of these together with the administration of laws pertaining to housing and community development.

As a result of the establishment of this new department, all of the departments, agencies and independent offices having housing and community development related functions have been brought under the direction of one administration reporting to the Mayor. In addition to merging the former Office of Housing and Community Development, National Capital Housing Authority and Redevelopment Land Agency, the reorganization also involved the Model Cities Administration and, from the Department of Economic Development, the Bureau of Building, Housing and Zoning and the Board of Condemnation.

On November 23, 1973, the President signed P.L. 93-157, which gave the District of Columbia Government the authority to enact legislation to regulate and stabilize rents. Pursuant to P.L. 93-157, public hearings were held on the rent control issue. On April 23, 1974, upon finding that further "unreasonable increases" in rents were being imposed by landlords, the City Council determined that an emergency existed in the District of Columbia and adopted Resolution 74-8 a "stop-gap" measure which prohibited increases in rents during the months of June and July 1974, thus freezing rents at the level of May 1, 1974. The moratorium on rent increases was to allow time to permit the enactment of a comprehensive rent control retulation by the expiration of the moratorium which was July 31, 1974.

The City Council then enacted Resolution 74-20 (Rent Control Regulation for the District of Columbia). It was the intent of this resolution to protect tenants from excessive rent increases, unjustified reductions of services, harassment and unreasonable eviction; to protect the right oi landlords to a reasonable return on their investments; to encourage stability of ownership and tenancy and

improve landlord/tenant relations; and to foster the maintenance of the existing housing stock through compliance of both landlords and tenants with the District of Columbia Housing Code.

Program Highlights

The majority of the Housing and Community Development activities are funded through Federal Assistance programs, specifically in the areas of maintaining public housing and the community development program. As a result of the reorganization, the new department is still in a period of substantial organizational and procedural change. Most of the Department's activities have continued to date using funds provided under previously approved categorical grant programs and District appropriations. This has been necessary despite the approval of the Community Development Block Grant (C.D.B.G.) program on June 24, since the actual release of funds by HUD did not occur until late October for many of the Department's continuing programs. Funds for several new programs, such as the local Rehabilitation Loan Program cannot be released until enabling legislation has been passed and environmental reviews have been completed. Therefore, the Department is only now beginning to make significant expenditures of C.D.B.G. funds.

The Neighborhood Improvement Program, also funded from community development funds, has been developed to upgrade housing conditions and rejuvenate neighborhoods. The program is designed to concentrate and coordinate a variety of housing and community development "tools" to improve the physical quality of older neighborhoods and to enhance the prospects for homeownership by lower income residents. Once it begins, the NIP will be a multi-year program, an on-going effort that will be expanded to include more neighborhoods. The general timetable for code compliance and completing the necessary rehabilitation in Rehabilitation Action Neighborhoods is three years. There will be an on-going monitoring process to measure the progress of the program. The data derived from this process will be used in determining the extent to which the program can be expanded to include more neighborhoods.

Another facet of the housing and economic development program concerns the role of the D. C. Development Corporation. DCDC is a non-profit private

corporation which has a contractual relationship with the City. DCDC is one of the few private organizations with reinvestment capital to assist minority businesses and to provide new and renovated housing units. DCDC is currently involved in the Urban Homesteading program; the Home Purchase Assistance program and in the construction of numerous new and rehabilitated units. DCDC also has a Minority Enterprise Small Business Investment Corporation (MESBIC) subsidiary (MEDEDCO Investment Co.) which has the right to draw three dollars from the Small Business Administration for every one dollar of initial investment.

Under its present structure, DCDC could not assume the role of a development and finance corporation since it is a private corporation not empowered with bonding authority, eminent domain rights, relocation resources, etc. DCDC may be able to perform specific activities or functions via a sub-contract from a public development and finance corporation. Fort Lincoln and implementation of Section 8 housing are important facets of HCD programs.

The Rental Accommodations Office has two major areas of responsibility: rent ceilings and rent adjustments. The first is administered through an audit process and the second through adjudicatory hearings before hearing examiners. Other major programs are client services, compliance and enforcement, inspections and evictions.

* * *

Several organizations support the City's efforts to develop stable housing stock and a consequent growing revenue base.

The Washington Area Convention and Visitors Bureau has as its primary functions the attraction of a large number of conventions to the area, attracting an ever-increasing number of tourists to the area, and creating favorable publicity about the City.

In Fiscal Year 1976, the Council urged that assistance will be given to minority businessmen, with the objective of increasing their share of tourist income. Under the direction of the D. C. Chamber of Commerce, a special interest market study has been proposed to clearly define special areas of additional

tourism. Of primary interest in this study will be the analysis of the potential of black tourism, a realistic approach to the market area that might be anticipated, and suggestions for a marketing concept for future development of the area identified. At the same time, the study will identify those areas in the District of special interest so that they can be properly marketed to the potential visitor. Data will also be developed on the tourism potential of other special interest groups in the market area, such as the Spanish-speaking community, senior citizens and other clearly defined ethnic markets. The basic goal of this program is to expand the already health tourism market as well as to provide additional income for area businessmen and add to the tax base of the City.

The Armory Board was established to operate and control the National Guard Armory. The primary purpose of the Armory is to provide a facility for National Guard use; the secondary purpose is to provide facilities for other public and private use on a rental basis.

Resource Requirements

During Fiscal Year 1977, the great majority of the program funds and staff positions within the Department of Housing and Community Development will be obtained from Federal program grant funds. The requested Fiscal Year 1977 appropriated budget for the Department totals $4.9 million, involving an authorized appropriated staff level of 252 positions.

In addition to the appropriated budget request, the Department will receive other operating funds from the following sources:

Federal Assistance Grants	$80,995.8
Reimbursements (non-District) ...	13,334.0
Total	$94,329.8

Consolidation of the several housing related agencies into the Department of Housing and Community Development will provide opportunities for increased efficiency in some areas. The Department intends to actively pursue such opportunities. In addition, certain on-going operations are being improved through special management studies. For example, a Housing Inspection Productivity

Improvement Demonstration Project has been initiated to improve the quality, quantity, and efficiency of housing code inspections.

The Fiscal Year 1975 budget for the then Office of Housing and Community Development included three (3) positions and $85,000 for purposes of implementing rent control regulations. During this period and continuing up to the present, the rent control program has drawn upon other District resources in order to provide for the necessary staff to implement the program.

These actions were necessary because the three positions and $85,000 in appropriated funds were not sufficient to implement the rent control regulations.

The Fiscal Year 1976 budget request for the Office of Housing and Community Development incluede an increase of 42 positions and funds to provide for sufficient staff to implement the existing regulations. After the Fiscal Year 1976 budget request was amended, the resource base available in Fiscal Year 1976 provided for 45 positions and $227,200. These funds have been transferred to a separate office of Rental Accommodations.

The District of Columbia has provided to the Convension and Visitors Bureau $200,000 as an annual base contribution in Fiscal Year 1969. In addition to this annual base contribution, the City agreed to request an appropriation for the Bureau based upon support received by the Bureau from the business community. This funding formula resulted in a total District contribution of $252,000 to support the Convention and Visitors Bureau program. This amount represents the District's contribution for fiscal years 1973, 1974, and 1975. The Fiscal Year 1976 budget recommends that $52,000 of the $252,000 contributed to the Washington Convention and Visitors Bureau be transferred to the D. C. Chamber of Commerce for the purpose of developing a program to meet particular minority concerns.

The focus of attention on the Armory Board resource requirements is the operation and financing of R.F.K. Stadium. The central problem is that stadium revenues have not been sufficient to make any principal payments on the outstanding bonds. Stadium revenues have provided only a part of the annual bond interest payments to date. Most of the annual interest expense has been met by the District of Columbia as required by the Stadium Act.

Annual bond interest payments are $831,600; since 1960 the Armory Board has paid $3.6 million in bond interest costs and the District has paid $9.3 million. The original bond issue of $19,800,000 is due on December 1, 1979 and no sinking fund or other refunding mechanism has been established.

The House District Committee held hearings in July 1974 on legislation drafted by the District which provided for joint District and Federal financing of the stadium bond issue. This legislation was supported by the President. There was no subsequent Congressional action on this legislation and similar legislation has not been introduced in the current session of Congress.

The District position on the outstanding bond issue is that the United States has substantial responsibility for establishment of a refunding mechanism. The reasons are as follows: 1) United States guarantee in the Stadium Act; 2) ultimate United States ownership; 3) an opinion of the General Counsel of the U. S. Treasury; 4) an opinion of the Comptroller of the Currency; 5) an opinion of private bond counsel (Hawkins, Delafield and Wood); and 6) an opinion of special Bond Counsel (Sullivan and Cromwell).

	F.Y. 76 Amended Request		F.Y. 77 Request	
	Pos.	Amount	Pos.	Amount
Department of Housing and Community Development	353	5,764.3	252	4,925.0
Washington Convention and Visitors Bureau	...	200.0	...	200.0
D. C. Chamber of Commerce	...	52.0	...	52.0
D. C. Armory Board	...	.....	...	.....
Rental Accommodations Office	...	.....	45	837.7
Total	353	6,016.3	297	6,014.7

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HOUSING AND ECONOMIC DEVELOPMENT

BUDGET SUMMARY

Dollars are in Thousands
Positions are Authorized Positions

	1973 Obligations		1974 Obligations		1975 Obligations		1976 Request		1977 Request	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Department of Housing and Community Development 1/	12	263.6	27	469.0	360	5,344.3	353	5,764.3	252	4,925.0
Rental Accommodations Office	...	.....	...	.....	...	.....	(45)	(227.2) 2/	45	837.7
Washington Convention and Visitors Bureau	...	252.0	...	252.0	...	252.0	...	200.0	...	200.0
D. C. Chamber of Commerce	...	.....	...	.....	...	.....	...	52.0	...	52.0
D. C. Armory Board 3/ (Stadium Bond Interest only)	...	(831.6)	...	(831.6)	...	(831.6)	...	(831.6)	...	(831.6)
Total	12	515.6	27	721.0	360	5,596.3	384	6,016.3	297	6,014.7

1/ Figures for Fiscal Year 1973 and Fiscal Year 1974 represent the former Office of Housing Programs.
2/ Included under Department of Housing and Community Development in F.Y. 1976.
3/ Funds appropriated in budget under

HOUSING AND COMMUNITY DEVELOPMENT

Program Data

Housing and Community Development

Fort Lincoln:

The current status and development timetable for the Fort Lincoln project is as follows:

I. Private Development

December 1, 1973	- Start of construction of first 19 model units
February, 1976	- Start of construction of 100 units - Parcel 1, Lot 1
April, 1976	- Start of construction of 125 units, Parcel 1, Lot 2
Fall, 1976	- Start of construction of 175 units - Section 8 housing (pending timely approval by HUD)
Fall, 1976	- Submission of plans for Development Area #2

II. Public Development

December 1, 1975	- Start of construction for roads to serve Parcel 1 & 2
January, 1976	- Completion of storm sewer in South Dakota Avenue
April, 1976	- Start of Phase I - Public Open Space construction
June, 1976	- Completion of roads to serve Parcels 1 & 2
July, 1976	- Completion of Fort Lincoln Elementary Schools
September, 1976	- Completion of Phase I - Public Open Space

The first homes will be ready for occupancy in the Spring, 1976. Approximately 100 units should be ready for occupancy by Summer, 1976.

Section 8 Housing:

a. Existing Housing -- In response to a request from HUD, the Department submitted an application for leasing 200 units under the existing program on August 4, 1975. HUD is still reviewing the application and further steps to actually lease units awaits HUD approval of funding.

b. New and Rehab -- In response to HUD advertisement 16 preliminary proposals (14 by private sponsors and 2 from DHCD) involving 1326 units were submitted to HUD on September 16, 1975. HUD is now reviewing these applications, and is responsible for final selection of proposals in relation to the 540 units for which funding is available.

Rental Accommodations	(FY 75)	(FY 76)	(FY 77)
Landlord Registration	24,436	30,000	30,000
Audits			
Requested	.....	6,000	15,000
Performed	.....	3,500	9,000
Rent Adjustment			
Landlord Requests	726	500	1,300
Landlord Hearings	192	350	900
Tenant Requests	1,283	750	1,700
Tenant Hearings	256	350	900
Client Services			
Forms Distributed	104,351	80,000	80,000
Controls with Public:			
Telephone (per day)	275	275	275
Visitor (per day)	77	77	77
Compliance and Enforcement Cases:			
In-house	110	3,000	3,500-4,000
Corporation Counsel	65	10	10
Evictions			
Notices to Quit	2,751	60,000	100,000
Orders Issued	376	2,500	5,000
Hearings	52	30	60
Fees (dollars)	.....	370,000	370,000

* * *

Armory Board

	FY 1973 Through FY 1975	FY 1976	FY 1977 Estimate
Stadium Bond Interest Only	$ 8,025,200 1/	$ 831,600 1/	$831,600 1/

1/ Appropriated under debt service allotment.

Housing and Economic Development
Grants Summary

Dollars in Thousands

Agency	FY 1975	FY 1976	FY 1977
Department of Housing and Community Development	$56,811.4	$83,605.4	$80,995.8

Federal Grant funds for the functional area of Housing and Economic Development have been utilized largely for the activities performed by the Department of Housing and Community Development. These activities have centered around the major aims and objectives of HCD such as the formulation, development and recommendations of housing and community development policies, plans and programs, and to accomplish the promotion, coordination and execution of these, together with the administration of laws pertaining to housing and community development.

The majority of Department activities are funded through Federal assistance programs, specifically in the areas of monitoring public housing and the community development program. While Federal funding levels over the past several years have remained fairly constant, anticipated drops in Federal funding levels in future years may have a severe adverse effect on the Department's programs and services.

In the area of community development, for example, we can expect increasing budgetary problems related to two factors:

First, the Community Development Block Grant adopted by the Congress in 1974 provides for a hold-harmless provision within the grant level in the initial years of implementation, followed by a rather sharp drop in funding levels

for the District in subsequent years as the national funding formula provided in the new law is phased in. Under the law, the District will drop from a funding level of $42.7 million in Fiscal Year 1975 to an estimated level of $16.4 million in Fiscal Year 1980.

The other funding pressure expected in Community Development relates to Federal efforts to accelerate the completion and financial closeout of the renewal projects funded under the old categorical grant program. This may result in the need for substantial use of new CDBG funds to pay off substantial outstanding loans related to the Department's inventory of unsold land holdings.

In the Area of public housing, the Department's ability to adequately maintain its public housing stock is critically affected by the availability of special Federal funding assistance. Federal funding and program efforts in this area are constantly changing, and it is difficult to anticipate future changes and their impact. If Federal funding levels drop substantially, alternative funding resources must be found.

FUNCTIONAL STATEMENT

Mr. COPPIE. Mr. Chairman, this is the functional area of housing and economic development. For 1976, we requested $6,014,700 and 297 positions. I would like to submit the functional statement at this point.

[The information follows:]

FUNCTIONAL AREA STATEMENT

The Fiscal Year 1977 budget request for the agencies included in the functional area of Housing and Economic Development is in the amount of $6,014,700 and provides for a total of 297 authorized positions. This compares with a budget of $6,016,300 in the City's amended 1976 request.

This program area includes the following elements: Department of Housing and Community Development, Rental Accommodations Office, Washington Convention and Visitors Bureau, and D.C. Chamber of Commerce.

The Department of Housing and Community Development was created at the beginning of Fiscal Year 1976, consolidating a number of housing and development programs previously located in various parts of the District Government and in independent agencies. The majority of Department activities are funded through Federal assistance programs, specifically in the areas of public housing and the community development programs. A Federal assistance budget of $81.0 will be available for Fiscal Year 1977 compared with an appropriated request of $4.9 million. The appropriated budget provides for top level departmental management positions, and for the ongoing administration of specific regulatory functions including housing code inspection, Board of Condemnation activity, and building a nd zoning regulations. These management and regulatory functions are essential to maintaining basic services required to protect the health, safety and welfare of District residents with regard to housing and building activity in the District. The Department's budget request reflects the elimination of several positions; consistent with the general objectives of the District's overall Fiscal Year 1977 budget request.

The District of Columbia Rental Accommodations Act of 1975 established the Rental Accommodations Commission and the Rental Accommodations Office in November of 1975. The budget request for the Department of Housing and Community Development reflects the transfer out of this office as it is now an independent office in the Executive Office of the Mayor.

The budget request for the Rental Accommodations Office includes an increase of $610,500 above the amount available in 1976. The increase is required to allow for annualization of new positions funded for two months in Fiscal Year 1976, as well as additional operating funds. The increase should strengthen substantially the implementation of the rent control regulations.

The total amount requested in Fiscal Year 1977 for the Washington Convention and Visitor's Bureau and the D.C. Chamber of Commerce is $252,000. Of this amount, $200,000 is allocated to the WCVB as the City's contribution to the WCVB which carries out programs to attract conventions to the City, to encourage tourism, and to disseminate information about the District.

The request for the D.C. Chamber of Commerce is for $52,000. The objective of this program is to develop new tourist information materials, attractions and entrepreneurial ventures that integrate minority interest into the tourist business of Washington.

The budget request for the D.C. Armory Board in Fiscal Year 1977 is for $856,550. This is divided between $831,600 for principal and $24,950 for interest. This request appears in the budget document under Repayment of Loans and Interest.

INTRODUCTION OF ASSOCIATES

Mr. COPPIE. Mr. Chairman, in this component are the major services of housing and community development in the city, and economic development.

Sitting to my right is Mr. Jacobs, Director, Department of Housing and Community Development; the department created in the last calendar year and which is now in operation. Also appearing is Mr.

Gilbert, Director of the City's Office of Municipal Planning, who is prepared to speak on the economic plan for the District of Columbia in conjunction with Mr. Jacobs and Mr. James Hill, the Director of the City's Department of Economic Development. We have Archie Morris, Director of the City's Rental Accommodations Office who will speak to that area.

RENTAL ACCOMMODATIONS OFFICE

Senator CHILES. Going to this rental accommodations office, what currently is being spent on this activity? How many positions are assigned to the function? How much of the $837,000 request is reprogramed funds from the existing base? What is the rationale for establishing a new office for this function?

Mr. MORRIS. I am Archie Morris of the Rental Accommodations Office. The new office established under the Accommodations Act of 1975 was placed under the Executive Office of the Mayor. This office replaces the old Housing Rent Commission. It will perform essentially the same function as the Housing Rent Commission did before 1976. The number of positions allocated for that office, 45 positions, is the same as the number requested the previous year.

Senator CHILES. So this is sort of a reprograming?

Mr. MORRIS. Yes, it is a reprograming of the same activities.

Senator CHILES. What is the purpose for establishing a new office?

Mr. MORRIS. Regulation, 74–20, was revamped by the City Council when it expired the previous year. It was for 1 year. It was then determined by the Council that there was still a necessity for rent controls and they enacted legislation that extended the program for two more years.

RENTAL ACCOMMODATIONS STUDY

Senator CHILES. During the hearings on the 1976 budget, this subcommittee heard testimony that the possible negative effects of the Rental Accommodations Act were being studied, that the alternative of rent subsidies instead of rent control was being explored.

What is the status of that study and what have you learned from that study to date?

Mr. MORRIS. There have been no results from the study with regard to the effect of rent control at this point, the program having been in existence only for 1 year.

There is currently being undertaken a pilot study to determine the characteristics of housing in the city, and to determine what kinds of impacts that housing has in terms of economic development and in terms of the social needs of the citizens.

Initial work on this study has just been completed with regard to outlining its goals and objectives. It is now moving forward to a funded stage and the undertaking includes several agencies of the city.

This office is involved in this study, as are the U.S. Department of Housing and Urban Development, some assistance from the Department of Economic Development, and from the Office of Municipal Planning.

REGISTERED LANDLORDS

Senator CHILES. The Rental Accommodations Act required landlords to register their rental units by February 1, 1976. How many of the city's 48,500 landlords registered by that date?

Mr. MORRIS. At the present time, as of April 5, we have registered 17,345 landlords.

Senator CHILES. What are you going to do about getting the others registered?

Mr. MORRIS. The others will be coming in shortly. Some of them will be late. We are in the process now of determining what landlords are not registered by checking with the printout from the Department of Economic Development on the properties that have been licensed.

We will also do a cross reference for the registrations that were filed for 1975–1976, make a determination as to who has not been re-registered and get out some correspondence to those landlords informing them that they should be registered. If the results at that point don't achieve registration, we will have to take other steps with regard to whatever penalties are provided by the Act.

RENT INCREASES

Senator CHILES. Since November 1, 1975, when the law became effective, how many applications for rent increases have been received and how many are still pending and how many have been granted?

Mr. MORRIS. For rent increases, there have been received, I believe, approximately 171. Of this number, 140 petitions are still pending review and notification.

Senator CHILES. I am going to have to go vote. I will come right back.

[Brief recess.]

Senator CHILES. Mr. Morris, I think you were still finishing the answer to the question.

Mr. MORRIS. The Office has received 171 petitions for additional increase. 140 of these petitions are still pending review and notification to the parties. Nine petitions have been granted an increase. One has been dismissed. One has been withdrawn. Sixteen hearings have been held and four hearings are scheduled. I believe the number scheduled now is up to about 15.

ROLE OF COURTS IN ADMINISTERING LAW

Senator CHILES. According to a newspaper article, Superior Court Judge Moore has issued a rule on rent increases. What role are the courts now playing in administering this law?

Mr. MORRIS. The role of the courts in this law is twofold. One role is with regard to appeals beyond the Commission. These go to the Court of Appeals. The other role is in terms of enforcing the act. If the Commission has to prosecute, the Commission must go to the Superior Court for enforcement of the act.

With regard to the article in the paper, that article is referring to actions taken by a landlord group with regard to Regulation 74–20 which was encompassed in the Transitional Act, 1–35, which had included 1–157. The last is essentially the same as D.C. Law 1–33. The cases that Judge Moore was ruling upon involved some 313

petitions submitted to him as a consequence of an order he issued in November 1975.

We do not think that he will rule on any other petitions that have not at least been before the Commission.

PAYMENT OF RFK STADIUM BOND

Senator CHILES. The justification material on page 7 indicated the original bond issue—this is on financing RFK Stadium—of $19.8 million for RFK Stadium is due on December 1, 1979. No sinking fund or other funding mechanism has been established.

How does the city plan to meet this bond payment?

Mr. COPPIE. By way of background, I think it might be helpful to indicate to you that the 1957 law authorizing the stadium also authorized this to be a revenue bond financed facility. Revenue from the stadium was to be sufficient to meet the operating and annual debt service costs.

Additionally, there would be sufficient income to ultimately retire the $19.8 million capital cost. As it has turned out economically, it has been a losing proposition from the beginning. Approximately $12 million in interest has been paid on the bonds.

The District has had to pay $9 million of that and the balance has been generated by the stadium. No funds have been laid aside for the actual retirement of the $19.8 million that falls due in 1979.

BOND RETIREMENT PROPOSALS

In fiscal year 1973, the city and the administration proposed to the Congress a plan by which the city and the Federal Government would enter into a financial agreement that would result in meeting the annual interest requirements on the bonds and would ultimately lead to a retirement of the $19.8 million in 1979.

The hearings were held on that bill in the House, but no hearings were held in the Senate and the proposal died. There has been no similar agreement that has been entered into by the city and the current administration. Frankly, Mr. Chairman, the situation is in limbo.

The $19.8 million falls due in 1979. It would be my judgment that there would be a refinancing of the $19.8 million in 1979. It would probably fall due without a fund being established and the ultimate responsibility for the retirement, I believe, is the Federal Government because the bonds are guaranteed by the Federal Government and ultimate ownership is to be invested in the Department of Interior.

Right now, we are merely meeting the annual interest on the bonds.

Senator CHILES. There is no other plan right now other than just waiting until the train wreck of 1979.

Mr. COPPIE. I think that is correct, Mr. Chairman. We have identified this as an issue. It has been under discussion in part with the Congress, but particularly with the administration through the U.S. Office of Management and Budget. But in light of the current Federal austerity, the austerity associated with the Federal budget, I think it is going to be difficult to reach an agreement on the kind of partnership that we talked about back in 1973.

PROSPECTS OF A BASEBALL TEAM IN THE DISTRICT

Senator CHILES. Baseball season is here. What kind of progress has the city been making?

Mr. COPPIE. This is Bob Sigholtz, Director of the Board. He is prepared to give a current report on that.

Mr. SIGHOLTZ. You have asked me this before, Mr. Chairman. Last time I expressed extreme optimism. I am a little more optimistic today than the last time.

There is a decision supposedly Commissioner Kuhn is to make today. I have been advised by a representative of the congressional, the Ad Hoc Committee, that the Armory Board should be prepared to negotiate a contract next week, which it is prepared to do. All we have to do is get a potential owner across the table from the Board and agree to some numbers.

Senator CHILES. Do you think you are going to have an opportunity to do that?

Mr. SIGHOLTZ. It looks—what I am told—very promising. The American League Baltimore Orioles owner who has territorial rights to the District of Columbia doesn't want any American League team playing here. This eliminates the probability of an American League franchise in the District of Columbia. The commissioner of baseball has given his promise on many occasions especially to the Congressional Ad Hoc Committee that D.C. will get a franchise and it looks very favorable for a National League team.

Also, the Toronto franchise looks more likely to be a National League team. It would be more profitable there. It has been reported, the people in Canada are willing to pay $2 to $3 million more for a National League team because there would be a national rivalry with the baseball team in Montreal. They believe that this rivalry would be worth a lot more money to the owners and city.

So, I would say that we have a strong possibility within a week or so to hear about D.C. getting a National League baseball team.

Senator CHILES. Let us hope.

Mr. SIGHOLTZ. It would certainly improve our financial picture, also, let us hope.

MANAGEMENT PROBLEMS IN REBUILDING 14TH STREET CORRIDOR

Senator CHILES. A recent GAO report compiled at my request found a number of management problems in the city's efforts to renew the 14th Street corridor. For example, GAO found that records are so poor that the agency did not know how many properties it owned, whether they were occupied or vacant, how many tenants it needed to relocate or status of the relocation progress. Some 14th Street residents did not receive benefits to which they were entitled or did not receive them on time. For example, from the beginning of the program through June 30, 1974, 128 relocation payments were made but it took an average of 11 months to do so.

An additional 390 cases were waiting and half of these were approximately two years.

Two hundred and twenty-three tenants were allowed to live in agency-owned property without being asked to pay rent because the agency had not obtained lease agreements from the tenants. Delinquent rents from tenants totalled about $550,000 as of March 1, 1974.

What steps have been taken to address these management problems?

Mr. JACOBS. Mr. Chairman, many steps have been taken. I would like to point out first that the study that you referred to was conducted between January and December of 1974, some year and a half ago. Even during the progress of that study, the staff of the Redevelopment Land Agency was in close contact with the people who were conducting those studies. Many positive adjustments were made, even during the time that study was in progress.

But there has been issuance of new instructions, and there have been additions to the staff. Recently, we have established a special task force that will be looking into all of the problems that have been previously identified.

I should say that I think that GAO report may have been a little bit misleading. We did have some problems with the records, but I think the main problem was that there was no way to get the information that they were requesting without reference to 45 or more different records. So the issue was really one of availability of the information that was requested.

MANAGEMENT IMPROVEMENTS

We have now, we think, solved that problem to some extent in that we have computerized a property accountability system for 14th Street. Among the information that we can immediately retrieve by computer is a complete identification by address by identification of the occupant, by square, and by lot number of all of the properties that we own in the 14th Street area.

In addition, we can retrieve by computer such things as the acquisition costs of all of the properties, the costs that accumulated for maintaining the property, the state of the rental account, what is delinquent and if so, by how much.

NEW HOUSING CONSTRUCTION IN 14TH STREET AREA

So we have made considerable progress in that area.

Senator CHILES. Urban renewal on 14th Street began in 1970. We completed a $4 million community health facility in 1973. Construction on new housing is still not started. When can we expect construction to start?

Mr. JACOBS. Construction of 478 units of new section 235 housing will begin by mid-summer of this year. The proposal for the construction of 108 units of section 8 housing is presently awaiting a conditional commitment from HUD.

If the conditional commitment is received on a timely basis, these units can be under construction by the end of calendar year 1976.

In addition, at 1401 and 1400 Fairmont Street, NW., we commenced rehabilitation of 218 units in October of last year. The first occupancy of those units will commence, we expect, during July of this year.

All of them will not be completed, but one of the buildings will have two floors completed and we expect occupancy to begin in July.

PLANS TO PROMOTE AND FOSTER COMMERCE IN DISTRICT

Senator CHILES. Moving on now to economic development. During the hearings on the 1976 budget, the subcommittee asked what the city was doing to foster and promote commerce in the District in order to help stabilize and expand the tax base. It was suggested that the economic base of the city is eroding.

For example, a number of food establishments and drug stores in the District decreased from 3,372 in 1966 to 2,784 in 1975; representing a 17 percent decrease over the last 8 years.

The city would seem to urgently need a business retention effort that would focus on retaining in the District those businesses that are already here and a business attraction capability that would be involved in trying to attract new businesses to the District.

The subcommittee will now hear from Mr. Ben Gilbert, Director, Office of Municipal Planning, to discuss the question of an economic development plan for D.C.

Mr. GILBERT. Thank you, Mr. Chairman. I have, as you know, furnished a comprehensive statement of the economic development activity that is ongoing in the city. This was an effort to be responsive to the committee's request.

I would like to, with your permission, briefly highlight that statement.

PREPARED STATEMENT

Senator CHILES. That will be fine and your entire prepared statement will be printed in the record at this point.

[The statement follows:]

ECONOMIC DEVELOPMENT ACTIVITY REPORT

DISTRICT OF COLUMBIA GOVERNMENT

1. SUMMARY AND OVERVIEW

The Senate District Appropriations Subcommittee has requested the District of Columbia Government to provide a report detailing the city's economic development activities. The Committee requested that the report be government-wide in scope and that it be prepared along functional, rather than departmental lines.

The Municipal Planning Office was designated to make the report. In addition to providing a response to the Committee's questions, the document will also serve as a base-line information report to assist in future economic development planning in the District of Columbia. Such planning is now being done as part of the comprehensive planning work being performed by the Municipal Planning Office to meet requirements established by the Home Rule Act.

The Committee asked the following questions:

* What plans and programs does the District have to expand the economic base of the city?

* What programs funded at what levels are targeted on this objective?

* What specific successes have these programs enjoyed?

The report notes that there are encouraging signs of renewed interest in the city on the part of private investors who plan to develop new homes, offices, and

shops which will serve to improve the city's economic base. The report further states that many of the public and private brick and mortar projects discussed in the body of the report are under construction. The report highlights the urgent need to encourage further activities and to pull together a coordinated economic development program.

These projects include:

* Downtown development - public and private,
* Fort Lincoln New Town - public and private,
* Housing development, riot corridors, other locations - private and publicly assisted,
* West End - private development,
* Georgetown Waterfront area - private development,
* Visitor Center.

Projects in the planning stage include:

* Conference and convention center,
* New York Avenue Industrial Corridor,
* Metro Station Impact Opportunity Areas,
* South Capitol Street/Buzzard Point

Several government agencies and private groups are at work on programs and projects related to improving the economic base directed at the following:

* Minority enterprise,
* Neighborhood shopping,
* Job training,
* Restoration of houses and stores,
* Improved bus access to employment areas.

These activities, coupled with growth restraints in the surrounding areas, the development of Metro and the energy crisis make this period a time of opportunity for the District of Columbia with respect to economic development.

A. Economic Development Activities

District of Columbia economic development activities are handled by a number of separate agencies, with the nature of their work in each case depending on the specific programs and missions. Policy directions for economic development, of course, stem from the Mayor and D.C. Council.

Important economic development activity is occurring in connection with the following programs:

* Planning and zoning (Municipal Planning Office)
* Community development block grants (Department of Housing and Community Development)
* Licensing and permit activity (Department of Economic Development)
* Budget formulation, both operating and capital (Office of Budget and Management Systems)
* Tax policy (Department of Finance and Revenue).

Economic development activities are also carried out by other departments and agencies including the Insurance Department, the Manpower Department, and the Public Service Commission. The Zoning Commission and the Board of Zoning Adjustment are called upon to make decisions relevant to economic development in connection with their program activities. The Municipal Planning Office provides staff support to the two zoning bodies.

The chart at the end of this section graphically describes the basic organizational structures providing for economic development activity in both the Executive Branch and the Legislative Branch.

B. Need for A Central Office

It is evident from this review that the City Government's capability in the economic development area would be strengthened by the establishment of a central office with responsibility for the coordination of the city's economic development plans and programs.

Since 1970, the municipal government under Mayor Walter E. Washington has requested authority to create such an entity, but appropriated funds have not been provided. The most recent effort was the inclusion of such a request in the FY 1976 budget. That item was eliminated during the D.C. Council's budget reconciliation process. The action had the effect of removing the request from the pending FY 1977 budget as well. Efforts are now underway to identify grant funds to create that office.

The Executive Branch views such an office as essential to provide needed support and coordination for the city's economic development activities and to provide a readily available response mechanism to deal with special problems as they arise.

It would also be the place where municipal promotional activities would be coordinated, not only within the City Government, but with external agencies including those in the private sector.

It is not conceived as another super-agency, although it could be located in a Department of Commerce should it be determined to pull together all business and

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industry related agencies into such a Department. An alternative location for the proposed office of business and economic development would be in the Executive Office of the Mayor.

Since there are many economic development activities that stem naturally from the program activities of specific departments, it would be counter-productive to consolidate all such activities in a single all-encompassing agency. A case in point is the housing program which provides a principal economic development opportunity area. Yet that activity clearly belongs in the city's new Department of Housing and Community Development, not in an economic development super-agency, or even in a separate Department of Commerce.

What is needed is machinery to enable the District to have a strong and effective economic development program. The goal is to enhance the city's capacity to encourage the development of those things that are best done here. Washington, D.C. is the Nation's Capital; it is the center of a region of three million persons; it is a center for millions of visitors and tourists who want to see their national government in action and to

visit its monuments, galleries, and other places of interest. It is also the place of residence of 722,000 persons and the principal employment center of the region. The city's economic development program must be directed primarily to the enhancement of these roles of the Nation's Capital. Incompatible economic development activities such as heavy industrial production will be avoided.

C. Other Economic Development Tools

In addition to the establishment of an economic development office in the Executive Branch, there are other tools that can be employed to enable the City Government to stimulate desired economic development activities. These tools include:

1. An Overall Economic Development Plan.

   Funds being made available by the U.S. Department of Commerce to the Municipal Planning Office are being used to initiate preparation of this plan which is required to secure Federal support for economic development activities.

2. An Overall Economic Development Plan Committee.

   This is a policy committee to advise the Mayor on the development of the Plan and on the approval of specific projects. This Committee has just been

established by direction of the Mayor and membership invitations have been issued to 24 citizen members representing a broad spectrum of the city.

3. Zoning Revision.

Comprehensive revision of the city's zoning regulations and maps is required to make the zoning process more responsive. In addition, there are a number of procedural improvements that are required to expedite the process. The Municipal Planning Office and the Zoning Commission have begun this activity.

4. Comprehensive Planning.

The lack of a local Comprehensive Plan has tended to give a project orientation to economic development planning. The comprehensive planning work that is now underway by the Municipal Planning Office under the authority of the Home Rule Act will give a broader base to economic development planning.

5. Specific Projects.

Meanwhile, individual programs and projects continue to go forward. In this context, there will be fresh examination of such promising proposals as the one for a conference and convention center at

Mount Vernon Square and the recommendation that the New York Avenue corridor be studied for industrial development.

6. Other Mechanisms.

Renewal mechanisms have been used to plan the rebuilding of the riot corridors and the development of Fort Lincoln, the new town in town. They are being strengthened through the availability of the Community Development Block Grant Program which is now emphasizing housing rehabilitation and neighborhood improvement.

7. City Council Commissions.

Specialized D.C. Council Commissions are at work on such questions as tax revision and the availability of residential mortgages. These efforts are expected to result in recommendations for legislative and administrative actions. A special Economic Development Commission which the earlier appointive Council established did useful work in conceptualizing the need for a strong municipal economic development thrust.

D. Recognition of Problem

There is encouragement in the fact that the importance of a coherent economic development program for the

District of Columbia is more generally recognized today than when the need was first noted by the City Government as much as six years ago. This recognition is due in part to the increased awareness of citizens of the nature of the "urban crisis" confronting this city and other American cities.

The fact that municipal costs continue to outrun municipal resources has focused added attention on the desirability of improving the city's economic base. It is expected that this fact may diminish opposition to development activities among some community groups. However, it must be stressed that economic development activity in the Nation's Capital must be made compatible with the goal of preservation of neighborhoods and historic values, and must be sensitive to environmental concerns as well as to the concerns of those who have not had access to business opportunities.

E. Highlights of Report

Part II of this report describes on-going economic development activities in detail and gives funding levels and results where applicable. Several private enterprise projects are described in view of their importance to the economic base.

Part III of this report discusses the background of the city's efforts to fund an Office of Business and Economic Development

Part IV describes certain new efforts directed at the improvement of the city's economic base

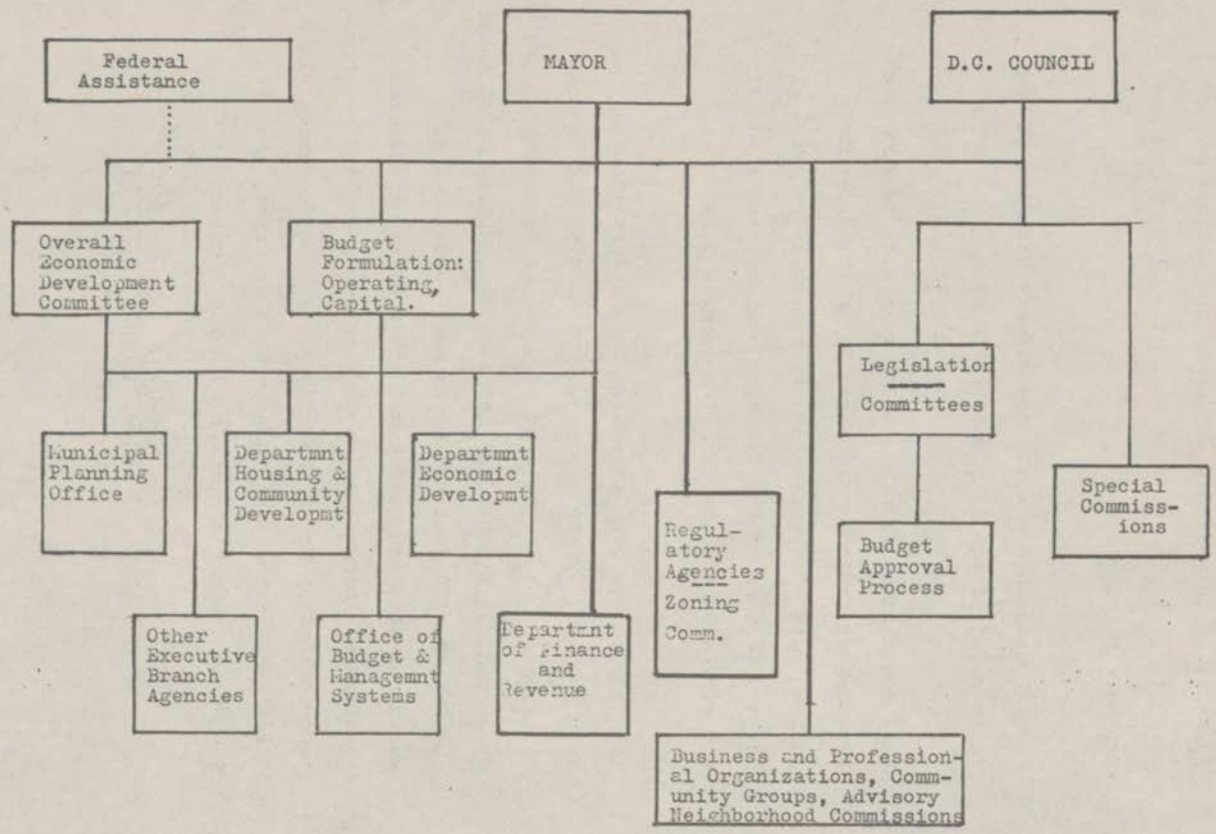
Data and factual information of relevance to economic development programs are attached in the appendices dealing with the economy in the metropolitan area, with certain sectors of the District economy, and a 10-city and city-suburb comparison from census data.

This report has been assembled from information and data provided by the Department of Housing and Community Development, the Department of Economic Development, the Department of Finance and Revenue, the Department of Manpower, the Office of Budget and Management Systems, the Municipal Planning Office and other District agencies. (Additional information on development plans and programs is contained in Metro Impact Reports, the Community Block Grant submissions, the Summary Ward Profiles, the 1985 Projection Report and other planning documents.)

Ben W. Gilbert

BEN W. GILBERT, Director
Municipal Planning Office

DISTRICT OF COLUMBIA GOVERNMENTAL RELATIONSHIPS FOR ECONOMIC DEVELOPMENT



II. EXISTING ECONOMIC DEVELOPMENT PROGRAMS

A. Major Planning and Development Projects Related to Economic Base.

There are several major public and private planning and development activities that will significantly benefit the city's economic base in the years ahead. Projects which are under construction or will be shortly include:

- o Overall downtown development (DHCD, MPO, D.C. DOT);
- o Streets for People (DHCD, NCPC)
- o Fort Lincoln (DHCD, MPO, NCPC);
- o West End (Zoning Commission, MPO);
- o Visitor Center (U.S. DI);
- o University of the District of Columbia (University, NCPC MPO, DGS)
- o Georgetown Waterfront (Zoning Commission, MPO);

1. Overall Downtown Development. Washington's "downtown" is a large and complex area composed of a number of different parts: the original retail and office downtown, north of Pennsylvania Avenue between the Capitol and the White House; the area of new offices and shops to the west centered on Connecticut Avenue; the George Washington University/Foggy Bottom/West End area; the core around the Monument including the Federal Triangle and the Mall and its museums; the southwest employment area; and the Capitol complex. This is the Central Activity Area.

Metro will provide access to the central area, as well as linkage among its parts. Seventeen of the 40 Metro station areas in the city are in the central area. However, Metro will not provide a fully adequate internal circulation system. An additional transportation system in the form of exclusive bus and pedestrianways and improved automobile and truck cir-

culation is being planned by the D.C. Department of Transportation and the Municipal Planning Office.

The size of the central area and the magnitude of activities within it are impressive. First, the central area is geographically one of the largest in the country. It is bounded by the Potomac River on the west, M Street on the north, Second Street, N.E. on the east, and the Southwest Freeway on the south.

Over 320,000 people are employed in this central area. With the exception of New York, this is the largest concentration of central employment of any city in the country. This is the retail center of the city, and the largest single retail complex in the region. The largest retail concentration, including the downtown department stores, is in downtown east of 15th Street. However, there is a growing retail area in the Connecticut Avenue/K Street office. Smaller but significant retail developments are found in Foggy Bottom and in L'Enfant Plaza in southwest.

The central area includes the symbolic seat of the Federal Government -- the Capitol, White House, monuments, and major Federal office buildings. It is the heart of the tourist Washington. Millions of visitors each year are attracted to the area, especially the core around the monument with the museums and monuments.

The central area is also the cultural and entertainment center of the city and the region. The museums of the Smithsonian Institution, comprise the largest such museum complex in the world, and is an increasing attraction for both area residents and for visitors. Smithsonian museums in the core off the Mall include the Renwick, the National Portrait Gallery, and the National Collection of Fine Arts. Private cultural facilities, such as the Corcoran Gallery of Art, are also located in the core area.

Kennedy Center is the major facility for the performing arts in the core. Other sites include Lisner Auditorium, the National Theater, Ford's Theater, and the Folger Library Theater. The Library of Congress, National Archives, Smithsonian Libraries, Martin Luther King Library, and private libraries such as that of the Daughtersof American Revolution (DAR) and the Folger make this an important intellectual and study area. The center also contains numerous restaurants and bars which are centers of evening activity.

Finally, the central area is also the location of several residential developments, especially in Foggy Bottom (Watergate, Columbia Plaza, and other apartments) and along Massachusetts Avenue on the north side of Downtown.

Obtaining the maximum return from this central area in terms of economic impact and activity requires encouragement of a wide variety of activities (office, retail, cultural, entertainment). These activities can complement each other, and improve the city's economic base at its center. The activities going on to stimulate investment in the central area include such public and private actions as the following:

a. Original Downtown area. This area which is between the Capitol and the White House began to decline somewhat in the late 50's and the 60's. Planning for revitalization began in the early 1960's, and considerable progress has been made and the tempo of improvement is accelerating. Within the last year, the following has occurred.

* The first section of Metro, from Rhode Island Avenue Station to Farragut North Station, has opened. The line passes through Downtown under G Street, and four stations are in or immediately adjacent to Downtown.

* The National Visitor Center at Union Station on the edge of Downtown is nearing completion, with opening scheduled for summer of 1976.
* The first stage of the "Streets for People" pedestrianization program is scheduled for completion in the summer of 1976 (a more detailed description follows).
* Two large new Federal office buildings (FBI and Labor) were completed and occupied, adding approximately 12,000 new employees to Downtown.
* A large new private office building, the Bicentennial Building at 6th and D Streets, is nearing completion.
* The Pennsylvania Avenue Plan was approved by Congress, and is ready to move ahead as soon as funding is provided. The Pennsylvania Avenue Plan is especially important because it serves as a bridge between the monumental core and Downtown (see separate description of the Pennsylvania Avenue Plan in a later section).
* Construction has begun on the new D.C. Court Building at Judiciary Square.
* Construction of up to 1,000 units of housing will begin this year on the old "wax museum" site north of Massachusetts Avenue.

In addition, other developments are in the planning stage.

* A private developer, the Gerald Hines Company of Houston, is preparing plans for a one million plus square-foot retail/office/hotel development at Metro Center (12th and G Streets, N.W.).

* Plans are moving forward for the construction of the first phase of the Downtown campus of the University of the District of Columbia on the two blocks immediately north of Mount Vernon Square. Construction of the first section is to begin in 1977.

* Planning work is about to resume on the proposed Conference and Convention Center south of Mount Vernon Square. This center is envisioned as part of a "City Activity Center," including the university campus, the Conference and Convention Center, the existing Martin Luther King Library, the National Portrait Gallery and National Collection of Fine Arts, and existing and future retail, office and hotel development.

b. Monumental Core. The monumental core which includes the Mall, the Federal Triangle, the White House Precinct, and the Federal Rectangle west of the White House. This is the heart of the visitor's Washington. The parks and museums are also a valuable cultural asset to local and area residents. This is the greatest museum complex in the world, and the number of attractions has dramatically expanded. In late 1974, the Hirshhorn Gallery opened, and the first stage of the National Gallery Sculpture Garden, including a skating rink, opened at the same time. The new Air and Space Museum opens this summer, and the new East Building of the National Gallery of Art will open next year.

The Mall itself is being redesigned, with walkways and lanscaping replacing the center roadways. Further west, Constitution Gardens is opening this year on the site of the old Navy "temporary" buildings. The Old Post Office Building will be retained, possibly as the site for a National Arts Center, and the home of the National Endowment for the Arts. The Federal Triangle, of course, remains an important center of Federal employment.

c. Connecticut Avenue Area: The new area of offices and shops west of 15th Street to New Hampshire Avenue is centered on Connecticut Avenue. This is the area of major new office development over the past 15 years, as described elsewhere. Construction of buildings in the area can be expected to continue for several years.

Major developments now under construction include a new office building, with four levels of retail space, over the Metro entrance at Connecticut Avenue and L Street. Another larger complex of offices and shops, International Square, is being built several blocks south at 19th and K Street. When completed, International Square will include about one million square feet of space, and will tie directly to the Farragut West Metro Station at Connecticut Avenue and L Street, N.W.

d. Foggy Bottom/GWU/West End. The western edge of the core area includes Foggy Bottom, which is largely built up with new apartments such as Watergate and Columbia Plaza, and with townhouses which will remain.

The George Washington University has continued to expand. The University's relationship to existing development in and adjacent to the campus area has been an issue. A plan has been adopted for the West End, and approved by the Zoning Commission, which calls for mixed use development, with up to 4,500 housing units. West End development will add new life to central area nightlife. A strip of restaurants and shops will connect the new office area and Georgetown along M Street (This plan is described in detail below).

e. Capitol Hill. The Capitol complex is an important area of employment, as well as being a focus of visitor activity. Additional space is needed for Congressional purposes. The Architect of the Capitol is beginning work on a Master Plan for the future development of the Capitol complex.

f. Southwest. The main employment area of Southwest between the freeway and the Mall has been largely developed. Sites remain for three new large new buildings, which will probably be developed over the next 5-10 years.

Transportation Link. To achieve maximum efficiency and economic impact, it is necessary to link the component parts of the core area together. Metro will help, but will not do the entire job. What is needed, we believe, is a network of mini-buses operating on reserved rights-of-way extending through the central activity area. In fact, the first elements of such a system are appearing in the Mall, Pennsylvania Avenue, and Streets for People projects. A consultant to MPO is analyzing the steps needed to develop an overall system.

2. Streets for People. This is a federally funded program administered by the Department of Housing and Community Development for pedestrian improvements in the heart of Downtown Washington (paving, walkways, lights, fountains, signs, benches and closing streets to auto traffic).

Streets for People involves the following blocks: G Street between Seventh and Ninth Streets, N.W., called "Library Place", and F Street between Seventh and Ninth Streets, N.W., called "Gallery Place". The sidewalks along 10th Street, N.W., from the new FBI Building at E Street past Ford's Theatre and Peterson House to H Street, N.W., are also included.

The program will provide new opportunities for enjoyment, entertainment, association, and activity in downtown; opportunities for everyone -- residents, visitors, employees, and businessmen. It will bring new life into downtown -- life more nearly round-the-clock. It should also make the downtown area more attractive to shoppers, increasing retail sales and improving property values. And, it should help kindle a sense of civic pride and community spirit.

Construction on the above-mentioned blocks will be completed this summer. The construction contract was for $6.3 million.

The second section of the Streets for People program for which construction plans have been prepared includes G Street from Seventh to Ninth Streets, N.W. and Eighth Street from E to F Streets, N.W., and G to H Streets, N.W.

3. Fort Lincoln. Fort Lincoln is the new-town-in-town under development on 347 acres in Northeast. The developer is the Fort Lincoln Development Corporation, a local minority-controlled corporation headed by Theodore R. Hagans, Jr. Originally proposed in 1966 by President Johnson,

the program has been supported as an urban renewal project funded by HUD. Planning was done by the old Redevelopment Land Agency (RLA), now part of the city's Department of Housing and Community Development, with plan approval by the National Capital Planning Commission (NCPC) in accordance with existing statutory requirements.

There will be a broad economic and social mix at Fort Lincoln. At completion, some 14,000 residents will make their home at Fort Lincoln. The plan is to have about 4,600 housing units -- elevator and walk-up apartments and townhouses. The goal for home ownership is 70 percent. Development will go forward in five stages.

The major commercial component of Fort Lincoln will be the Town Center with some 2.4 million square feet. Among the permitted uses in the Town Center are a health services center, a hotel, offices, a library and retail and personal service establishments.

When the project is finished, there will be about 6,000 in place new jobs. The General Services Administration is expected to lease office space in the Town Center.

On the site at this time are 120 housing units for the elderly and an elementary school scheduled to be ready for occupancy this fall. The developer will have 200 housing units ready for occupancy at the end of this year. They are townhouse-style units.

To date, over $11 million has been spent on the project. Another $228 million will be invested in Fort Lincoln over the next 5 to 10 years.

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4. West End. In 1972, the District of Columbia Office of Planning and Management (predecessor of MPO), published a report entitled "A New Town for the West End", which proposed conversion of underutilized land in the West End to high density residential use. Based on this background study, the city undertook an extensive planning analysis for the West End which resulted in the document entitled "A Plan for the West End", published in December 1973 by OPM. The preparation for this plan included a complete survey of existing buildings, residents and employees, an analysis of traffic capacities, economic feasibility, retail services, recreation and other community facilities, as well as consultations with residents and property owners in the area west of New Hampshire Avenue to Rock Creek Park and north of Pennsylvania Avenue to N Street, N.W.

The plan included a draft zoning text for use in the West End, entitled "Proposed New Mixed Use Zoning Districts". This zoning was adopted in 1974 by the D.C. Zoning Commission. The basic philosophy of this zoning is that certain areas of the city (the West End is the prime example) lend themselves to a combination of residential, office, retail and, with review, new light industrial uses. The primary objectives in drafting the "CR" district include:

- Reduction of the office potential of existing commercial zoning to discourage exclusively office precincts that are used only eight hours a day.

- Encouragement of residential use of commercial land by allowing a higher development level for residential than for commercial construction.
- Retention of commercial development rights, both to preserve existing property rights and to allow mixing of residential, office and retail uses in as flexible a fashion as possible.
- Protection of the rights of existing property owners by avoiding non-conforming status for existing building and uses.
- Allowing for new light industry with review to protect residents from environmental hazards.

The new CR district is intended to encourage in-town residential living, working and shopping in key areas of underdeveloped land, easily accessible to good mass transit services. The zone can be a tool to attract people of varying incomes and family sizes back to the city and to encourage existing residents to remain. The zone encourages 24-hour activity to add to city revenues by emphasizing the income and retail sales taxes as well as the property taxes.

It is expected that development of the West End over the next 10-20 years will provide living space for an additional 5,700 people (4,500 dwelling units) and space for up to 12,000 employees (2.5 million square feet of offices, as well as new stores and hotels). The addition to the economic base can be as high as $300 million. Development will begin this year on a new office/retail and apartment complex at 26th Street and Pennsylvania Avenue on the site of an abandoned dairy. This will be the city's first mixed use building under the new zoning. Later this year and next year, work is expected to begin on a new hotel and several offices in the West End.

5. National Visitor Center. The National Visitor Center at the Union Station is scheduled to open on July 4 of this year. The center will be a focal point for tourists and visitor information. The $50 million center was constructed by the U.S. Department of the Interior with Federal funds.

Preparations for the center include: restoration of the west wing of Union Station, construction of a Metro Subway Station, a post office, a foreign money exchange and erection of a visual arts center called the "Discover America Hall." The project also includes construction of several theaters and a 700 seat cafeteria, together with tourist-oriented shops.

This center will attract visitors to the city and will serve to distribute them through the retail area by tour buses and the Metro subway.

6. University of the District of Columbia. The University includes the Washington Technical Institute, Federal City College and D.C. Teachers College.

The permanent campus of the Washington Technical Institute is located in the northeast sector of the old National Bureau of Standards site at Connecticut Avenue and Van Ness Street, N.W. The WTI campus is designed for 8,000 full time equivalent students, providing classrooms, laboratories, offices, auditoriums, and health, administrative and other support facilities. It is scheduled to be built in three phases at a cost of $112.0 million. Phase I, completed in Fall 1975, provides 260,000 gross square feet of space; Phase II, which is about to get underway, will provide an additional 794,675 gross square feet of space. Construction of Phase III, to provide an additional 600,000 gross square feet of space, will be reviewed at the end of the current 6-year improvements program.

The projected tax revenue attributable to WTI and the International Center by 1980 is $2 million. The two developments during the same period will stimuate demand for 333 new dwelling units. WTI faculty, staff and students alone will generate by 1980 approximately $2.4 million in retail sales in the Van Ness community. This, in turn, could generate demands for up to 80,000 square feet of additional neighborhood retail space and 50,000 or more square feet of office space. This space would be occupied by up to 1,300 or more additional job holders. The Technical Institute will serve to raise the skills levels of many District residents enabling them to compete successfully for higher paying jobs, thereby adding to the city's economic base.

The Federal City College, the liberal arts division of the city university is located in the Downtown Urban Renewal Area where it is expected to be a stimulus of center city renewal. The college is also expected to favorably affect the Shaw School Urban Renewal Area, a short distance to the north of the campus. Many elements of the Washington business community look upon the construction of FCC at the Mount Vernon Campus as a sign of the District Government's commitment to renewing downtown.

The new college would meet the academic needs of 6,400 full-time (day time) equivalent students, or 12,500 full-time (day time and evening) equivalent students. The downtown campus facility, when completed, will provide 1.4 million gross square feet of space, an increase from the 1 million gross square feet currently occupied in 15 separate buildings. Some $12.7 million dollars were appropriated in FY 1974 and FY 1975 to acquire and design the campus. The campus, when completed, will cost $146.3 million, of which $60.6 million is scheduled to be spent between FY 1977 and FY 1982 on Phase I development. Another $70.0 million has been deferred until after completion of Phase I.

7. The Georgetown Waterfront. The Georgetown Waterfront occupies a strategic location in the District situated along the Potomac River and along an historic and prestigious neighborhood. Zoning of this area prior to 1974 was industrial and the uses were long considered obsolete. The pre-1974 industrial zoning dated back to a time when the area was a major center of river-oriented commerce and industry. Today, the Georgetown Waterfront, with newly adopted zoning controls (December, 1974), provides the city with an opportunity for innovative and appropriate new development and a corresponding increase in revenues.

The new Waterfront Zone Districts that were applied to the area provided for reductions in the commercial development potential that was possible under the old industrial zoning. The Waterfront Districts were also designed to encourage the desired residential development -- formerly prohibited. This new zoning takes full account of the natural and historic features of the area.

District and Federal plans for the Georgetown Waterfront encourage residential and water-oriented retail uses such as restaurants. There are many historic buildings, including many old warehouses, that can be recycled and used as apartments and offices. The historic Georgetown Market will soon be restored as a food market.

According to calculations prepared by the D.C. Municipal Planning Office, it is estimated that the Geogetown Waterfront, as rezoned, would allow for the following levels of development: up to 2,500 new dwelling units and up to 2 million square feet of new office and retail space.

The city's plan for the Georgetown Waterfront assumes removal of the Whitehurst Freeway. Studies are underway in D.C. DOT with respect to traffic circulation on the waterfront once the elevated structure is removed. A solution to these circulation problems is crucial to the area's future. NCPC has prepared its own study of the waterfront calling for a further rezoning of that area.

Several land owners are studying the feasibility of locating condomium apartments there. The Georgetown Inland Corporation has prepared plans for a phased $80 million office/retail/hotel complex reading from the C&O Canal to the Potomac River. Two new office buildings are now being occupied - the first phase Inland Building at Jefferson Place and the C&O Canal has 200,000 square feet of offices and retail space. The Dodge Center at K Street and Wisconsin Avenue has 250,000 square feet of office and retail space. The old Washington Gas Company warehouse along the C&O Canal is being renovated for offices by a private investor. Proposals have been made to the city to renovate the Georgetown Market as a market and the Georgetown Incinerator as a dinner theater.

Projects which are in the planning stage include:

- New York Avenue Industrial Corridor
- Pennsylvania Avenue Development Plan
- South Capitol Street/Buzzard Point Plan
- Washington Conference and Convention Center
- Parkside development
- Mount Vernon East area

8. New York Avenue Industrial Corridor. The New York Avenue industrial corridor extends approximately three miles from Union Station to Fort Lincoln along the railroad right-of-way. This area is ideal for environmentally protective light industry and services oriented to supporting the local office market. The area contains approximately 40 percent of the city's industrial land and is the single largest industrial district in the city. Its development is a key aspect of the city's economic development program.

The area has declined in industrial establishments and employment since the early 1960's. It has many of the problems associated with older unplanned industrial areas including problems of layout and access. As a result, industrial and heavy commercial firms have left the area, leaving vacant some promising potential development sites and existing buildings.

The New York Avenue industrial corridor study and plan is proposed to be prepared within the next year and one-half, with Federal highway planning funds and U.S. Department of Commerce, Economic Development Administration (EDA) grant funds. The planning efforts is to be a joint MPO-D.C. DOT endeavor. Planning includes evaluation of a proposal to develop a special truck and bus transportation facility in the corridor.

The four principal elements in the study/plan are as follows:

- Industrial Land Use Plan for the New York Avenue Corridor. Potential sites will be identified, environmental and zoning criteria established, and its feasibility examined. The emphasis will be on improving the environment for existing industrial firms, in the area of access, lighting, utilities, signage, landscaping, parking and truck turnaround.
- Transportation planning of a truckway-busway in the New York Avenue Corridor. This special purpose facility is proposed to serve industrial development in the area and to provide inter-city buses direct access to Union Station and Downtown.
- Criteria for suitable types of light industry in the District of Columbia. The nation's Capital city must tailor its industrial development to the special character of the city, the skills and employment needs of its work force, and the particular physical and economic problems and opportunities in the New York Avenue Corridor.
- An Action Plan to successfully carry out the proposed improvements. This will specify the staging of public improvements (utilities, access, buffering), the expected phasing of new development, and expected actions by owners of existing industries and industrial properties to improve the character and image of the area.

When carried out successfully, the project will provide the following benefits:

- Attraction of new light industry with an increased number of blue-collar jobs for city residents. This will bring higher income levels and reduced unemployment levels for city residents.

- A more diversified economy.
- An expanded tax base and an improved environment for doing business.

9. Pennsylvania Avenue. Planning for the revitalization of Pennsylvania Avenue between the Capitol and the White House began in the early 1960's. In 1973, the Congress created the Pennsylvania Avenue Development Corporation to develop a new plan for the Avenue area, and to carry out the plan. The Pennsylvania Avenue program has been supported as it evolved by Presidents Kennedy, Johnson, Nixon and Ford.

Some progress has been made in obtaining new development in the Pennsylvania Avenue area. Three new private office buildings for government lease have been completed. Two major new Federal buildings, the FBI building and the Labor Department building in the center and on the edge of the area,were completed in 1975. Together they provide over 12,000 employees in the area.

The Pennsylvania Avenue Plan was approved by Congress on May 18, 1975, covering an area on the north side of the Avenue. The plan calls for major new development, as described below. A number of historic but still useful buildingswill be retained, including the Willard Hotel which is to be restored. The plan will be staged over a 10 - 15 year time period.

The plan will cost $130 million for various public improvements and public sector activities, and borrowing authority for $250 million for land acquisition. Congressional funding approval of this urban restoration effort is being sought by PADC.

The tax yield to the District from the new development is expected to rise from $4.6 million (1974) to $11.8 million (1974 constant dollars) when the program is completed.

The development program calls for the following:

- Office: A total potential of 4.2 million gross square feet of new office space. Most of the new office space would be west of 10th Street.
- Retail: Up to 950,000 square feet of new retail space.
- Hotel: From 350 to 500 new hotel rooms, including reopening of the Willard Hotel. There may be potential for even more hotel rooms in the later stages of the program.
- Housing: Approximately 1,500 units of new housing will be provided east of Ninth Street including a subsidized component.
- Cultural: Space is proposed to be provided for various cultural activities such as theaters and additional storage and exhibit space for the National Archives.

This new development will add up to 15,000 new employees in the area, and some 2,700 residents.

10. South Capitol Street/Buzzard Point. South Capitol Street/Buzzard Point, an area of approximately 170 acres, is presently underdeveloped with a random mixture of row dwellings, open storage yards, and poorly maintained vacant lots. The area is prime for redevelopment because it is adjacent to the Central Activity Area. It includes prime waterfront land and it is within the shadow of the Capitol and its office buildings. Realization of these development opportunities would mean a substantial increase in the real estate tax revenues, sales tax, and other revenue sources.

To facilitate redevelopment, a document titled "A Plan for South Capitol Street/Buzzard Point Area: Alternative Strategies" was prepared jointly by NCPC and the city's planning office. This planning report evaluated three alternative land use and zoning schemes.

A special task force on the plan is chaired by the Housing Department with participation by MPO. The task force is focusing on a proposal made by the Dravo Corporation of Pittsburgh. The Dravo Corporation, which presently owns six acres in the plan area, has proposed a government/developer team approach to redevelop 41 acres in the southeastern section of the plan area. The Dravo proposal includes construction of 3,000 to 4,000 dwelling units with a resulting population of 7,000 to 10,000 persons; the redevelopment of the Anacostia Riverfront for public recreational, residential, and commercial development; and the development of a suitable gateway and approach corridor to Capitol Hill.

The contemplated governmental role would require: the use of public condemnation powers to facilitate the acquisition and assembly of property; the initiation of various public improvements to provide improved access and egress, street closings, park dedications, landscaping, and street improvements; and the development of a detailed plan for the site area and supervision of its execution by the developer.

The 46 acres which have been proposed for redevelopment presently generate approximately $200,000 in real estate taxes. If the area were to be redeveloped as contemplated, land would be valued at approximately $50 million and the improvements would be valued at approximately $250 million. This would generate approximately $5 1/2 million a year in real estate tax revenues, a considerable increase over the $200,000 a year that is presently generated.

A detailed study is presently underway to fully assess all the revenues and costs that can be expected. It is expected that a final plan and program for this area will be ready this year.

11. Conference and Convention Center. Construction of the Conference and Convention Center is a key element of the District's economic development program. Convention and business visitors account for about 45 percent of visitors, but over 70 percent of visitor expenditures. The center would provide facilities for national conferences and conventions as well as local gatherings and exhibits requiring extensive space.

Congress in the Fall of 1972 authorized the city to build a convention center. Work was done by the Department of General Services on plans for an Eisenhower Bicentennial Civic Center, up to the stage of preliminary plans. Area planning work was done by the planning office. A civic and business committee funded by local banks provided coordination and design services. The project stalled two years ago when Congressional approval was not obtained for the financing arrangement. Questions and opposition by some members of the D.C. Council and the community figured in this decision to defer the project.

The District Government continues to believe that a convention and conference center serving both local and national needs is important. It will be necessary to review the program and the design of the center and the financing program to make sure that there is a full program of public discussion on the program, design, and financing issues.

The District Government is preparing to submit an application to the Economic Development Administration for funding of a study to look at the program for the convention center, and its impact on the development of the downtown area. The preferred site continues to be the 4-block area south

of Mount Vernon Square (bordered by 8th, 10th and H Streets, and New York Avenue, N.W. The application is being prepared by the Municipal Planning Office.

A study prepared in 1973 in connection with previous planning for the center indicated major economic benefits.* That study indicated a net revenue increase of $5.7 million to the city. In full operation, it was estimated that 342,000 delegates would use the facilities. The study indicated that the center would generate a demand for 3,500 new hotel rooms. The total delegate spending would be $83.7 million.

The conference and convention center is seen as a key element of the downtown and center city development program. Elements of that program are moving ahead. The north side of downtown, around Mount Vernon Square, remains a key opportunity area but its future will be unresolved until the convention center matter is decided. Construction of a convention center will stimulate development of adjacent squares.

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*Market, Financial and Economic Impact Analysis of the Proposed Eisenhower Convention Center, prepared by Economic Research Associates for Welton Becket and Associates, October, 1973.

The application being prepared for submission to EDA calls for technical studies which involve the following:

- o Economic Impact: Assembling, updating, and analyzing economic base information on downtown, and identifying the impact of the conference center. The costs and benefits of the center will be analyzed, with special emphasis on the tax base.
- o Center Program: Studying the program for the center, and outlining means of financing it. The program for the center will be addressed -- how big, what kind of space, what type of conferences and conventions to be attracted. The size of the main exhibit and assembly space is the key element in determining the cost of the center. It will also be important to consider the center as part of a development package with adjacent private properties. Planning for total development of the center and adjacent sites must be considered together.
- o Design Concept: Having the design consultant work with the economic and program consultants to assess the effect of program decisions on building design. Schematic designs would be developed.

The result of this study process will be a package of financing, program, and design information on the center and surrounding area which allow the Mayor and Council to reach a decision on the approach for development of the Washington Conference and Convention Center.

12. Parkside. The Department of Housing and Community Development is now in the process of inviting bids to develop this 23-acre tract in northeast. The tract is bounded by Hayes Street, Kenilworth Avenue, Foote Street and Anacostia Avenue.

There will be residential and commercial development. A feasibility study done by a private concern estimated that redevelopment, along the lines proposed in the prospectus, will have a market value of $23 million.

Development on the tract will consist of at least 300 housing units. The emphasis is on homeownership. In addition, there will be a neighborhood shopping facility, including a replacement for the medical clinic presently located on the site with retention of all of the services now offered.

13. Mount Vernon East

In 1972 the Zoning Commission approved, upon recommendations from the National Capital Planning Commission, the Redevelopment Land Agency and the city planning staff, a zoning map change in the Mount Vernon East area bounded by M Street, Third Street, Massachusetts Avenue, H Street and 7th Street, N.W. The map change had the effect of prohibiting many types of office and business structures in this area and designating it primarily for residences and small shops. The area had been zoned primarily for medium high-density commercial use since 1958. But in fact, it contained low bulk residential and commercial structures, many of which were in need of substantial renovation or repair; some were vacant and boarded up.

The Zoning Commission reviewed the extent of development that had actually occurred in the Mount Vernon East area and concluded that there was an excessive amount of commercially zoned land in the downtown area (particularly in its eastern half where underutilization of the permissible zoning envelope is especially pronounced).

The Commission concluded that it would be in the interest of the economic well-being of the city to contract the area zoned for medium high-density office and commercial use in order to encourage maximum use of the available zoning envelope within the high density commercial zones located to the south and west of the Mount Vernon East area and at the same time encourage residential development in the Mount Vernon East area to provide a living environment at the northeastern edge of the central activity area.

The map change in the Mount Vernon East area has brought about results as anticipated. A residential development consisting of one thousand dwelling units on Square 515 (former Wax Museum site) is being undertaken by the Bush Corporation of West Virginia and construction is expected to start within a year. This residential development will include 850 market-rate apartments and 150 dwelling units available at subsidized rates for lower income families. An approval for the subsidized units is expected from the Department of Housing and Urban Development very shortly.

The Department of Housing and Community Development and the Municipal Planning Office remain convinced that residential development in the vicinity of downtown is extremely desirable.

The encouragement of a high density residential development such as the Bush Corporation development would help to revitalize the central area of the city.

Additional private development projects that will affect the city's economic base include:

University Park: The proposed University Park development is located on a 35 acre tract at Porto Rico Avenue, 6th and Buchanan Streets, N.E. This vacant and generally level tract was formerly part of the Catholic Sisters College property. In 1974 Stanley Martin Communities, Inc. sought and received approval from the Board of Zoning Adjustment to construct 324 clustered townhouses, 324 highrise apartments and a community recreation center on the site. The owners have also considered building 310 semi-detached dwellings on the site as an alternative. The project is to be largely for middle income homeownership. It is within the service area of the Brookland Metro station which will open in 1977.

Henderson Castle: The six acre Henderson Castle Tract at 16th Street and Florida Avenue west of Malcolm X Park will be developed as an enclosed condominium community of 213 vertical duplex houses to be known as Beekman Place. The developer, Lawrence Brandt, incorporates into the site plan existing assets of the property including its steep grades and red sandstone wall. The slope and wall face to provide separate ground level entrances for units and to provide security, a prestigious environment and a sense of seclusion for the community within. Proposed prices for the units; 1 bedroom $45,000; 2 bedrooms $60,000 and 3 bedroom $85,000. The stacked townhouse can make the row house structure and ambience profitable on high cost urban land.

B. Housing and Community Development Programs. This program and the former city urban renewal program will add significantly to the city's economic base. The city has received from the U.S. Department of Housing and Community Development $42.7 million under the first year Community Development Action Program.

The Department of Housing and Community Development is making progress with the subsidized housing program, which adds properties to the tax rolls, and in so doing, strengths the tax base. By the end of the summer, the Department expects construction will have begun on almost 1,000 new units. See listing below.

New

- 478 units in two projects under Federal section 236 for low and moderate income families, at 14th and Columbia Road, N.W. and 16th and Meridian Place, N.W.
- 177 units for the elderly at Fort Lincoln.
- Up to 200 units for moderate and middle-income families at Fort Lincoln, of which 57 are under construction now.
- 92 units at 16th and F streets, N.E. for moderate and low-income families.

Rehabilitation

- 35 houses in the vicinity of Ninth and T Streets, N.W. scheduled to begin within about a month and to be completed by October, for moderate income families.
- French Westminster area projects--21 units completed for large low-income families for public housing rental; nine more by June; 20 more units for moderate income families by December.

- 88 vacant units on Bates Street, N.W., out of 149 units for the total project, which should be started by this summer and completed by next February. Of these, 38 will be subsidized for low-income families and the rest will be for low-moderate-income residents.
- 14 properties in the Logan Circle area for which prospectuses will be issued in the next few months.
- Four units at 1830-36 Ninth Street, N.W. to be started in June through Project Build, for conventional sales.
- 218 units at 1400 and 1401 Fairmont Street, N.W., of which 20 should be completed by June and the rest by January, 1977, for rent supplements for low-income families.
- 35 units for low-income families to be rented as public housing scattered throughout the 14th Street area, to begin in June and to be completed by next February.
- 16 to 20 units in eight buildings in the 14th Street area which will begin in July and be completed by January, and will be sold conventionally.
- 14 units in the Spring Road area, seven of which will begin in June and will be sold for homesteading or moderate income housing.
- 40 units in the southern portion of the 14th Street area to be developed in 20 buildings beginning in July, for completion by February.
- Six units in the H Street area to begin in June and to be completed for conventional sales by December.
- 116 units in four properties in the vicinity of First and New York Avenue, N.W. to begin in July and to be completed by July, 1977.

° 79 townhouses in the E Street-Emerald Street area, with 14 completed 14 more to be completed this month, 12 more to be completed by June, 12 more to begin next month and all to be completed by December. Of these 19 will be sold back to the City for public housing, and the rest sold conventionally at FHA appraised prices, averaging $45,000.

Private developers have completed or have under construction some 169 units. Another 269 are in planning stages under Project Home, for which the city provided assistance with planning and government approval for developers. Most of these units are for single family occupancy.

Among such key projects are:

° Three projects in one area east of the Anacostia River. These include 25 new and rehabilitated units in the Granada project where the model homes are already open;some 145 units at Highpoint Barnaby, including 50 under construction; and 22 units under construction, by the D.C. Development Corporation. All are in the vicinity of Bellevue Street,S.E. This is the largest group of housing to be built in Anacostia in recent years.

° The District's first modular housing units, constructed by Horning-Banks Associates on 17th Street, S.E. Some 10 units are included in this development, and all are completed or underway.

Besides these housing projects there are urban renewal projects with a combination of residential and commercial development which the city has had underway for some time. Urban renewal projects include:

- Southwest Project. Over the years some $487 million has been spent there. Another $131.9 million is targeted for the area. There are currently 75,000 to 80,000 persons employed in the southwest employment area. Upon completion of development, there will be approximately 93,000 persons employed there. There has been a rapid rise in real estate tax revenues from the southwest project: $3.6 million in 1970 to $5.6 million in 1974.
- Northeast #1. Up to $98 million has been spent in this area with another $36 million earmarked for the project. Current employment in the area is 2,600. When the project is completed, an additional 10,600 in-place jobs will result. The tax revenue from this project increased from $300,000 in 1970 to $600,000 in 1974.
- Columbia Plaza. This privately financed project costing $47 million is completed. The real estate tax revenues realized from this project increased from $430,000 in 1970 to $650,000 in 1974.

In addition to the above, the Department of Housing and Community Development has underway the following developments which will add to the economic base:

- Marketing of the Downtown urban renewal sites at Metro center (described in detail elsewhere),
- Marketing of the O Street Market area in the Shaw Urban Renewal Area (7th and O Streets, N.W.) for a new supermarket, bank, drugstore and other shops,
- Marketing of commercial land in the 14th Street Urban Renewal Area for up to 200,000 square feet of retail and office space.

- Marketing of commercial land in the H Street, N.E. Urban Renewal Area (8th and H Street, N.E.) for shops and offices.

The Department of Economic Development has several economic development projects underway. Among them are:

- Revitalization of the Minnesota Avenue/Benning Road Area. The Department of Economic Development expects funding to engage a firm to do a detailed feasibility study and to undertake a work program for the restoration of a neighborhood shopping center in the Far Northeast portion of the city. Funding is to come from the city's Department of Housing and Community Development and the U.S. Department of Commerce. Among the goals for this project are a growth in sales of 25 percent resulting from the expansion of existing businesses and the creation of new businesses;, establishment of six to ten new businesses; creation of 50 to 75 new jobs from this expanded business activity; and generation of new private investment of $2 to $3 million.
- Lansburgh Building. The effort here is to work out a plan whereby the vacant building on Seventh Street, Northwest vacated by Lansburgh Department Store, will be used as a relocation point for displaced business under the Pennsylvania Avenue Plan and also as a center for minority business development. Important spade work on this project has been done by the Urban Business Education Association.
- Food Stores. This is an extended effort to keep major food chains in the city, particularly in depressed areas of the city.

The Department of General Services, with the assistance of MPO and OBFM, is preparing plans to dispose of several surplus city properties to private redevelopment. In addition the Department is negotiating for the

lease of the following properties for tax generating uses.

1. Restoration and lease of the Georgetown Market
2. Restoration and lease of the Eastern Market
3. Restoration and lease of the Georgetown Incinerator as a dinner theatre.
4 Sale of homes (for owner occupancy) formerly acquired for freeway purposes in the Brookland area of Upper Northeast.

C. Impact of a Combined Metrorail and Metrobus System on the District's Economic Base. Probably no physical improvement will have a greater impact on the city's economic base in the future than the rapid rail and feeder bus mass transit system now under construction and partial operation by the Washington Metropolitan Area Transit Authority (WMATA).

This system will provide a fast and convenient linkage among the city's parts and with the population and employment centers outside of the city. Approximately 100 miles of rail rapid transit are planned which will be augmented by hundreds of miles of bus service feeding passengers to the rail stations.

Financing problems due to escalating costs have become an issue in the region, although available federal highway fund entitlements will be used to close the funding gap. A portion of these funds will be reserved for specialized road improvements in the District.

To support the Metro system, the District is undertaking transportation improvements intended to improve traffic circulation for surface mass transit. The Shirley Highway express bus lane will be extended into the city up 14th Street, so that workers in the Shirley corridor can get to work faster. An express bus lane is under construction in I-295 and in South Capitol Street to speed commuter arrivals from Far Southeast Washington and Prince George's County. Several other express bus lanes are under study.

A system of downtown "midi-buses" is under operation to link the shopping and employment areas of the retail core, Southwest and Dupont Circle.

To expand on the theme of fast surface bus linkages, the U.S. Department of Transportation is funding a District consultant study of a system of exclusive bus and pedestrian streets within the central city. This $100,000 study will also focus on improved auto movement and access for delivery trucks serving local businesses.

To help evaluate the impact of the rapid rail system on the city, including its economic base,, the U.S. Department of Transportation has been funding for the past four years (at the level of $400,000)a study by the Planning Office called "Metro Impact". A 10 volume draft study on each of the 40 Metro rail station areas (containing the 43 rail stations) was completed in December 1974. A second phase of the study is now underway.

The Metro Impact study concludes that the rapid rail and feeder bus system will indeed be supportive of an improved economic base for the city.

Of the 40 station areas in the city, some are looked to as centers for major developments. Others can expect growth at lesser levels, while some in stable residential areas will remain essentially as they are today.

The Metro Impact Study finds that the rapid rail station areas with the greatest potential for growth are those within the core of the east downtown--Metro Center at 12th and G Streets and Gallery Place at 7th and 6th Streets. In fact, the city-owned urban renewal sites at those key stations are now available for private development. Woodward and Lothrop department store has already constructed an underground connection between its store and the Metro Center station. The Gallery Place Station can be tied into the proposed convention center. The Federal Triangle Station at 12th Street and Pennsylvania and the Archives Station at 7th and Pennsylvania Avenue will serve the Pennsylvania Avenue development area for which plans are complete.

In the western portion of downtown, the rapid rail station will also serve to enhance development opportunities. The Municipal Planning Office is preparing a plan for the McPherson Square-Franklin Park Station between 13th and 15th Streets, I and K Streets, N.W. WMATA-owned sites in this area will be used as catalysts for development. The Farragut West Station will be tied into the 1 million square foot International Square Development between 18th, 19th I, and K Streets, N.W. At the Farragut North Station at Connecticut Avenue and L Street, a WMATA-owned site was recently sold for private air-rights development in offices and a retail complex to be tied with the station below the street.

The Foggy Bottom Station at 23rd and I Streets, N.W. will serve the George Washington University area and the West End. On the northern fringe of the downtown, the Dupont Circle Station is a planning area which is receiving attention from citizen groups and the Municipal Planning Office. The area appears to support a strategy of townhouse preservation and in-fill new development.

In the east and north downtown, the Federal City College Station escalators will come up within the center of the downtown campus of the new city university. The Union Station rail station ties into the National Visitor Center where trains and, eventually, interstate buses and helicopters will arrive. A new H Street viaduct now under construction by the District will improve access to this transportation center. The Judiciary Square station will serve the new D.C. Courthouse and its major offices.

In the Southwest, the rapid rail system will serve to enhance development undertaken in the 1960's -- L'Enfant Plaza, Federal Center, S.W. Waterside Mall, (Waterfront station). In near Southeast, the subway will serve the Capitol Complex and the Navy Yard, where plans are underway for a new Federal office center.

Outside of the Downtown and the overall central employment area, the Metro Impact studies suggest that the rapid rail system can serve to stimulate development long planned to serve disadvantaged central city neighborhoods. The Shaw, U Street, and Columbia Heights stationsfall into this category.

In the "outer city", the rail system can be a major catalyst for new shopping facilities, offices, and apartments at the Minnesota Avenue Station in Far Northeast, at the Rhode Island Station in the Upper Northeast where a detailed plan has been prepared covering a 40 acre city-owned site, and at the Anacostia station in Far Southeast.

The subway is already serving as a catalyst for development at the key stations on the Rockville line in Far Northwest--Friendship Heights where a major department store (Neiman-Marcus) with 50 specialty shops is now under new construction, and at Van Ness where the Washington Technical

Institute Campus is under construction and a State Department chancery complex is projected.

With respect to other station areas where moderate density in-fill development is being studied, MPO has planning underway at Tenley Circle in Far Northwest, Takoma and Fort Totten in Upper Northeast, and Potomac Avenue in near Southeast.

The goal of preservation and low-scaled development is being reviewed in connection with the Cleveland Park and Zoo stations in Far Northwest, Georgia Avenue in North Central, Brookland in Upper Northeast and the Alabama Avenue and Benning Road Stations in the area east of the Anacostia River.

The subway lines still under planning studies -- Greenbelt and Branch Avenue -- involve some reexamination to determine the route and station locations which can best serve the communities involved. Changes in the Branch Avenue line in Far Southeast are being studied to serve the Congress Heights and lower Anacostia areas where the subway can act as a catalyst for new shopping facilities.

D. Zoning and the Economic Base. The following major provisions, reports and amendments have been accomplished under the city's zoning revision program:

* The Zoning Commission adopted interim zoning policies to encourage coordinated attractive development at transit stops. The Commission decided to give priority to Planned Unit Developments in the vicinity of transit stops.

- Amendments in the Zoning Regulations were adopted upon the recommendations of the staff that the development in the areas zoned R-5-A for garden-type apartments be approved prior to construction to protect the neighborhood from adverse effects. Areas in the southeast section of the city were adversely affected by speculative building. Home ownership and attractive living environment is encouraged by this amendment.
- Special zones (W-1, W-2, W-3) were included in the Zoning Regulations to encourage housing and commercial development in the waterfront areas of the District of Columbia. These zones provide for an increased use of the water-oriented recreation facilities also.
- A new zoning district category (CR) was included in the Zoning Regulations to allow mixed use development which would encourage residential and commercial land use in close proximity to each other to promote a total living environment in special areas of the city. The West End was the first such area selected. The areas where the CR zone is applicable are presently underdeveloped. The intent in zoning these areas as CR is to encourage development to increase tax base and also to increase the housing stock.
- The sectional development plan provisions in the Zoning Regulations have been amended to provide a mechanism through which the community organizations and citizens can participate in establishing development objectives for selected areas.

This mechanism is being tried first in the Friendship Heights area to regulate land development there. A large shopping complex is being developed there under the plan.

* The planned unit development provisions of the Zoning Regulations provide special development bonuses for planned projects. These provisions have been used by several developers. The Zoning Commission is considering streamlining the PUD process to encourage its use. The following is a summary list of projects accomplished under the PUD provisions, demonstrating the quality of development that can be achieved:

- Capitol View Plaza (multi-family housing and shops)
- Watergate (apartments, shops and offices)
- Columbia Plaza (apartments, shops and offices)
- Psychiatric Institute at MacArthur Boulevard
- Edgewood Terrace in the vicinity of Rhode Island and 4th Streets, N.E. (housing)
- Children's Hospital
- Foxhall Apartments at 4200 Massachusetts Avenue (apartments, offices and shops)
- Chatsworth (townhouses)
- Dupont Joint Venture office building at 19th Street and Dupont Circle
- 2101 L Street office building.

* The trend is shifting from strip commercial zoning (along the more traveled streets) toward the development of commercial nodes at appropriate places such as Metro stops. In order to facilitate this trend, a number of steps were taken:

- Strip commercial zones in the city were studied and recommendations were made to utilize land more efficiently.

- Provisions were made in the preamble of the C-3 zone so that good shopping facilities could be located in town centers such as Fort Lincoln.
- Amendments were made in the regulations to provide a C-2-B category so that buildings with offices and retail on the first two floors and residential above could be built. Also, this zoning category permits increased intensity of development at appropriate places such as Metro stops.

* A special study, "Development Economics" was carried out to determine the appropriateness of the Zoning Regulations in relation to the economics of development. The results of this study were used in other zoning revision suggestions and recommendations.
* A special study, "Downtown Zoning Considerations", was carried out to develop proposals for a more viable and attractive downtown with provisions that would encourage residential development also, so that a 24-hour living environment can be created.

E. Activities of Private Groups.

1. District of Columbia Development Corporation. One of the more active non-government organizations in the city that is attempting to make progress in the economic development field is the District of Columbia Development Corporation(DCDC).

DCDC is a non-profit, non-stock operation organized primarily to stimulate housing and economic development within the economically depressed areas of the District of Columbia and to lend its assistance to individuals who are socially and economically disadvantaged. DCDC was incorporated in 1974.

DCDC, through its Economic Development Division, has funded business ventures. DCDC since 1974 has provided direct financial assistance to 17 different businesses and ventures.

Among those are:

- o Dennis Enterprises, Inc. Owners of the Cardoza Supermarket, a full service food facility at 14th and U Streets, N.W.
- o Capital City Productions, Inc. A musical production and promotions venture.
- o Fort Lincoln. Stockholders in the Fort Lincoln New Town Corporation, the development entity building the new-town-in town in northeast Washington.
- o Travelway, Inc. A minority-owned travel agency.

DCDC's focus is shifting from the support of individual projects toward efforts to revitalize whole sectors of the city. An example of this approach is the corporation's effort to package a deal to revitalize a shopping center on Wheeler Road in southeast. This neighborhood center was a viable venture before it was gutted during the disturbances in 1968.

DCDC also would like to induce businesses to locate in the District. The staff has made trips and set up meetings to interest businesses, particularly labor-intensive ones, in the District.

DCDC also is very much involved in housing. DCDC is doing work in the model neighborhoods -- Shaw and Trinidad. One of DCDC's most recent projects is Bellevue Crest in Southeast. This project will consist of 22 3-bedroom townhouses. Co-developer of these units is Marjorie Lawson, a local attorney and housing consultant.

The city supports DCDC financially. The Corporation received $1.5 million for September, 1974 to June, 1975 from the old D.C. Model Cities

Program, now a component of the Department of Housing and Community Development.

From the Department of Housing and Community Development, DCDC received $258,000 to operate from September to December, 1975. In addition, the Department anticipates making another $1.9 million available to DCDC to cover the period of January to June, 1976.

2. D.C. Chamber of Commerce/Bicentennial Programs. This project is a joint venture of the D.C. Chamber of Commerce and the D.C. Office of Bicentennial Programs initiated in 1976 to revitalize already-established commercial strips. An ancillary objective is to put people to work. The D.C. Chamber is an organization of black businessmen interested in the development in the city.

The project is funded through a U.S. Department of Commerce Economic Development Administration public works grant of $428,000 which provides for treatment of public space areas. Three locations have been selected: (1) the Adams-Morgan area at 18th Street and Columbia Road, N.W.; (2) Anacostia in the vicinity of Martin Luther King and Alabama Avenues, S.E.; and (3) Georgia Avenue, N.W. near Howard University. The work to be carried out in these areas will include street and sidewalk repair, tree planting, general spruce-up/clean-up activities and installation of street furniture and park refurnishing.

As a paralled effort, the D.C. Chamber of Commerce is working directly with the merchants of these areas by:

- developing loan packages;
- conducting seminars in management techniques and bookkeeping;

- Conducting classes on taxes;
- Developing procedures for government contracts;
- Helping to set up cooperatives; and
- Assisting with merchandising and displays.

The Distirct has $52,000 in its FY 76 budget for a Visitors and Information Center to be run by the Chamber.

3. The Greater Washington Business Resource Center. The Greater Washington Business Resource Center is composed of a business resource center, a building construction center and a business development center. From a $905,494 grant from the Office of Minority Business Enterprises, the following economic development activities are provided:

- Loan assistance in loan procurement from public and private sources.
- Technical and management assistance in the operation and administration of business.
- Construction opportunities to contractors and sub-contractors in the building industry.
- Recruitment of business resources to locate within the city which will assist minority enterprises and the business community.
- Outreach programs which are designed to make the community aware of business and training opportunities which include the Spanish-speaking community.

4. Downtown Progress. Downtown Progress is a business-supported group which also receives funds for special services from the Department of Housing and Community Development. The organization sponsors activities to increase the viability of the east downtown area including:

- Support for Pennsylvania Avenue Development,
- Support for the Streets for People pedestrianization program,
- Regulation of street vending,
- Support for a convention center,
- Plans for the "Downtowner" midi-bus service,
- Stimulation of investment in downtown,
- Support for a parking authority,
- Consultation with city planning and zoning officials
- Support for Bicentennial activities and visitor services,
- Preparation of programs for relocation of small businesses

5. Pride Incorporated. Pride Incorporated operates from private foundation grants and an SBA loan. Pride's present programs include:

- A landscape and garden service enterprise;
- A rehabilitation and restoration service for businesses and residences;
- A security guard service;
- A real estate management service;
- A kiosk maintenance replacement and service function; and
- Training functions for automobile service.

Pride Incorporated has a program of installing new litter containers throughout the city. Funding was received from EDA and SBA. Costs are now being met by sale of advertising on the containers. This program was stimulated by the award of an environmental litter container franchise to Pride by the D.C. Governemnt in 1974.

6. Anacostia Economic Development Corporation. The Anacostia Economic Development Corporation (AEDC) is an organization in the Anacostia/Congress Heights section of Washington, D.C. which is involved in efforts to carry out the economic development of this area. The Anacostia/Congress Heights community has been designated as a Special Impact Area. Its boundaries are the Potomac and Anacostia Rivers, Pennsylvania Avenue, S.E., and Southern Avenue.

AEDC has been active since 1969 as a non-profit, tax-exempt development corporation supported by funds from the Small Business Administration and the Office of Minority Business Enterprise (OMBE). In the initial phase of the Corporation's efforts, it acted as a business development organization, securing funds for loans and investments for minority businesses located east of the Anacostia River and south of Pennsylvania Avenue. Since mid-1975, the Corporation has been designated a Community Development Corporation (CDC) and supported by the Community Services Administration (CSA), formerly the U.S. Office of Economic Opportunity (OEO).

The concept of a CDC is based on the Economic Opportunity Act of 1964 and its amendments, with emphasis on Title VII. This act provides several mechanisms for improving the welfare of citizens in poverty areas and allowing for "maximum feasible participation" of the affected citizenry in the process

AEDC is presently operating under a $150,000 Special Impact Grant to be used to develop an overall economic development plan for the Special Impact Area. This plan, and a statement of related resources, will be used to request additonal funds for the development of ventures and related community development activities in the Anacostia/Congress Heights area.

The Corporation seeks other funds from foundations and local sources to improve its area of responsibility.

7. Metropolitan Washington Board of Trade. The Metropolitan Washington Board of Trade is a private business organization which covers the District and the region. It is comprised of four major bureaus: the Convention and Visitors Bureau; the Retail Trade Bureau; the Human Development Bureau; and the Economic Development Bureau.

The Economic Development Bureau is currently engaged in the following:

Municipal Finance

- Analyze District fiscal activities and prepare tax impact models for general categories of businesses at various revenue conditions;
- Represent concerns of Board of Trade membership on tax policy issues.

Unemployment

- Work for the improvement of the city's unemployment compensation system;
- Work to assist the city's education system in meeting local employment requirements.

Development Climate

- Provide information and assistance for firms interested in locating in this area;
- Encourage the District to establish an office to take on a portion of the above responsibility.

- Encourage and provide advice to the neighborhood improvement activities financed through the Community Development Program;
- Organize and sponsor a national/local advertising campaign extolling the virtues of a metropolitan Washington location for businesses and industry;
- Develop public education program to present the case for economic development and promotion of existing businesses;
- Sponsor data collection related to a comprehensive economic indicators system;
- Continue and widen the "Washington by George" campaign--a general promotional effort.

Natural Resources

- Study and make an impact on water supply issues throughout the region;
- Monitor current COG air quality and noise studies and participate in policy deliberations;
- Continue and expand energy conservation demonstrations and the model buildings/homes project;
- Participate in waste disposal issues,
- Continue to encourage expand use of car pool data system.

In FY 1975, the Board of Trade received $250,000 from the city for its work on the Visitor's Bureau. The same amount is in the FY 1976 budget for the Visitor's Bureau.

8. National Council on Equal Business Opportunity. The National Council on Equal Business Opportunity is a national organization with a local office whose activities are geared towards assisting minority businesses and enterpreneurs. Programs in operation are as follows:

- A Neighborhood Commercial Revitalization Program which performs feasibility studies for businesses. The program is funded by a $52,000 grant from HUD and a $30,000 grant from the U.S. Department of Commerce, Economic Development Administration.
- A Training Program geared toward the enhancement of business development skills for minorities which is funded through a grant administered by EDA for approximately $32,000.
- A Program concerned with the development and acquisition of light manufacturing establishments by local entrepreneurs. The $25,000 program is funded by Office of Minority Business Enterprises (OMBE).

9. Peoples Involvement Corporation. The People's Involvement Corporation directs its activities toward the social and economic development within a core area bounded by Massachusetts Avenue to the south, Harvard Street to the north, 16th Street to the west, and the Baltimore and Ohio Railroad to the east. The ongoing activities of the corporation are as follows:

- The construction of the Harambee Hotel at Georgia Avenue and Bryant Street, N.W. This project is financed by an EDA loan and grant of $1.3 million. The Municipal Planning Office helped provide required planning and zoning clearances for these funds.
- A social service, job placement and housing counseling service for the needy which is funded by a $276,00 grant from the Federal Government.
- A Community Care Program for drug-related offenders on probation and parole. This program provides job placement, counseling and therapy for past offenders and their families. The program is funded by a $125,000 grant from the U.S. Bureau of Prisons.
- Peoples Development Corporation is a for-profit venture which is engaged in roofing and construction activities.

F. Capital Improvements Program. The Capital Improvements Program of the District of Columbia supports the economic development of the city by modernizing and improving the physical infrastructure of the entire city -- its alleys, sidewalks, schools, fire stations, recreation centers, libraries and sewers. The maintenance of these facilities is essential to the ability of the District function as an economic entity.

A good example of the city's commitment to the development of land which is presently under-utilized is Ft. Lincoln. By 1982 the District will have invested over $47 million in new schools and transportation improvements in the Ft. Lincoln New Town. This substantial investment will provide the public amenities that are required if that area is to be developed by a private group, and should encourage families and businesses to move to Fort Lincoln.

The 1977-1982 Capital Program also provides funds for public improvements in commercial areas or residential neighborhoods that have experienced a decline in recent years. Five projects - (a.new Court Facility, the renovation of the old Central Library, the construction of the construction of the permanent campus of Federal City College, and the replacement of Fire Engine Co. #2) are scheduled to be completed in the Downtown Urban Renewal Area, at a total cost of $125 million. By improving this area of the city the District hopes that merchants, restaurants and large stores will remain in or be attracted to downtown, and thereby increase the overall level of economic activity in the city.

The economic impact of the Capital Program on the redevelopment of deteriorating residential neighborhoods is also important. The major thrust of the Program is to provide facilities, such as schools, libraries, and recreation centers, that will improve the delivery of city services to individual neighborhoods. It is believed that the provision of improved

services will in turn increase the confidence of individuals in the stability of these communities, and will thereby make investment in those areas more attractive. The Capital Program indicates that $70 million in individual capital projects will be invested in the city's five residential urban renewal areas.

The Capital Program will also invest $100 million in improvements to the District's existing transportation and environmental systems. The maintenance of these functions is essential if the property values of the city are to be improved and if additional economic development is to occur. The city has also made a $70 million investment in the expansion of its sewage system, thereby allowing for additional development in the city.

III. EFFORTS TO FUND AN ECONOMIC DEVELOPMENT PROGRAM

The Comprehensive Plan prepared by the National Capital Planning Commission in 1967 and the Community Renewal Program (CRP) adopted by the D.C. Commissioners in 1966 called for large-scale action programs to eliminate slums and blight in the city and to expand its economic base. The CRP continued through the late 1960's and provided staff for a Mayor's Economic Development Committee (MEDCO) set up in 1969. The MEDCO and CRP programs received Federal grant funds from the U.S. Department of Housing and Urban Development and the U.S. Department of Commerce to prepare action programs to deal with housing and economic development. The MEDCO reports also served to provide a central point of reference for all city development activities as much as this report does for current activities.

The MEDCO report included two key recommendations on improving the tax base: (1) creation of an urban development bank and corporation, and (2) creation of an office of business and economic development. As MEDCO envisioned it, both entities would cooperate with each other and with the private sector to stimulate economic activities in blighted areas. Several areas were targeted for action -- the New York Avenue Corridor which presented an opportunity for non-polluting light industry to service the essentially white collar job market of the area; Anacostia where

shopping facilities were needed; and Buzzard Point where a new community could be built.

Many of the recommendations of the CRP-MEDCO program remain valid today; New York Avenue, Buzzard Point and an Anacostia shopping center continue to be projects the city wants to go forward with.

Many recommendations referred to by MEDCO have been implemented including: establishment of the Washington Technical Institute: improved child day care, adoption of anti-discrimination laws, assistance to minority business, establishment of a Consumer Affairs Office, creation of a Transportation and Visitors Center. Other plans with an economic base relationship cited by MEDCO and recommended earlier by NCPC and the District Government have also been carried out-- the rapid rail system, an improved sewage treatment plant at Blue Plains, an International Chancery Center, initiation of a downtown urban renewal program and promotion of a public facilities construction program to replace overcrowded and obsolete police and fire stations, schools, libraries and recreation centers.

Other recommendations of the period of 1965-1970 related to the city's economic base have not yet carried out - a convention center and redevelopment of Pennsylvania Avenue. The recommendation for a system of central city freeways has been dropped in favor of METRO.

The two key recommendations of MEDCO -- a development bank and corporation and an office of business and economic development -- were recommended by the District for adoption and funding by the Congress.

A bill to create an urban development bank was prepared by MEDCO in the early 1970's and was endorsed by major D.C. banks. Hearings on this legislation were held by the House and Senate District Committees but the bill was not enacted. A bill to create an urban development corporation, modeled on legislation in force in many states, was introduced by Congressman Walter Fauntroy in 1973. Hearings were held on this bill but it too was not adopted. A modified version of the

Fauntroy bill, including provisions related to housing finances, was introduced by D.C. Council Chairman Sterling Tucker. The Council held hearings on this bill in February. Council action is pending.

The city's effort to win budget approval of an office of business and economic development has also had a checkered history. Such an office has been in various city budget requests since 1970. Each year that it was proposed to the Congress it was deleted. Hearings revealed two main stumbling blocks--fear that the office would need more and more staff and confusion about the type of businesses the office would seek to attract. Some congressmen feared that efforts would be made to bring in steel plants and other polluting heavy industry out of keeping with the character of the National Capital. The city program has always focused on non-polluting light industry to service the local office market, tourism and similar activities.

In 1970, the District requested an appropriation of $200,000 and 11 positions for an office of business and economic development. The overall purpose of the office was to:

- Develop programs that would create more and better jobs;
- Stop the decline of retail earnings and the outflow of wholesale trade;
- Maintain a one-stop service to help businessmen seeking to locate and relocate in the city;
- Provide staff assistance to Commissioners of the Economic Development Committee (MEDCO);
- Promote the economic health of the District, its residents and its commercial enterprises;

- Encourage the revision of District of Columbia Government administrative, regulatory, procurement procedures for maximum impact on economic development;
- Locate and consolidate industrial sites for the city and develop industrial parks on them;
- Develop financial incentives for business and industry (to offset tax disadvantages) and assist in mobilizing financial resources for business and industry; and to promote the formation of private section institutions for this purpose;
- Encourage downtown and inner-city groups which are endeavoring to improve the distribution of goods and services, and;
- Promote opportunities for the community to participate in the ownership of neighborhood business and industry.

In 1971, the city requested eight positions; in 1972 there was no request.

In 1973, there was no request for an office of business and economic development; however, requests were made for capital projects for economic development: $31,500 for design and restoration of the Georgetown Market, and $280,000 for restoration of the Eastern Market.

In 1974, the city requested seven positions and $131,600. This request was denied by the City Council but was restored by the Mayor and sent to the Appropriations Committees. The justification changed somewhat. The office was to:

- Work for the formation of a development bank to provide high risk loans to businesses which would not otherwise get financing.
- To pick up programs planned by MEDCO since grant funds had run out.
- To stimulate the business of leased department stores and encourage new food outlets within the District.
- To serve as a central contact point for firms now doing business in the District who have problems getting things done.
- To provide a central place for locating facilities and land for businesses who want to come to the District.
- To develop a plan for the use of air space.

In 1975, the city requested $148,600 and eight positions. As justification, the city stated:

- There has been escalation of flight of businesses from the city, especially small retail and grocery businesses.
- There is a need to find ways to keep smaller merchants involved in the neighborhoods.
- There is a crucial need to attract light industries to the New York Avenue corridor.

In 1976, the city requested $33,400 and eight positions for two months (originally $155,000 on a 9-month basis). The Mayor's request for eight positions and $128,300 for FY 1977 was denied by the Council and the Mayor's veto was overridden. The Council Chairman, Sterling Tucker has introduced a bill authorizing that an office of business and economic development be established outside of the existing Department of Economic Development, which reports directly to the Mayor. Mr. Tucker, has suggested that $300,000 in community block grant funds set aside for economic development be used to fund the new office Mr. Tucker noted that all local governments in the region have such an office except the District and Arlington.

There is, and has been since 1969, a Department of Economic Development. The Mayor created the Department of Economic Development March 7, 1969 out of the then existing Examining Boards, Office of Community Renewal, and the Bureau of License and Inspections.

As noted elsewhere in the paper, the Department has, and still does, administer programs of an economic nature as well as several other types of municipal programs. Among them are business and professional licensing and regulation, including the Alcoholic Beverage Control Board and maintaining liaison with the Public Service Commission, the Minimum Wage and Industrial Safety Board, the Department of Insurance, and the Armory Board.

As background to many of the current economic development programs now underway, an Advisory Commission on Industrial and Commercial Development in a report to the District of Columbia Council dated January, 1974 made the following findings or observations:

- The District has a substantial problem of areas of unemployment and underemployment masked by an average unemployment rate which is low.
- The District's tax base is not growing fast enough to keep up with needed services.
- The District has lost many valuable businesses; decisive action is required to present further losses.
- The District lags in organized efforts to promote economic development and stimulate commercial and industrial development.

The Commission also observed other special economic trends in the eastern part of the city, i.e.

- There has been little commercial and industrial development in the eastern part of the City, where it is most needed.
- There is a lack of commercial and industrial development in urban renewal areas.
- The loss of neighborhood-serving retail facilities in the eastern part of the City has become an extremely serious problem (especially food stores). In Anacostia where approximately 165,000 District citizens reside, there are only five supermarkets to serve the entire community.

Some of the Commissions conclusions were:

- Public capacity to stimulate economic development must be expanded.
- The District needs a coordinated strategy for development.
- Compared with many other cities and underdeveloped areas, the District has solid assests and great potential for economic growth.

In summary, the report recommended:

> "The District's development strategy is clearly a series of strategies -- pressing for the completion of urban renewal; bringing Federal office-leasing policies in behind specific redevelopment programs; deploying public works and improvements to get maximum leverage on private investment dollars out of every public dollar spent; adopting zoning to the realities of both neighborhood viability and market potentials; providing incentives and security of reinvestments in still viable enclaves of existing real estate; and so on".

The Commission did not propose growth simply for the sake of growth, or haphazard development which has a negative environmental impact. Rather the Commission's goals were to seek a net improvement in the economic underpinning, quantitatively and qualitatively, greater per capita tax base and greater personal income for residents.

IV. NEW THRUSTS BY THE CITY IN ECONOMIC DEVELOPMENT

A. The Executive. The District of Columbia's Municipal Planning Office has applied to the U.S. Department of Commerce, Economic Development Administration, for a Section 302 grant to do economic policy planning and feasibility analysis and to assess the impact of new economic development on the revenues and expenditures of the city.

This program will provide an opportunity to do economic planning in conjunction with developing local elements of the Comprehensive Plan for the National Capital under the recent Home Rule Act.

The Commerce Department approved a $100,000 grant. Using these funds, the Municipal Planning Office has hired staff for an Economic Planning Unit. The Unit will have these responsibilities: 1) to serve the staffing needs of the Overall Economic Policy Development Committee; 2) to produce the local economic elements of the Comprehensive Plan; 3) to do economic development project analyses related to the plan.

An Advisory Committee on the Overall Economic Development Plan is being organized. This OEDP committee is composed of 24 members, representing business, the professions, labor and community organizations. In addition, directors of certain District Government agencies are ex-officio members of the committee.

The Committee will advise the Mayor on the preparation of the Overall Economic Development Plan for the District of Columbia which will describe the current economic situation, identify development opportunities, and recommend proposals for development, including the implementation of specific projects. The Committee will review activities undertaken to stimulate new private and public investment and provide permanent employment and growth activities in the area.

B. The Legislative Branch. The Council has established two commissions to deal with economic development issues.

In July, 1974 the Council by resolution established the District of Columbia Commission Residential Mortgage Investments. This commission has the following duties:

- o To review complaints and problems of applicants for home mortgages construction loans, home improvement loans, and rehabilitation loans with respect to discriminatory practices.
- o To develop and implement a survey of past and present mortgage investment performance by District financial institutions.
- o To develop guidelines and monitor implementation for future mortgage investment performance by District financial institutions.

The Commission is scheduled to report to the Council before July, of this year. The Commission is expected to recommend legislative and administrative actions to provide a more equitable distribution of investments in the city and thereby strengthen its city's tax base.

In November 1975 the Council passed a resolution to establish a Tax Revision Commission to analyze the District's tax structure.

Specifically, the Commission will:

- o Analyze the District's present tax system in terms of its revenue productivity, equity and economic impact;
- o Study administration of the District's tax laws with respect to efficiency and economy;
- o Identify new sources of revenue to meet the needs of the next four years; and
- o Recommend legislative and other changes in the District's tax system and administration.

The 20-member commission was sworn in March 11. It includes tax lawyers and public finance economists; members of labor unions, public interest groups, civic associations, and tenant and housing associations; and representatives from the fields of real estate, banking, retailing and public utilities.

APPENDIX A

The Growth of the Economy in the Washington Metropolitan Area and the District of Columbia

General Trends: Since World War II, overall business and employment trends in the Washington Metropolitan area have paralleled the growth of the Federal Government. Federal expenditures in the area have generated a wide range of economic activity and jobs. During the 1950's and 1960's, the Washington area experienced the highest rate of growth of any major metropolitan area. The area more than doubled its population between 1940 and 1960 to over 2,000,000 and added another 1 million by 1975. This extraordinary rate and amount of growth has broadened the area's economic base and has made the area a prime retail and services market.

The Washington area is now going through a period of economic transition. The growth of the area's economy has slowed significantly since 1970. The expansion in employment over the next six years is expected to follow a slower pace than in preceding years. Also, area unemployment is likely to continue through the rest of the decade at levels exceeding those of the 1960's and, perhaps, only slightly less than the June 1975 rate of 6.6 percent. Despite these trends, the Washington area economy is expected to be one of the nation's strongest. The emerging pattern of development will be different than that experienced in the past, with an increasing interdependence of the public and private sectors of the economy and a lesser, though still vital, role for the Federal sector. The Federal sector, to the area's advantage, will provide a great measure of economic stability, beyond that to be experienced by most other metropolitan areas. The trends in area employment are set forth in the following table.

TABLE I

Year	Total Labor Force (in thousands)	Federal Employment	All Other Employment	Total Non-Agricultural	Unemployment	Unemployment Rate (%)
1960	817.2	238.2	515.4	753.6	23.2	2.8
1966		293.0	704.8	997.8		
1967	1,076.0	309.8	740.8	1,050.5	25.5	2.4
1968	1,135.3	316.4	787.4	1,103.8	31.5	2.7
1969	1,174.2	317.0	826.7	1,143.7	30.5	2.6
1970	1,202.9	319.1	851.6	1,170.7	32.2	2.6
1971	1,238.2	327.1	877.1	1,204.2	34.0	2.7
1972	1,294.4	328.2	922.2	1,250.4	44.0	3.4
1973	1,356.3	329.2	968.1	1,297.3	59.0	4.2
1974	1,386.2	337.3	986.9	1,324.2	62.0	4.4
1975 (Jan.)	1,398.8	341.2	988.3	1,329.5	69.3	4.9 (Seasonally)
1976 (Jan.)	1,427.3	349.2	986.9	1,336.0	91.3	6.3 (Seasonally)
Percent Change						
1960-70	+55.0%	+30.5%	+65.2%	+55.3%	+38.0%	
1970-76	+18.7%	+ 9.4%	16.0%	+14.0%	+183.0%	
Average Annual Percent Change						
1960-70	+ 5.0%	+ 3.0%	+ 6.5%	+ 5.5%	+ 3.8%	
1970-76	+ 3.1%	+ 1.6%	+ 4.4%	+ 2.3%	+ 30.5%	

Note: "All Other Employment" includes State and Local Government employment, which increased from 56,100 in 1960 to 155,800 by 1974. Table prepared by MPO. Federal Employment in 1951 was 260,200.

Sources: Metropolitan Washington Council of Governments, "Metropolitan Washington Employment Prospects to 1980 (Nov., 1975).
D.C. Department of Manpower, Annual Manpower Planning Report - FY 1976 (unpublished data for 1975 and 1976).
1960 and 1970 U.S. Census of Population and Housing.

From the above table, it can be seen that between 1960 and 1976, the following changes have been taking place in the Washington Metropolitan Area in respect to its labor force, employment and unemployment trends:

° The labor force almost doubled in number in sixteen years. It increased on an annual average of 5% a year between 1960 and 1970. Since 1970, its annual average increase dropped to about 3%.

° Employment also increased rapidly, keeping pace with the labor force between 1960 and 1970. After 1970, it grew at a slower rate than the labor force.

° As a consequence of continuing growth in labor force but a declining rate of growth in jobs, unemployment has increased steadily from 2.6% in 1970 to an estimated 6.3% by January, 1976.

° Federal employment did not increase between 1970 and 1976 at the same rate of increase in the labor force.

° "All Other Employment" did grow at a faster annual average rate than the labor force -- but there was a dip in this employment category between 1975 and 1976 with a resulting jump in unemployment.

° The small but steady increase in Federal employment was not sufficient to absorb the rapid growth in the labor force or the slowing down in "All Other Employment".

Trends in "All Other Employment" in the Washington Region Since 1970, Compared to the 1960 - 1969 Period

1. Services (January 1976, est. 302,300)

Outside of Federal employment, the largest overall industry category is the large and diverse group of Services. This category includes the many activities which support tourism, one of the major economic activities of the region and city including hotels, lodging places retail autos and the like. Other Service industry groups include business, legal, medical, health, consultant, research and auto services.

Between 1960 and 1970, employment in this industry increased by over 76% or at an annual average rate of 7.6%. After 1970, employment continued to increase but at a much slower average annual rate, about 3.3% a year 1970-1976.

2. Retail Trade (January 1976, est. 213,800)

This category reflects in large measure the capacity of the other categories to generate jobs and income.

Between 1960 and 1970, jobs in retail trade increased 50% or at an annual average of 5%. Between 1970 and 1976, the growth slowed to about 2.2% on an average annual basis.

3. Construction (January 1976, est. 75,200)

Employment in this industry grew by 33% over the years 1960 through 1969, a 3.3% annual rate of increase.

During the seventies, it continued to expand each year at an average annual growth of over 10%. After the 1973 high point, employment in construction began to drop rapidly, over 16% between 1973 and 1976. This industry experienced the largest decrease since 1974 almost entirely in the residential construction sector.

4. Finance, Insurance and Real Estate (January 1976, est. 78,600)

As the region boomed, and households poured into the area, these activities increased by leaps and bounds, 55% over the ten years, 1960 through 1969. It has continued to expand slowly, a 19% increase, 1970-1976, at about 3.2% a year.

5. Transportation and Public Utilities (January 1976, est. 65,500)

This industry classification also expanded significantly over the ten years, 1960-1970, about 30% or 3% a year. The year 1975 was the high point, with 67,500 current estimates show a decrease to 65,500.

6. Manufacturing (January 1976, est. 45,200)

According to the current January 1976 employment estimates, this industry category experienced a significant drop between 1975 and 1976 -- after fifteen years of steady expansion. 1975 was the high point in a 16 year period, almost a 39% expansion.

7. Wholesale Trade (January 1976, est. 43,100)

This category of activity has the smallest number of employees among the nine standard industrial classification codes, but its growth rate was very strong between 1960 and 1970, a 42% increase. For three years, it stabilized at around 38,000 and in 1972 an upswing began which appears to be holding.

8. State and Local Government (January 1976, est. 161,700)

This category, along with Federal Government, represents about 37% of the employed. As population and households expanded rapidly in the metropolitan jurisdictions, governments grew. In fact, this activity, among all, experienced the greatest expansion, 125% during the decade of the Sixties. Between 1970 and 1976, it continued to grow, but at a slower pace; average annual gain, 3.7% a year.

In summary, the picture of economic activities, as measured by levels of employment, presents a picture of remarkable growth and expansion throughout the region. Growth was rapid during the Sixties, and continued right through into the Seventies but at much smaller levels of increment. With the exception of the construction industry, each year registered a gain through 1974 and generally, through 1975.

But the fact remains that a serious gap began to develop between the size of the labor force and the number of jobs. As the above table shows, the labor force began to increase markedly in numbers beginning in 1967, twenty one years after the end of the Second World War. Between 1960 and 1967, the average annual increase in the labor force was almost 37,000. During the next seven years, 1967 through 1974, the average annual gain was 44,300. Since 1974, it has continued to grow but at much lower levels.

As a consequence of this widening gap between labor force and jobs, the number of unemployed in the region almost tripled between 1969 and 1976 and the unemployment rate more than doubled during the same period.

The following materials discuss in brief the relationship of the District of Columbia to the Washington metropolitan area. As the largest population and economic activity center in the region, the city not only effects greatly the regional figures, but is in turn strongly affected by rates of change in the large suburban ring. Table II shows what has been happening to the District of Columbia's share of total employment in the metropolitan region since 1960.

Employment Trends in the Washington Metropolitan Area

and in the District of Columbia

1970 - 1976

TABLE II

Average Annual Non-Agricultural Wage and Salary Employment
(excludes self-employed, domestic workers and military)

Period	Washington SMSA		District of Columbia	District % of W-SMSA
1960	753,600		517,000 1/	68.6
1970	1,170,700		557,100	47.6
1971	1,204,200		550,500	45.7
1972	1,250,400		550,600	44.0
1973	1,297,300		556,600	42.9
1974	1,324,200		566,800	42.8
1975 (January)	1,329,500		571,200	42.9
1976 (January)	1,336,000		572,400	42.8
Change 1970-1976 Number and %	+165,300	14.0%	+15,300 =	+2.7%
Average Annual Gain 1970-1976	+ 27,550		+ 2,550	

Note: In 1970, there were 50,400 self-employed in the W-SMSA, of which 13,500 lived in D.C.; 20,700 private household workers, 12,500 lived in D.C.

Source: D.C. Department of Manpower, Annual Manpower Planning Report, FY 1976 Tables V and VII; plus unpublished reports for 1975 and 1976 figures.

1/ Estimate based on 1960 U.S. Census of Population and Housing.

Trends in the District of Columbia Economy

As the region continued to expand after the Second World War, the District's employment activities also grew, but at a much lower level than the region as a whole. The District's share of total regional employment decreased significantly between 1960 and 1970, and has slowly dropped from 1970 through January 1976.

The District has also been experiencing different levels of change in its share of industry activity in the region as measured by employment levels.

		Year	District's Share
1.	Federal Employment	1970	60.4%
		1976	61.0%
2.	Services	1970	53.7%
		1976	48.2%
3.	Wholesale and Retail Trade	1970	35.4%
		1976	26.7%
4.	Construction	1970	28.8%
		1976	27.8%
5.	Transportation, Communications and Public Utilities	1970	51.0%
		1976	44.0%
6.	Finance, Insurance, and Real Estate	1970	49.0%
		1976	41.9%
7.	Manufacturing	1970	41.6%
		1976	33.2%

The decreasing share in most categories, except Federal and a minor decrease in construction, is not unexpected given the overall estimated increase in population and households in most of the surrounding jurisdictions since 1970. Large decreases in the District share of the regional totals occurred in household serving industries, such as retail trade, transportation, communications, public utilities and real estate.

The District may be able to recapture a somewhat greater share over the next ten years as major residential development projects are realized in the city and as Metro rapidly expands accessibility to all levels of economic activity in the District of Columbia.

As the figures in the following table show, employment has dropped substantially in wholesale and retail trades and to a lesser degree in manufacturing. Gains have been registered in the Service categories, Federal employment and, marginally, in Construction. As a result of these changes, these three categories which accounted for 62.4% of 1970 employment, were 66.2% as of January, 1976 in the District of Columbia.

The industry employment profile of the rest of the region is quite different from that of its central city, Washington. There is greater emphasis on construction activities both in 1970 and 1976. A very large segment, almost 1 in 4 of the employed, are engaged in wholesale and retail trade in the region. Government accounts for almost one-third of all employment in the region. Local government plays a much larger role in the suburban jurisdictions than in Washington, D.C. and appears to be increasing as a percentage of all employment.

TABLE III

Employment by Industry in the District of Columbia
(in thousands) 1970 - 1976 and
Percent Distribution of Employment by Industry, D.C. and Remainder of W-SMSA
1970 and 1976

Year / Industry Category	1970	1971	1972	1973	1974	1975 (Jan.)	1976 (Jan.)	District of Columbia Percent Distribution 1971	District of Columbia Percent Distribution 1976 (Jan.)	Remainder of W-SMSA Percent Distribution 1971	Remainder of W-SMSA Percent Distribution 1976 (Jan.)
Total	557.1	550.5[1/]	550.6	556.6	566.8	571.2	572.4	100.0	100.0	100.0	100.0
Manufacturing	18.6	17.8	17.0	16.9	16.6	16.5	15.0	3.3	2.6	4.2	3.9
Construction	19.5	18.8	20.5	21.7	24.1	22.1	20.9	3.5	3.7	7.9	7.8
Transportation, Communication, and Public Utilities	30.7	28.6	28.7	29.3	29.4	29.7	28.8	5.5	5.0	4.8	4.8
Wholesale and Retail Trade	79.9	76.0	74.4	72.4	67.5	68.2	69.1	14.3	12.1	23.8	24.5
Finance, Insurance, and Real Estate	33.3	33.7	32.9	33.4	33.5	33.0	32.9	6.0	5.7	5.7	6.0
Services	135.6	135.8	139.9	142.6	146.3	144.8	145.7	24.3	25.5	19.1	20.4
Government	239.5	239.8	237.2	240.3	249.4	256.9	260.0	43.0	45.0	34.6	32.6
Federal (Civilian)	192.9	190.8[1/]	188.6	192.8	199.5	208.1	213.0	34.6	37.0	20.6	17.7
Local	46.6	49.0	48.6	47.5	49.9	48.8	47.0	8.4	8.2	14.0	14.9

1/ The 1971 Federal employment figures reported to this office excluded agencies with less than 2,500 employees. Total reported was 171.9. MPO took the midpoint between the 1970 and 1972 Federal figures as an estimate for 1971.

Source: D.C. Department of Manpower, Annual Manpower Planning Report, FY 1976, for all other categories.

The District of Columbia's Resident Civilian Labor Force

Since the beginning of the Seventies, although total jobs in the city have increased, the District of Columbia's estimated resident civilian labor force has decreased, and unemployment in recent years has increased. The percentage increase in unemployment between 1970 and January 1976 more than doubling, was not as great as the increase in unemployment experienced by the rest of the region (See Table I).

Table IV presents the 1960 and 1970 census figures, taken in April of those years and estimated figures for selected months in 1974, 1975 and 1976.

Table IV

	Civilian Labor Force	Employment	Unemployment	Percent Unemployed	District's Share of W-SMSA Unemployed
1960 Census	356,800	341,563	15,237	4.3	15.5
1970 Census	348,100	335,000	13,100	3.7	40.7
1974 1/					
January	334,600	313,500	21,100	6.3	34.8
April	325,100	306,300	18,800	5.8	32.9
August	333,400	312,200	21,200	6.4	32.3
December	329,600	308,300	21,300	6.5	32.2
1975 1/					
January	326,300	303,900	22,300	6.8	32.2
April	330,400	306,100	24,300	7.4	32.2
December	336,400	309,000	27,400	8.1	32.2
1976 1/					
January	334,900	305,400	29,500	8.8	32.3

1/ Source: D.C. Department of Manpower - 1974 and 1975: Annual Manpower Planning Report FY 1976, December 1975 and January 1976 D.C. Department of Manpower unpublished data.

Note: February 1976 estimates arrived after preparation of report. Figures indicate a gain in labor force; significant gain in employed, and a drop in both the members and percent unemployed.

The District has a significantly higher unemployment rate than the region as a whole (See Table I), undoubtedly due to a much larger proportion of relatively unskilled persons and those with lower levels of educational attainment. It is important to point out that the unemployed of the District have decreased as a percentage of all unemployed in the Washington region since 1970. In 1970, the D.C. unemployed (13,100) were 40.7% of the region unemployed; by January of 1974 the figure dropped to 34.8% and since May of 1974, it is estimated at about 32.2% of the region.

This general improvement in the center city's position, vis a vis the region, may be attributed to the general increase in educational attainment levels of the changing resident population and the work-training and work-placement programs since 1970. According to the Department of Manpower Report FY 1976, some 15,300 individuals were placed in regular jobs (Source: Employment Security Automated Reporting System); 73% of them in Clerical and other services occupations. This upgrading in skills since 1970 appeared to be corroborated by the 1974 Trends Alert Survey conducted by the Washington Center for Metropolitan Studies.

The following provide a brief profile of the occupations of the employed residents of the city and compares the District with cities of comparable size.

The occupational profile of the District's employed residents is representative of the area's economic activity base. In 1970, 25.8% were in the Professional/Technical and Managerial classifications. As of 1974, the estimate of the Trends Alert Survey put the figure at 27.3%. Clerical workers are 28.5% in 1970 and are now estimated at 26.4%.

While the District's resident employed professionals and managers have increased as a percentage of the total employed from 1970 to 1974, the comparable figure for the region as a whole has not changed. The proportion of the resident employed in clerical occupations has decreased in both the region and the District.

Among nine other cities 1/ of comparable size (Baltimore and Dallas with a larger employed labor force in 1970), the District of Columbia has a significantly large number and percentage of professional, technical and kindred workers. The District ranked fourth among the ten cities in number of managers and administrators. (Dallas ranked far ahead of the other cities). On the other hand, the District has comparatively few of its resident employed classified as operatives of machinery, craftsmen, foremen or in kindred occupations.

Similarly, the District has a comparatively small percentage and number of its residents in "sales". It ranked number 1, however, in service workers (not to be confused with the whole Service industry category) and private household workers. It is clear that its economic base is quite different from other cities of comparable size. It is not a manufacturing city and its labor force profile reflects this fact. The two cities whose residents have an occupational profile most like the District's are Boston and San Francisco. However, in these cities more of their employed residents are classified as "operatives" (excepting transport) than in the District. Both the industry and occupational profile of the District suggests that the city is less vulnerable to economic changes flowing out of the rise and fall of manufacturing activities. By this same token, both the region and the city are vulnerable to marked changes in Federal government activities.

1/ Baltimore, Boston, Cleveland, Dallas, Indianapolis, Memphis, Milwaukee, St. Louis, and San Francisco.

1980 Employment Forecast: The Region and the District of Columbia

The following Table V presents the 1980 employment forecast by industry prepared by the Metropolitan Washington Council of Governments for the total metropolitan area.

Table V

	1974	1980	Change 1974-80
TOTAL EMPLOYMENT	1,486,300	1,696,000	209,700
TOTAL NON-AGRICULTURAL WAGE AND SALARY EMPLOYMENT	1,324,200	1,511,000	186,800
Services & Miscellaneous	300,500	367,000	66,500
Federal Government	337,300	361,000	23,700
Retail Trade	205,200	230,000	24,800
State and Local Government	155,800	180,000	24,200
Finance, Insurance and Real Estate	79,200	100,000	20,800
Construction	88,700	95,000	6,300
Transportation, Communications, and Public Utilities	66,500	76,000	9,500
Manufacturing	48,600	54,000	5,400
Wholesale Trade	42,400	48,000	5,600
Military	62,100	60,100	-2,100
All Other	100,000	125,000	25,000

Source: 1974 District of Columbia Manpower Administration
1980 Metropolitan Washington Council of Governments: Metropolitan Washington Employment, Analysis and Prospects to 1980, November, 1975.

The Washington metropolitan area employment, according to the Metropolitan Council of Governments, is expected to grow to 1,696,000 by 1980 from its estimated 1974 employment of 1,486,300. This is an increase of 209,700 employed persons, a 14 percent increase. This includes military, self-employed, domestic and agricultural. The greatest rate of growth is expected in the finance, insurance and real estate sector of the economy -- 26 percent, rising from 79,200 to 100,000 jobs, an increase of 20,800 jobs. The second greatest rate of growth

is indicated by the service industry sector, including tourism, which is expected to increase by 22 percent from 300,500 to 367,000 jobs, an increase of 66,500 jobs. This great rate of growth for the service sector, if achieved, will make it the largest collective employer in the metropolitan area. The Federal government, currently the largest single employer, is forecast to have an increase of 7 percent in civilian jobs, the number of jobs rising by 23,700 from 337,500 to a total of 361,000.

The projected increase for non-agricultural wage and salary employment amounts to an average annual increase of 31,130 in the region during the six year period, 1974-1980. During the 1970-1976 period, the estimated average annual growth was 27,550. Current estimates for the comparable periods in 1975 and 1976 showed increases over the previous years of 5,300, 1974-1975, and 6,500 1975-1976. The 1976 January estimate of employment was 1,336,000.

The COG forecasts for 1980, given the relatively low rates of increase since 1974, appear to be over-optimistic. If average annual growth reaches 10,000 for the 1976-1980 period, non-agricultural wage and salary employment may reach 1,376,000 by 1980. This is a 17.5% increase over 1970. If "All Other Employment" maintains the 1974 level and military employment decreases, as is expected, total regional employment in 1980 may reach 1,536,100. This is 160,000 less than the Table V COG forecast.

The District of Columbia's share of this growth, based upon its share of regional employment in 1974 and 1976 would be a growth of 31,800 employed between 1970 and 1980.

	Region	District of Columbia	Percent of D.C. and Region
1970	1,170,700	557,100	47.6
1974	1,324,200	566,800	42.8
1976	1,336,000	572,400	42.8
1980	1,376,000	588,900	42.8
Gain 1970-1980:	205,300	31,800	

Almost half of the projected growth has occurred between 1970 and 1976. A major part of the growth between 1976 and 1980 for the District of Columbia will be in Federal employment and Services. An operative assumption is that Federal civilian employment will continue to grow at a rate slightly below that experienced since 1970, or about 1.1 percent a year until 1980.

It should be noted that the District could reasonably lay claim to a higher share of regional employment growth than 42.8%, perhaps returning to the 1970 level. An examination of this question will be a part of the comprehensive planning program. In addition to the Federal government, the Service Industry group is expected to provide most of the employment growth in the District. Gains in construction will take place if planned residential development goes forward.

Service Industry Growth

The Service industry, as noted previously, is the area's second largest employer with 300,500 workers, 22.7% of the total 1974 work force and is expected to continue to grow. It is the most diverse of the economic sectors, with no single activity dominating. The largest components are tourism and miscellaneous business services. The latter is composed of building maintenance, management and consulting, commercial research, computer processing, and temporary employment. Most of the enterprises in this component are small, employing on the average less than ten persons each. Almost as large is the medical and health group services. It includes hospitals, doctors and nurses, dentists, laboratory tech-

nicians, medical colleges, miscellaneous treatment facilities, and their employees. Other significant components within the service sector are: legal, business, labor and trade associations; civic, social fraternal, political, charitable and religious organizations; academic, technical and research institutions; and personal services such as beauty shops, barbers, recreation and amusement, auto repair and legal services.

Past service industry growth should continue to 1980 and beyond, but at a declining rate. An examination of the growth in square feet of office space provides insiths into the potential for growth in Service industry activities and employment. The following materials present a brief overview.

The Current Office Situation.

For many years, the District has had a strong and vital office space market. This continuing strength has stemmed from the growth of business operations and the increasing trend of professional, national and international organizations to locate at the seat of government in central Washington. A major contributor to this long-term expansion of the local market has been the Federal Government, which has leased and occupied a substantial portion of the development.

Office Space and Total Employment, 1973
Central Activity Area-Washington, D.C.

Area	Office Space (millions of square feet)	Total Employment
Downtown	17.6	88,800
Monumental Core	8.2	27,800
Connecticut Avenue	20.8	93,100
Rawlins Park	9.2	32,000
Capitol Hill	5.5	18,400
Southwest	10.7	56,800
Total	71.0	316,900

Source: NCPC Report, Washington's Central Employment Area: 1973, published May, 1975. For this table, Monumental Core includes the White House Precinct, Mall, and Federal Triangle. Downtown includes Downtown East and West as defined in the NCPC report. MPO is working to update this information and somewhat revise and expand the area covered.

Office Forecasts

The long-range outlook for substantial additional office space development into the 1990's appears strong, according to two recent analyses of the market.

This large employment base, now over 320,000, in the core area is especially important for the city. As mentioned previously, this amount of central employment is very large for American cities, probably second only to New York City. The distribution of employment over such a large area and the relationship of employment to the retail core is especially important. Note that only a little over one-fourth of the employment is in the traditional Downtown, near the retail core. Other employment is some distance away. This makes development of an internal circulation system especially important.

The current market, compared with the long-range promise, is "soft". The District currently has approximately 38 million square feet of private office space, with an overall absorption rate in recent years of about 2 million square feet a year. Total office space in the District, including Federal and local government space and international organizations, is estimated to be in excess of 80 million square feet. During 1975, close to 3 million square feet of additional space came onto the market, with another 1.5 million expected in 1976. In May 1975, approximately 8 percent of the office space ready and available for leasing was vacant.

The office space market currently is at the mid-point of a building cycle. In 1974 and 1975, according to studies prepared for the Pennsylvania Avenue Development Corporation 1/, the annual absorption rate for office space declined to a rate of 1.1 million square feet. This was about 60 percent below the average

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1/ Pennsylvania Avenue Office Market Potentials. Gladstone Associates, April 1975 The Pennsylvania Avenue Project Area: Market Analysis, Development Potentials, Financial Implications. Gladstone Associates, February 25, 1975.

annual rate of 2.8 million square feet achieved between 1960 and 1969. The situation is due to the apparent over-supply of new office space of about 4 million square feet and the recession. Both of these conditions are now passing. The continuation of the absorption level at 1.1 million square feet a year would absorb the present surplus by mid-1978. At the higher rates of previous years, the surplus would be absorbed by mid-1977. In fact, if the economy continues to improve, the surplus may be absorbed by early 1977.

Summary of Available New Office Space
District of Columbia

Date Available for Occupancy	Leasable Space Available
1974	416,219 s.f.
1975	2,331,211 s.f.
1976	1,035,609 s.f.
1977	235,400 s.f.
Total	4,018,439 s.f.

This estimate is supported by a report of the Apartment and Office Building Association of Metropolitan Washington (AOBA), 2/ which concludes that surplus of the current building cycle should be depleted by 1977-1978, when a shortage of space will again occur, particularly for large space users. The AOBA report points out that previous cycles occurred in 1964-1965 and 1971-1972. During both periods, vacancy rates rose to over 8 percent.

Future Demand for Space. The economic reports prepared for the PADC indicate that the demand for office space in the District will remain strong. Despite the inhibiting affects of present economic conditions and an inventory of some 4 million square feet of space available to be occupied, the PADC reports forecast an average annual demand of up to 2.6 million net rentable square feet of space in the District. Approximately 1.8 million of this amount is expected

2/ Office Building Market Report, January 1976. Apartment and Office Building Owners Association of Metropolitan Washington, January 1976.

to be private space demand. The underpinning for this demand is the anticipated continued long-term growth in employment. Since 1960, the District's share of metropolitan office space development has been approximately 53 percent, as noted previously.

Connecticut Avenue area office development, according to the reports of both the PADC and AOBA, is nearing completion with only "in-fill" construction occuring. As this takes place, other city areas, particularly the Downtown, will become increasingly attractive to developers. The PADC reports estimate that the old Downtown, including both DURA and the PADC, could attract upwards of 300,000 net leasable square feet of space a year through 1990, or some 11.6 percent of the total. The PADC area alone could range from 200,000 to 250,000 square feet of leasable space, 67 percent to 83 percent of the total old Downtown demand. From 50,000 to 100,000 square feet of private net leasable space would be available elsewhere Downtown.

As of 1974, DURA called for up to 1 million square feet of office space at five neighborhood development sites. This development is designed to stimulate further development both within DURA and elsewhere Downtown. The PADC indicates that both its and the District's plans for the old Downtown are complementary, mutually reinforcing each other, particularly in view of the relatively modest programs of development they are proposing. The new office development proposed for Pennsylvania Avenue is not likely to come onto the market before 1979 at the earliest. By that time, the present stock of available space will have been absorbed and a new strong demand generated.

The District's development policy is to encourage new office development to flow back to the area east of 15th Street. This movement will be stimulated by the opening of Metro and by the Pennsylvania Avenue program. As new development begins to flow back to the old Downtown, Pennsylvania Avenue will have a special advantage because of its prestige address. Enhancement of the Avenue, adding new activities and improving the physical environment as called for in the Plan, will strengthen the attractive capability of the Avenue to attract new office space. This, in turn, should substantially improve the potential development environment for the entire Downtown and other parts of the city.

The following tables provide an overall perspective on 1960-1973 trends in office space development in the District of Columbia by areas of the city and by type of lessee.

SUMMARY OF OFFICE ABSORPTION
BY AREA AND TENANT TYPE
DISTRICT OF COLUMBIA
1960-1969

	Net Leasable Area (000)						
	Private[1]			Federal Government			
	Competitive	Non-Competitive	Total	Leased	Owned	Total	Total
Central Areas							
D.U.R.A.[2]	2,224 s.f.	786 s.f.	3,010 s.f.	554 s.f.	2,825 s.f.	3,379 s.f.[4]	6,389 s.f.
Connecticut Triangle	8,959 s.f.	573 s.f.	9,532 s.f.[3]	1,085 s.f.	472 s.f.	1,557 s.f.	11,089 s.f.
Southwest	1,679 s.f.	77 s.f.	1,756 s.f.	1,250 s.f.	3,732 s.f.	4,982 s.f.[4]	6,738 s.f.
Subtotal	12,862 s.f.	1,436 s.f.	14,298 s.f.	2,889 s.f.	7,029 s.f.	9,918 s.f.	24,216 s.f.
Other District Areas							
Upper Northwest	2,001 s.f.	6 s.f.	2,007 s.f.	92 s.f.	--	92 s.f.	2,099 s.f.
Foggy Bottom	82 s.f.	--	82 s.f.	209 s.f.	--	209 s.f.	291 s.f.
Northwest East of 16th Street	77 s.f.	3 s.f.	80 s.f.	172 s.f.	--	172 s.f.	252 s.f.
Southeast	41 s.f.	--	41 s.f.	--	--	--	41 s.f.
Northeast	103 s.f.	78 s.f.	181 s.f.	2 s.f.	--	2 s.f.	183 s.f.
Subtotal	2,304 s.f.	87 s.f.	2,391 s.f.	475 s.f.	--	475 s.f.	2,866 s.f.
Total	15,166 s.f.	1,523 s.f.	16,689 s.f.	3,364 s.f.	7,029 s.f.	10,393 s.f.	27,082 s.f.

1/ Defined briefly as follows: Private Competitive: speculative space with private tenancies.
Private Non-Competitive: generally for single users.

2/ Downtown Urban Renewal Area.

3/ Approximately 66.6% of private central area activity.

4/ In aggregate, approximately 84.3% of Federal central area totals.

Source: Gladstone Associates.

SUMMARY OF OFFICE ABSORPTION
BY AREA AND TENANT TYPE
DISTRICT OF COLUMBIA
1970-1973 1/

	Net Leasable Area (000)						
	Private			Federal Government			
	Competitive	Non-Competitive	Total	Leased	Owned	Total	Total
Central Areas							
D.U.R.A.	161 s.f.	136 s.f.	297 s.f.	3,955 s.f.	1,327 s.f.	5,282 s.f.	5,579 s.f
Connecticut Triangle	2,464 s.f.	897 s.f.	3,361 s.f.	--	33 s.f.	33 s.f.	3,394 s.f
Southwest	NA	NA	NA	740 s.f.	--	740 s.f.	740 s.f
Subtotal	2,625 s.f.	1,033 s.f.	3,658 s.f.	4,695 s.f.	1,360 s.f.	6,055 s.f.	9,713 s.f
Other District Areas							
Upper Northwest	732 s.f.	47 s.f.	779 s.f.	--	--	--	779 s.f
Foggy Bottom	919 s.f.	--	919 s.f.	--	43 s.f.	43 s.f.	962 s.f
Northwest from 16th Street East	--	40 s.f.	40 s.f.	--	589 s.f.	589 s.f.	629 s.f
Southeast	--	30 s.f.	30 s.f.	--	--	--	30 s.f
Northeast	220 s.f.	114 s.f.	334 s.f.	--	262 s.f.	262 s.f.	596 s.f
Subtotal	1,871 s.f.	231 s.f.	2,102 s.f.	--	894 s.f.	894 s.f.	2,996 s.f
Total	4,496 s.f.	1,264 s.f.	5,760 s.f.	4,695 s.f.	2,254 s.f.	6,949 s.f.	12,709 s.f

1/ January - August inclusive.
Source: Gladstone Associates.

DISTRIBUTION OF PRIVATE OFFICE ABSORPTION BY AREA
DISTRICT OF COLUMBIA
1960-1973 1/

	Net Leasable Area					
	1960-1969			1970-1973		
	Competitive	Non-Competitive	Total	Competitive	Non-Competitive	Total
Central Areas						
D.U.R.A.	14.7%	51.6%	18.0%	3.6%	10.8%	5.2%
Connecticut Triangle	59.1%	37.6%	57.1%	54.8%	70.9%	58.4%
Southwest	11.1%	5.1%	10.5%	NA	NA	NA
Subtotal	84.9%	94.3%	85.6%	58.4%	81.7%	63.6%
Other District Areas						
Upper Northwest	13.2%	0.4%	12.0%	16.3%	3.7%	13.5%
Foggy Bottom	0.5%	--	0.5%	20.4%	--	15.9%
N.W. From 16th Street East	0.5%	0.2%	0.5%	--	3.2%	0.7%
Southeast	0.3%	--	0.2%	--	2.4%	0.5%
Northeast	0.6%	5.1%	1.2%	4.9%	9.0%	5.8%
Subtotal	15.1%	5.7%	14.4%	41.6%	18.3%	36.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

1/ January - August 1973 inclusive.

Source: Gladstone Associates.

Changes in the District of Columbia Population, Households and Income

Changes in the pattern of a region's economic profile produce demographic changes. People go where employment opportunities are expanding. As basic industries expand, the business serving and household serving industries also grow. Concurrently, people respond to basic changes which occur over time in social patterns. These are as significant in their impact on population growth as changes in economic activites.

Population and Households

As is well known, the population of the Washington region increased enormously in one decade -- 43% between 1960 and 1970. The region's central city, Washington, did not increase in population during the decade; few cities did. Growth, throughout the nation was concentrated around the central cities which serve as the magnets for both economic and population growth in their regions. Since 1970, regional growth has slowed significantly. As of 1974, the estimated growth is only 7% over 1970.

Although the District's population decreased by 1% between 1960 and 1970, the number of households increased by 10,400 and current estimates for 1975 suggest a 2,500 increase since 1970. Population is still decreasing, consequently, average household size has contracted. These phenomena -- increasing number of households, decreasing population -- are a direct consequence of changing social and demographic factors. Births and birthrates have plummeted; household formation has changed; the one-person household is the largest category among all household sizes and has been increasing rapidly as a proportion of all households. Very large households (6+ persons) have decreased significantly in number.

Housing Stock

The housing stock of the city increased during the Sixties and early Seventies as households increased. The 262,640 housing units in 1970 increased to 278,440 units by 1970 and are currently estimated at around 280,500 units. These are not units after razings. If current plans for major residential developments are realized by 1985; if scattered housing construction proceeds at about the same rate as in the 1970-1975 period, some 20,700 units of housing could be added (net after razings) during the 1975-1985 period.

With these net additions to the housing stock, less estimated vacancies, it is forecast that the District will experience about an 8% increase in the number of its households between 1970 and 1985; (Refer: MPO Study "1985 Population Projections".) Total number of households may reach 284,300 in 1985 as compared to 262,500 in 1970. Because average household size is expected to continue to decrease as it did between 1960 and 1970, and 1970-1974, total population will probably be below the 1970 figures of 756,500. This projected increase in housing stock and households by 1985 is expected to increase the city's personal income, sales and other tax revenues. The demographic profile of the city will gradually change, with significant decreases in those segments of the population most dependent on public services dollars -- children and large families headed by women. These assumptions will only hold if the current social patterns continue and if economic stability returns.

Households and Income

Much of the major residential development planned or underway will meet housing needs of smaller middle and upper middle income households. At the same time, however, at least one-fourth and more of the housing development projects are focussed directly on the housing needs of low and moderate income families.

Public policies and actions are moving toward increasingly active support and encouragement of public and private residential development efforts. This will undoubtedly enhance the future economic vitality of the city.

Forecasting the future course of real income of families is difficult since levels of inflation, wages and salaries are uncertain and unknown. As of now, it

Appears that despite inflation the per capita income of the Washington region is estimated to have increased in constant dollar terms by 13% between 1969 and 1973.1/ There are no comparable figures available for the District. However, if Bureau of the Census income figures for four person families, 1969 and 1974, are corrected for inflation by the consumer price index, then the median income of this family size has increased by 10% in constant dollar terms. In current dollars, the figures were: 1969: $10,320; 1974 $15,093; In constant dollars, the figures are 1969: $10,302 1974, $11,348.

The U.S. figure for a 4 person family in 1974 was $14,747; the comparable 1969 figure was $10,782. In terms of constant dollars, the 1974 income was $10,964.

All told, the 4 person family in the District appears to be in a moderately stronger position vis a vis inflation than is true in the U.S. as a whole. If this trend continues, if wages and salaries keep pace with inflation, and the occupational profile trends increasingly toward higher paying occupations, the income resources of the city will improve.

However, it is important to note that the cost of government as measured by the implicit price deflator for purchases by state and local governments has increased at a faster rate than the consumer price index. If this continues, it will be very difficult for local governments to achieve a viable balance between taxation, revenues and the cost of service delivery systems desired by the community.

Even with relatively high levels of community affluence, as in Montgomery and Fairfax counties, local governments are finding themselves in a severe cost-revenue bind.

1/ Source: U.S. Department of Commerce, Bureau of Economic Analysis, unpublished data.

APPENDIX B

AN EVALUATION OF ECONOMIC SECTORS

Retail Trade

A staff paper of the Department of Finance and Revenue, as a by-product of the Department's revenue estimating process, provides an up-to-date summary of retail trade trends in the District.

The staff paper compares the composition of retail trade in Washington, D.C. with that of the surrounding area, eleven cities of similar size, and the thirty largest cities in the United States. The data used comes from the U.S. Bureau of the Census, Census of Retail Trade, 1972 and Census of Business, 1967.

The conclusions of this study are as follows (using the language of the study):

Retail trade has in the past and will continue to provide a significant portion of Washington's tax revenues in the form of sales taxes, individual income taxes and business taxes. The very slow rate of growth in retail trade poses a critical problem for the District of Columbia financies since the cost of providing governmental services has been growing at a much faster rate.

The lack of significant growth in retail trade in the District of Columbia is not caused by a slow growth in incomes or population in its immediate trading area. The lack of significant growth is due to a losing battle in the District's competition with large shopping areas in the suburban

areas for the consumer's business. The District's poor competitive position may be attributed to a number of factors:

- Relatively higher land costs and the lack of suitable sites for building the new and larger stores which are more in tune with the trend in merchandising.
- The relative lack and/or high cost of parking for the car-oriented consumer of today.
- A transportation system which is biased more toward commuter travel than retail trade.
- The expanding Federal establishment which has taken over former retail trade areas.
- The relative lack of evening shopping.

Washington, D.C. Retail Trade Compared with the Surrounding Area

The composition of Washington retail trade varies significantly compared with other city and suburban areas in Maryland, Virginia, and Delaware. Miscellaneous retail store trade and eating and drinking establishments constitute a much larger proportion of retail trade in the District. Conversely, building material, hardware, garden supply dealers, general merchandise stores, and automotive dealers account for a much smaller proportion of retail trade in the District than any other jurisdiction studied.

Eating and drinking establishments make up 14.3% of the retail trade in the District, compared to 11% in Baltimore City and 10.3% in Arlington County (the two jurisdictions showing the next highest proportion of retail trade derived from this source). Miscellaneous retail stores in Washington (liquor stores, antique stores, florists, etc.) comprise 19.9% of the total retail trade or nearly twice the proportion in other jurisdictions. The District is also a leader in the proportion of retail sales attributable to apparel and accessory stores with 8.4%. Only Norfolk, Virginia with 8.6% of its retail sales from apparel and accessory stores is more dependent on this source.

Washington's general merchandise stores produce only 12.6% of its retail trade, by far the lowest in the area. Similarly, automotive sales in Washington make up only 10.0% of its retail trade, far below Baltimore

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City (15.5%) which has the second lowest retail automotive sales. As can be expected, building materials, hardware, garden supplies, and mobile home dealers' retail sales make up a small (1.79%) porportion of the District's retail sales, while in Fairfax County (5.3%) and Montgomery County (3.6%) they consitute a much larger proportion of retail sales.

The District also ranks low in the percentage of retail sales from food stores with only 16.5% of its total retail sales attributable to this source, while Baltimore City (21.6%) and Fairfax County (23.3%) owe a much larger proportion of their total retail sales to food stores. Developments since 1972 in Washington's food retailing indicate a reduction in the proportion of retail sales from food sales.

Washington,D.C. Retail Trade Compared with the Thirty Largest Cities, 1972

Washington, D.C.'s pattern of retail trade varies greatly from the average in most retail trade categories when compared to the thirty largest cities. The District ranks number one in the proportion of retail sales from drug and proprietory stores and miscellaneous retail stores. The District is last in the proportion of retail sales from automotive sales and general merchandise store sales. A comparison of Washington's retail trade pattern with the average for the thirty largest cities shows the uniqueness of its retail trade pattern.

AVERAGE PROPORTION OF TOTAL RETAIL TRADE IN THE THIRTY LARGEST CITIES COMPARED WITH WASHINGTON, D.C.

Type of Business	30 City Average	Washington	Difference
Building materials, hardware, etc.	3.0%	1.7%	-1.3%
General merchandise	16.6	12.6	-4.0
Food stores	19.6	16.5	-3.1
Automotive	17.4	10.0	-7.4
Gasoline	5.6	5.4	-0.2
Apparel and accessories	6.5	8.4	+1.9
Furniture, home furnishings, etc.	10.5	5.9	+0.6
Eating and drinking	10.5	14.3	+3.8
Drug and proprietory	3.6	5.4	+1.8
Miscellaneous retail	12.1	19.9	+7.8

As shown above, Washington's retail trade varies significantly from the average in eight of the ten business types. The District shows a higher proportion of retail trade from miscellaneous retail trade, 19.9%, than any other of the thirty largest cities. The miscellaneous retail trade proportion for other cities ranges from 7.2% in Columbis, Ohio, to 19.6% in Boston. Drug store and proprietory store sales make up a larger portion of total retail sales in the District than in any other of the thirty largest cities.

The District also enjoys a high proportion of retail sales (14.3%) in the eating and drinking category as did San Francisco (16.6%) and Boston (14.0%). These high proportions for eating and drinking establishments may be attributed to tourism and/or a large commuter population supplementing evening dining with luncheon expenditures.

Automotive sales account for a smaller segment of total retail sales in Washington than such sales do in any other of the thirty largest cities. The paucity of automotive trade may be attributed to the relative lack of large, low-cost land sites in Washington which seem to be important to automobile merchandising as it is now practiced. Similarly, food store sales in the District rank near the bottom as a portion of total retail trade compared to the thirty largest cities, due apparently to the District's high land costs and lack of suitable sites for the larger stores now being developed by the food industry.

The District's general merchandise store sales make up 12.6% of total retail sales. The average proportion of total retail sales in the thirty largest cities for general merchandise store sales is 16.6%. Philadelphia's general merchandise stores contributes an even smaller (11.4%) proportion of total retail sales than do such stores in the District, however, the range for the other cities is from 12.8%. in New Orleans and Detriot to 23.4% in Pittsburg. Conversely, apparel and accessory store sales in the District make up 8.4% of total retail sales, well above the thirty city average of 6.5%. Furniture, home furnishings and equipment store sales also make up a larger portion with 5.9% of total retail sales versus a 5.3% average for the thirty cities.

All the data studies seems to indicate that the District of Columbia retail trade has developed in different directions than the average large city in that more of its retail trade is carried on in speciality stores than in large, general merchandise stores. This conclusion is supported by the relatively high proportions shown for miscellaneous retail stores, apparel and accessory stores, furniture, home furnishing/equipment, and drug stores.

The relative lack of automotive sales and food store sales is due, in part to the District's small land area and high land prices which adversely affects these businesses.

There are three characteristics of each category of Retail Trade which indicate strengths and weaknesses: Number of Establishments, Number of Paid Employees, Sales Volume. The chart below illustrates the dynamics of these characteristics by category of the Retail Trade Sector of Washington, D. C.'s economy. The picture presented is one of a predominantly static situation with stronger tendencies toward decline than growth. Even those sectors which have shown growth generally did not grow in Sales Volume which is the most critical characteristic. In addition, the majority of categories which showed growth were of relatively minor impact on the Total Retail Trade Sector of the economy. While there is a general tendency toward decline, it is by no means total or drastic. Strong action toward change can still make an impact.

Services Trade

A staff paper of the Department of Finance and Revenue concludes:

> The service industry in the District of Columbia grew at a healthy rate from 1967 to 1972. However, during this period the District was not able to tap this source of tax revenue to any significant degree because of its lack of taxing authority with regard to professionals and non-resident income. Since the service industry has showed a much larger rate of growth than that of the retail trade industry, it is evident that the service industry's share of the District economy will continue to grow. Thus, the District's tax system must adapt to changes in the make-up of its economy if it is to produce sufficient revenues to finance current service demands and be responsive to changes in economic and demographic conditions.

The staff paper compares the composition of an changes in selected service trade in Washington, D.C., with that of the surrounding area, eleven cities of similar size, and the thirty largest cities in the United States. The data used comes from the U.S. Bureau of Census, 1967 Census of Business: Selected Services, and Census of Selected Service Industires, 1972. This section of the report includes much of the text of the Department of Finance and Revenue paper.

The service industry is an important and growing part of the economy of the District of Columbia. Over 100,000 people are directly employed in this industry in the District.

As noted above, in contrast to the retail trade industry, the service industry has shown a good rate of growth in recent years. This growth suggests that the service industry will play a larger role in the District's economy in the future and in the District's propsective tax revenues.

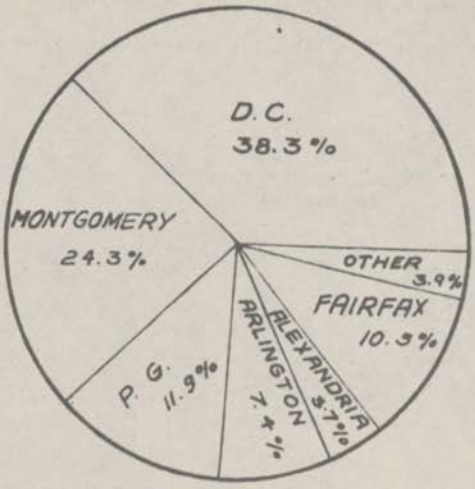
TABLE I

SERVICE INDUSTRY GROWTH
(in millions)

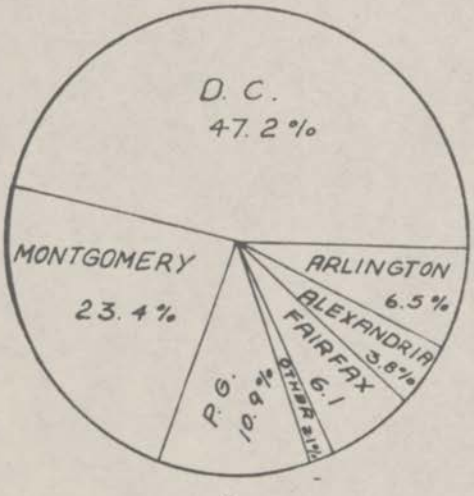
		1967	1972	% Growth
	TOTAL	$569.2	$827.3	45.3%
Major Sources of Growth	Business Services	236.2	412.4	74.6%
	Recreation	59.5	96.7	62.5%

Other categories such as hotels (14.3%) and personal services (2.9%) grew more slowly. All of the growth in the miscellaneous repair sector was a result of the strength of the watch, jewelry, and tool repair position substantially offset by a decline in air conditioning and electronic repairs.

A decline in the District's portion of the regional market in the services area is portrayed in the following pie-charts:



1967



The District experienced the same dilemma as Baltimore, Dallas, San Francisco, Boston, and St. Louis--in no area of its selective service industry did the central city outpace its surrounding metropolitan area. The differences for all types of trade in Washington are substantial. Personal services in the Washington SMSA grew by 27.5%, in the District by only .3%; receipts from hotels in the District increased only 14.3%, but in the metropolitan area such trade increased 53.0%; the trend continues with respect to miscellaneous repair services--a growth rate of 8.9% for the District and one of 81.6% for its SMSA.

TABLE IV*

PERCENT GROWTH IN METROPOLITAN AREA SELECTED SERVICE TRADE COMPARED WITH THAT IN CENTRAL CITY 1967-1972

City	% Growth in City	% Growth in SMSA	Difference City/SMSA
Baltimore	- 1.9	+ 38.4	-40.3
Dallas	+76.7	+146.7	-70.0
D. C.	+46.7	+ 80.7	-34.0
Cleveland	+26.1	+ 42.2	-16.1
Indianapolis	+72.3	+ 56.6	+15.7
Milwaukee	+34.3	+ 51.5	-17.2
San Francisco	+49.3	+ 57.1	- 7.8
San Diego	+73.1	+ 77.0	- 3.9
San Antonio	+76.9	+ 82.0	- 5.1
Memphis	+88.9	+ 90.7	- 1.8
St. Louis	+11.1	+ 45.1	-34.0
11 City Average	+44.6	+ 66.6	-22.0

*Based on 1967 and 1972 Standard Industrial Classifications.

Industry

Industrial employment and industrial areas of the city have--with some important exceptions--declined in the 1960-70 period and in the 1970's to the present. Industrial areas of the city which have severely declined in that period are the Georgetown Waterfront, the Anacostia Bridge industrial pocket, and the industrial cluster near Howard University. More moderate declines have occured in the industrial strip along the B&O railroad tracks (north-south), the Buzzards Point area, the New York Avenue industrial corridor, and the Kenilworth-Benning area.

Some highlights of employment trends in several industrial categories are as follows:

- Manufacturing overall has declined from 20,200 employees in 1960 to 18,600 in 1970 and 15,000 in 1976. Within this category, food and kindred products declined dramatically in the 1960's, from 5,400 in 1960 to 2,700 in 1970. A more gradual decline has continued to the present, with 1,400 employees in this category in 1976.

  Printing and publishing, which is the only industry in which Washington ranks within the top twenty cities in the country (ranking second only to New York City), increased steadily in the 1960's and early 1970's. In 1960 there

were 11,300 employees, in 1970, 13,000, and in 1973, still 13,000. Since then a gradual decline has begun, with the current 1976 total 11,500.

Other manufacturing categories are down from 3,500 in 1960 to 2,100 in 1976.

- Construction employment has been relatively constant (20,800 to 20,900), thanks to a big boost from Metro in the early 1970's when housing construction entered a decline.
- Transportation, communication, and public utilities have been quite stable in employment--28,200 in 1960 to 28,800 in 1976.
- Wholesale trade remained quite constant in the 1960's--then declined very sharply in the 1970's--19,500 employees in 1960, 19,100 in 1970 and 14,900 in 1976.

The Visitor and the Washington Economy

Providing goods and services to visitors to Washington is an important element of the District's economy. In fact, servicing visitors is considered to be the city's second most important economic activity, after Federal employment and expenditures. Furthermore, servicing visitors is one of the sectors of the economy with the most potential for additional growth.

The following information has been obtained from a report prepared for the Washington Area Convention and Visitors Bureau of the Metropolitan Washington Board of Trade (1974 data).*

- In direct and indirect spending visitors account for $790 million per year in the metropolitan area. About $550 million of that amount is in the District.
- About 44,000 jobs in the metropolitan area, of which 31,000 are in the District, are directly dependent on visitors. Indirect jobs would be in addition to this.
- Direct taxes to the District from visitor expenditures are about $20 million per year.
- Information for overnight visitors can be summarized as follows:

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*Visitors and Their Contribution to the Washington Economy, prepared for the Washington Area Convention and Visitors Bureau by Gladstone Associates, February, 1975.

Washington Metropolitan Area

(in millions)

Accomodations	1974	1976 (Projected)
Commercial	4.8	5.7
Private (Friends, Relatives)	6.3	7.3
Camping, etc.	1.0	1.2
SUB-TOTAL	12.1	14.2
Day Visitor	1.8	2.9
TOTAL	13.9	17.1

- The reasons overnight visitors come to Washington are:

Conventions and Business	45%
Visit Friends and Relatives	25%
Sightseeing and Entertainment	23%
Outdoor Recreation and Other	7%
	100%

- Efforts to encourage all types of visitors are important. However, in terms of economic impact the convention and business visitors are most important since they produce about 70% of visitor spending.

- The number of sleeping rooms in the area is about 28,400.

Number of Sleeping Rooms (1974)

(Hotels, Motels with more than 50 Beds)

	Number of Hotels, Motels	Number of Rooms
District of Columbia	63	14,730
Maryland Suburbs	38	5,118
Virginia Suburbs	54	8,532
	155	28,380

Note that the District has slightly more than one half of the lodging rooms in the area. However, that number has slipped in actual and percentage terms in recent years. Development of new hotel space in the District is therefore needed.

Program for Increasing Visitor Spending

The aims of the District's program on visitor activity can be summarized in three points:

- Attract more visitors, especially in the groups (convention, business) which have the highest expenditure rate.

- Encourage visitors to stay longer in the city by developing new attractions and by providing more information on existing attractions. The District will clearly benefit more if visitors stay in the city, and eat and seek entertainment in the city.

- Developing new commercial enterprises (shops, restaurants, entertainment) which will appeal to the visitor. The investment in the National Heritage Theater at 13th and E Streets is the most recent example of such investment.

Main elements of the visitor development program are:

- o broaden image of the city;
- o develop and enhance attractions;
- o develop needed visitor servicing facilities (convention center, hotels, restaurants, shops);
- o improve visitor information system; and
- o improve transportation for visitors.

Broaden Image of the City: Washington present has a limited image for many visitors. They see it as the monumental core--the Capitol, White House, monuments, museums, and cherry blossoms--not as a great city. Yet the city increasingly offers much more. This story must be told, to attract more visitors and encourage them to stay longer.

Develop and Enhance Attractions: New attractions which will serve visitors (as well as residents) need to be developed. Pennsylvania Avenue, the Georgetown Waterfront, West End, Howard Gateway, and the Eastern Market areas are examples (the District is planning for such areas). Existing but relatively little used attractions, such as the Arboretum, need to be enhanced. Increasing the number of national and international organizations in the city will attract more business visitors.

Develop Needed Visitor Servicing Facilities: New facilities to serve visitors are needed. The biggest need is to construct the Washington Conference and Convention Center (described in more detail in a separate section).

New hotel accomodations are needed, especially in the downtown area. These in part will be generated by a new conference and convention center. Finally, new shops and restaurants, which serve the local population will also serve visitors. The District's planning program is placing added emphasis on encouraging centers of activity, especially in Central Washington.

Improve Visitor Information System: Visitors need adequate information in order to understand and fully utilize the city. The District, in cooperation with Federal agencies, is moving toward development of an overall information system. The National Visitor Center at Union Station is the keystone of this system. In addition, the District is developing a smaller information center at Ninth and F Streets, N.W. as part of the "Streets for People" program. As part of the Bicentennial program, a system of street graphics is being developed. Additional information is being provided on the Mall. Many new guideboods and guide materials have been published for the Bicentennial. Continuing improvement of the elements of the information system will aid visitors in obtaining the full benefit from their Washington visit.

Improve Transportation for Visitors: Washington's core--the central activity area--is large and visitors sometimes have trouble moving between various attractions. Metro will help, but additional systems are needed. The District is developing plans for an improved transportation system within the central activity area, using buses an reserved rights-of-way and converting some streets to pedestrian use. The first elements of this system are already appearing in the Tourmobile, the Downtowner Bus, the Mall improvements, and the Streets for People program. This system will aid visitor movement as well as the movement of residents, shoppers, and workers.

Land Use and the Economic Base

The major land use categories include residential, commercial, industrial, institutional and public (including parks and open space). Streets, highways, alleys, sidewalks, and even rivers and other water areas, are also land uses. The way land uses are distributed geographically within a jurisdiction and the percentage of its total area devoted to the various uses have a major bearing on that jurisdiction's economic base. For instance, the lower the percentage of a jurisdiction's land area that is devoted to taxable private activities such as resident incomes, business incomes, sale of goods and services, and real property improvements, the more value that jurisdiction must derive from its taxable base to support service to its residents, workers and visitors.

Washington, D.C. comprises 68.24 square miles of which 62.73 square miles is in land area and 5.51 square miles is in water area. 31.5% of the total city area comes under the jurisdiction of the United States and District of Columbia Governments and is not taxable. 7634.30 acres of the total area within that U. S. Government category is in parkland under the jurisdiction of the National Park Service of the U.S. Interior Department, 269.52 acres or .62% of the total land area is held by foreign missions and international organizations. This area is also not taxable.

In sum, only 34.6% of the land area and 31.8% of the total area, including water areas, is in the taxable category. By comparison, Baltimore and Cleveland, which are simlar in size and population to Washington, have about 70% and 69.33% of their areas, respectively, in taxable uses. It should also be noted that Washington has a higher percentage of its land area in public rights-of-way than most large cities. 25.17% of its

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land area is in streets, highways, alleys and other transporation oriented public spaces.

The 31% of the total is the city's tax base -- on it live all the residents not in institutions or military reservations and on it are the stores, private offices, and service and industrial enterprises of the city. There is also a large work force on non-taxable land (Federal offices, chanceries, and international organiztions such as the World Bank). That work force contributes to the local tax base only to the extent that certain of its members live in the city and have taxable incomes. Also, certain members of this governmental-international work force do buy taxable goods and services within the city. However, many members of this work force live in the suburbs, park in free spaces while at work, eat in non-taxable cafeterias and only occasionally buy taxable goods and services at stores or restaurants within the city.

The Federal payment is provided in part to cover the loss of tax revenues due to the presence of tax exempt and government-owned land in the city. The Federal payment for FY 1975 is set at $230 million. It is projected to increase to $300 million by 1980 under the Home Rule Charter. However, in 1975, the Department of Finance and Revenue estimated that the total loss of revenue attributed to the Federal presence is $315 million currently. That loss will increase by 1980 when the projected revenue shortfall is projected by the District's budget office to be $500 million.

Changes in the amount of land devoted to the various uses also have a bearing on the city's economic base. According to the D.C. Real Property Data Bank, the amount of land in the District devoted to U.S. and D.C Government purposes increased by 18% between 1969 and 1975.

During that same period, there were pronounced decreases in the amount of land devoted to several tax generating activities such as housing, hotels, commercial and industrial . There was an increase in only one tax generating category - office buildings.

The amount of vacant land also increased between 1969 and 1975 but the amount needs further research. The total amount of private tax exempt land declined between 1969 and 1975 but this due almost entirely to the purchase of private tax exempt land by the U.S. or District Government for non-taxable uses.

In terms of market values of real property, according to the D.C. Real Property Data Bank which includes assessment information, the total estimated marekt value of city land and improvements increased from $12.4 billion in 1969 to $16.8 billion in 1975. However, correcting for inflation (using the Consumer Price Index) since 1969, the 1975 value is $11.8 billion, indicating that the assessments of city's overall real property tax base has not kept up with inflation. This is a condition of all but the most expansive cities and counties such as Houston, Dallas, San Antonio, many of which are engaging in annexing nearby suburbs.

Even with a correction for inflation, however, there was a marked increase in the market value of the two tax base land uses with the highest total values: office buildings gained 18% (nearly doubled in actual dollar values) and detached homes increased 2.34% (growing by over one third in actual dollar value). Row house, semi-detached homes and large stores grew in value, almost to the level sufficient to keep up with inflation. Several uses declined both in actual dollars and, more seriously, in relation to inflation - flats, walk-up apartments, small stores and warehouses. Elevator apartments gained in dollar values but did not keep up with in-

flation.

Several tentative conclusions can be drawn from this early information, although it should be noted that some of the changes occurring may be due in part to assessment practices as well as to actual changes in property values:

1) The city's real property tax base is growing but not fast enough to keep up with inflation.

2) The taxable land area of the city has declined relative to governmental and tax exempt uses.

3) Office buildings and owner-occupied housing are growing in value at a rate exceeding inflation.

4) Walk-up multifamily housing, small stores and warehousing and undergone a serious decline in value.

5) Hotels, elevator apartments and large stores remain strong in value but are not keeping up with inflation.

This information and these tentative findings will be evaluated, refined and clarified during the comprehensive planning program. Nevertheless, it appears reasonably clear at this point that the city and Federal Government should not remove much more land from the taxrolls for governmental and non-profit uses. It is also clear that the multi-family and light industrial land use categories need considerable attention to improve conditions.

APPENDIX C

10 City and City-Suburb Comparisons

To provide a comparison with other cities of similar size, 1970 census data with respect to certain socio-economic characteristics has been compiled comparing Washington, Baltimore, Boston, Cleveland, Dallas, Indianapolis, Memphis Milwaukee, St. Louis, and San Francisco, and as between the District and its suburbs. The 1970 population of these cities range from 905,847 for Baltimore to 622,236 for St. Louis, with Washington's 1970 population of 756,510 persons listed third after Baltimore and Dallas.

These cities do, of course, differ. Dallas and Indianapolis have annexed large portions of their suburbs, making precise comparisons difficult. They also differ in employment offered. For instance, Washington and San Francisco are white collar cities essentially, while Cleveland, Baltimore, Milwaukee and St. Louis are manufacturing centers. As predominantly white collar cities, Washington and San Francisco have a smaller average household size than the other cities.

Population Changes

Among the 10 cities, Indianapolis, Memphis and Dallas all grew in population between 1960 and 1970 due to annexation of suburban territories. However, between 1970 and 1973 both Dallas and Indianapolis lost population. Only Memphis of the 10 gained in population after 1970.

Of the 7 cities that lost population during the period 1960 to 1973, Washington had the lowest percentage drop - 3.9%. St. Louis and Cleveland lost the most population, 25.6% and 22.5% respectively.

According to the National League of Cities, among the cities with 500,000 or more residents in 1973, 15 lost population between 1960 and 1973 and 13 gained. 4 of the 13 gainers lost population between 1970

and 1973 leaving only 10 cities still growing in population of which two annexed territory after 1970. Thus only 8 cities of the top 27 actually gained population within their borders 1970-1973. The big gainers are Houston, Jacksonville, Phoenix, San Antonio and San Diego.

Among the top 27 cities in population, Washington, D.C. remained among the most stable in population, declining the least in percentage terms of all the cities losing population during the period 1960-1973. The following table compares the 10 cities in population terms.

The 10 Cities Compared
Population in Thousands

City	1960	1970	1973	Percent Change 1960-1973
Baltimore	939	906	878	-6.5
Boston	697	641	618	-11.3
Cleveland	876	751	679	-22.5
Dallas	680	844	816	+20.0
Indianapolis	476	743	739	+55.2 [1]
Memphis	498	624	659	+32.3
Milwaukee	741	717	691	-6.9
St. Louis	750	622	558	-25.6
San Francisco	740	716	687	-7.2
Washington, D.C.	764	757	734[2]	-3.9

1] City and County Consolidation

2] D.C. official population estimate is 740,000

Source: 1960 and 1970 Census of Population, Bureau of the Census, Population Estimates and Projections Series P-25 and P-26, 1975.

10 City Comparisons

Median Family Income

Indianapolis, San Francisco and Milwaukee lead the list -- $10,754, 10,503, and 10,262, while Memphis and St. Louis are the lowest. Washington is fifth of the 10 at $9,583. However, Washington has the 4th highest mean income at $12,189, among the 10 cities, the size of the gap between the median and the mean, indicating that the District has a substantial number of both low and high income families.

Dependent Age Group Population

San Francisco, Boston, and St. Louis have the highest percentage of their population aged 65 and over; Dallas and Indianapolis have the smallest percentage. Washington ranks seventh in the proportion of its population 65 years of age and residents under age 18 years of age; Baltimore, Dallas, and Indianapolis have the largest number while San Francisco and Boston have the fewest. Washington ranks seventh of the 10.

Occupation of City Residents of 16 years and Above

Professional, Technical, and Kindred

In this category, the District of Columbia ranks first in both total number and in percentage of the employed labor force in this occupational classification. Memphis, St. Louis, and Cleveland are the lowest.

Managers and Administrators

Dallas has the highest number, followed by San Francisco, Indianapolis and Washington. Cleveland and St. Louis have the fewest.

Clerical and Kindred

Washington leads the list, followed by San Francisco. Memphis and Cleveland are at the end of the list.

Blue Collar

In the blue collar categories, Washington and St. Louis have the fewest craftsmen, foremen and operatives. Washington also has the fewest operatives

of equipment (except transportation). It is second to Baltimore in the number of transportation equipment operatives (e.g., bus drivers). Washington ranks fourth in number of laborers, behind Baltimore, Cleveland and Dallas.

Service Workers

Washington heads the list in numbers of service workers and in private household workers. For the private household worker category, Washington has by far the highest number, 13,000 as against Dallas' and Baltimore's 9,300.

Employment by Industry

Washington has nearly three times the number of persons engaged in public administration as the second largest number in Baltimore. It has by far the fewest manufacturing and wholesale trade employees but ranks first in professional and related services and in personal services. Washington ranks sixth in retail trade employment, and fifth in the finance, insurance and real estate category. San Francisco, Dallas and Boston respectively are at the top in these later categories. Washington also has a substantial number engaged in the construction industry, only exceeded significantly by Dallas, and moderately by Baltimore. (Both these cities are considerably larger than D.C. in population and in employed labor force).

Retail Trade

Washington had the fewest retail trade establishments in 1972 among the 10 cities but ranked second in the number of paid employees in the retail trade category. Although it had the fewest establishments, its sales volume was the 5th largest. Dallas ranks first in number of establishments, and in employees and sales volumes.

Means of Transportation to Work

The highest percentages of resident workers using public transportation are in Boston (38.3%), Washington (35.6%), and San Francisco (35.3%). Indianapolis (7.6%) and Dallas (10.4%) are at the bottom. In Boston, San Francisco and Washington, more than one in every ten workers walk to their jobs. In the metropolitan areas of those cities, the residents of the Memphis suburbs lead the cities in percentage of workers living in the metropolitan ring who walk to work - more than 1 and every 5. The Washington suburban pattern is similar to Cleveland's and San Francisco's, about 8% walk to work.

Washington as Compared to its Suburbs

Population Changes

During the period 1970-1974, according to U.S. Census Bureau estimates, the District, Arlington and Alexandria lost population -- Arlington at the fastest rate. The Washington Center for Metropolitan Studies estimates a population decline for Prince Georges County as well. Fairfax County is growing the most rapidly, followed by Loudon and Prince William Counties. Montgomery County is continuing to grow but at a more moderate rate than Fairfax County.

Total Metropolitan population is estimated at 3,021,600 in 1974, up 160,477 from 1970 and up 1,019,700 from 1960.

Average Household Size

The SMSA average in 1970 was 3.09 persons per household. Arlington was lowest with 2.43, followed by Alexandria 2.57 and the District 2.72. Prince William (3.86) and Loudon and Fairfax County (3.53) and Fairfax City 3.51 were the highest. On the Maryland side, Montgomery and Prince George's counties averaged 3.30 and 3.34 respectively (1970 Census).

Median Family Income

According to the 1970 census, the median family income for the SMSA was $13,004. The District of Columbia ranked last among the SMSA jurisdictions in median family income -- $9,576. Montgomery County was first with $16,708; Fairfax County was second with $15,697. Arlington, Prince Georges, Alexandria, Prince William and Loudon Counties complete the list in descending order.

Dependent Age Groups

In the under age 18 category, the jurisdiction with the largest number was Prince Georges County with 245,531, 37% of total population followed by the District with 224,106 30% of total population. Actually, Fairfax City has a larger percentage, 39%, within that age group than Prince Georges County or District of Columbia and this group is 36% of Montgomery County's population. As to persons 65 and older, the District had by far the largest number in 1970 with 70,803. Montgomery County was next with 32,619 (1970 Census).

Employment - Occupations

Among the major area jurisdictions, employment of residents by occupational classification is as follows:

Professionals, technicans - Montgomery County ranks first, followed by the District, Prince Georges and Fairfax Counties.

Managers - Montgomery leads, followed by Prince Georges and the District.

Sales Workers - Montgomery first, followed by Prince Georges, Fairfax and the District.

Clerical - The District leads by a wide margin followed by Prince Georges; Montgomery County has about half as many as the District.

Craftsmen - Prince George's, the District, Montgomery, Fairfax, in order.

Equipment Operatives - the District of Columbia and Prince George's are home to 59% of the persons working in this occupation; another 24% live in Montgomery and Fairfax.

Transport Workers - District of Columbia is substantially in the lead, followed by Prince George's.

Laborers - District of Columbia is substantially in the lead, 46% of the W-SMSA, followed by Prince George's, with 21%, and Montgomery County with 10%.

Service Workers - Of the 125,500 workers in this category of the W-SMSA, 45% live in the District. The next largest number, 20%, live in Prince George's, 11% in Montgomery, and 9.5% in Fairfax.

Private Household Workers - The District of Columbia is home to 60% of the workers in this occupation in the W-SMSA. The next largest number, six times higher than the next jurisdiction, the next largest number -- 11% of the total, live in Montgomery County.

Place of Residence in Relation to Place of Work (1970 Census)

* Of the 492,300 persons employed in D.C., 220,400 or 45.5% live in D.C. Of the 335,300 D.C. resident workers, 220,400 or 66% work in the District of Columbia. Among D.C. residents working out of the city, 5.6% work in Montgomery, 4.6% in Prince George's and 3.6% in Arlington.
* Of the 219,000 persons employed in Montgomery, 50% live in Montgomery; 8.6% live in D.C., 9.8 live in Prince George's, and 2.6% live in Fairfax. Of Montgomery workers working out of the county, the greatest majority (68,000) or 22% of the county's total employed, work in D.C.; another 5.9% (13,000) work in Prince George's.

* About 39% of Prince George's workers are employed in Prince George's; 98,000 (35%) work in D.C., and 22,000 (7.7%) work in Montgomery.
* Almost 38% of Arlington County employed residents work in Arlington, another 39% (36,000) work in D.C.; and about 6% work in Fairfax County.
* One-third of the employed residents of Fairfax County work in the county, 45,000 about 25% work in D.C., 29,000 or 16% in Arlington, and 7.5% in Alexandria.
* Only 1 in 5 Alexandrians work in Alexandria. Most work in D.C., followed by Alexandria and Arlington.

Employment of D.C. Residents, 14 and Over

By Industry and Occupation: 1960 to 1970

Source: (1970 Census)

Total Employed:	1960	1970
	341,563	336,882

Changes in Numbers of D.C. Resident Employees

By Industry: 1960 - 1970

Declines:	Gains:	Remained About Same:
- Construction	- Business and Repair Services	- Transportation
- Manufacturing	- Professional	- Wholesale Trade
- Retail Trade		- Finance, Real Estate, Insurance
- Personal Services		- Other
- Public Administration		

Changes in Numbers of D.C. Resident Employees

By Occupation: 1960 - 1970

Declines:	Gains:	Remained About Same:
- Sales Workers	- Professional	- Managers
- Craftsmen	- Technical	- Clerical
- Operatives		- Transport Operatives
- Laborers		- Service Workers
- Private Household Workers		

Retail Trade in the District

Source: (U.S. Census of Business 1967-72)

TOTALS

Number of Establishments		Number of Employees	
1967	1972	1967	1972
4,900	4,600	59,000	54,000

Sales Volume in Millions	
1967	1972
$1.6	$1.8

Changes by Category

	Establishments	Employees	Sales
Hardware	Declines	Declines	Remained About Same
General	Gains	Remained About Same	Gains
Food	Declines	Declines	Gains
Auto	Declines	Declines	Declines
Gasoline	Declines	Declines	Gains
Apparel	Gains	Declines	Gains
Furniture	Remained About Same	Declines	Remained About Same
Eat/drink	Declines	Declines	Gains
Drugs	Declines	Declines	Declines
Liquor	Gains	Gains	Gains
Miscellaneous	Remained About Same	Gains	Gains
Non-store	Gains	Remained About Same	Gains

ECONOMIC DEVELOPMENT PLAN

Mr. GILBERT. We have done this governmentwide report prepared along functional rather than departmental lines. I would like to note that many departments of the city government, but most particularly, the Department of Economic Development, the Department of Housing and Community Development from the standpoint of planning, and Municipal Planning Office, are all engaged in economic development activity.

The document that we put together at the committee's request, we believe will serve as a point of departure for the additional work that we are going forward with in the economic development area. We agree completely with the committee's evaluation of the need for a more effective central thrust in the economic development area.

In connection with that, the Mayor has established an overall Economic Development Committee. This is a committee that the Federal Government, the Department of Commerce, wants every State-level jurisdiction to establish—to provide a clearinghouse function for economic development projects that might receive Federal assistance.

That committee is just currently being organized. It is a 24-member citizen committee covering a broad range of the population—business, labor, and citizen groups. Acceptances are currently being received. It will meet shortly.

In addition, there is a small planning staff that has been funded by the Department of Commerce which will develop a long-range economic development plan for the city. At the same time, the three agencies that I cited, the Department of Economic Development, the Department of Housing and Community Development, and the Municipal Planning Office, are arranging to jointly provide staff support to the committee which will provide the forward thrust of our coordinated effort.

CURRENTLY PLANNED DEVELOPMENT PROJECTS

As you have noted from our report, there are many projects in development that are underway. I cite a few: the downtown development activities; the Fort Lincoln Town; the housing development which Mr. Jacobs cited in 14th Street, and similar activity in the other riot corridors.

We are also very pleased to find that a great deal of private development is starting to occur in the District, particularly in Southeast Washington. The developers with relatively small tracts of land have come in for these zoning approvals and are starting to build housing.

We have got rezoning activities in such areas as the Georgetown waterfront and the west end area where we are hopeful that as a product of this modernizing of zoning, development will go forward.

We are taking a second look at the convention center project in the Mount Vernon Square area. We believe that project was viable when it was first proposed and it still has validity today. In the year ahead, we are going to launch a comprehensive study of how that center relates to the area surrounding it, which was one of the problems that we encountered the last time the proposal was put forward.

I think that the people in the area did not understand how that center was going to relate to their neighborhood. So we are focusing on that.

NEW YORK AVENUE CORRIDOR

We have identified the New York Avenue corridor along the railroad tracks going out Northeast as an area for certain type of light industrial development. We believe development that is oriented to the functional activities that go on in the Nation's Capital can appropriately be housed along the New York Avenue corridor, which has the largest tracts of industrial land in the city.

Much of that is either unused or underutilized. We look at the subway. We are just delighted with the response that has occurred. You can almost feel the impact of it when you use it; even for the short business trips that it is now primarily being used for.

There is a new sense of optimism and opportunity in the city as a result of this momentum. We have had a long-time joint planning effort with the National Capital Planning Commission in connection with the area of South Capitol Street-Buzzard Point. That is now reaching a point where a developer has come in. Under the leadership of Mr. Jacob's department, we have got a joint task force that is trying to see if we can provide means to assemble sufficient land to make this a promising and attractive development.

OTHER PROJECTS

We also are looking at other programs which we think will reinforce specific project development; minority enterprise activity is very important. The food service and neighborhood shopping need, we recognize the importance of it and there is a certain amount of frustration that goes with it. There has been this great changeover of the food service marketing practices from the small shops which was characteristic of this central city and characteristic of other central cities. The economics of supermarket shopping indicated that they should phase out these small stores and substitute larger stores.

Unfortunately, the larger land assemblies and the parking that goes with it are difficult to secure in the central city locations; but we have identified some, most notably in the O Street Market area, which is one of these traditional old farmer's market in the middle of the Seventh Street corridor.

We have the necessary approvals from the Planning Commission and so forth. We have a prospect interested in developing that tract as a supermarket, a drug store and a bank. We look for that center as being very important in terms of tying in with our other efforts in the Shaw renewal area.

We see other issues that we should deal with, improved bus access to employment areas as being very important and some of the changes in bus transportation that are clearly needed in this city have been deferred by WMATA, the Washington Metropolitan Transit Authority, pending the arrival of Metro. I think they are now taking a new look at bus service. I think at one point they thought the buses would kind of wither away. We never thought so. Now they see the buses as important feeders to the subway.

Of course, the subway stations themselves, many of them are areas of opportunity for the city at this time because of the prospect of Metro.

I would say, just as a word of caution and qualification, that we do not want to thrust intensive development in every area of the city. We want to pick and choose very carefully. We value our stable neighborhoods. We value our historic houses. We do not intend to push development that would be counter to those objectives.

Senator CHILES. I need to interrupt you at that point, if I could. We will take your full report. My problem is I have a time problem. Rather than have you come back this afternoon, I would like to finish this category, if we could.

PROPOSALS ANALYZED FOR IMPACT ON ECONOMIC DEVELOPMENT

I do want to ask you a few questions. Are all city proposals now analyzed from the point of view of their impact on economic development with the city? Has anyone made that kind of analysis?

For example, was the Rental Accommodation Act analyzed from the point of view of its impact upon the city's economic development? Who made that kind of analysis? What conclusions were made?

Mr. GILBERT. Actually, the history of that, as Mr. Morris pointed out, was that there was initially an act of Congress and supported by an enabling act of the City Council to meet what was considered a critical situation in terms of the tenants of the city. About 50 percent of our living space is rental accommodations.

I do not think an effective economic analysis was done of the rent control legislation. We have become quite aware of the fact that rent control is a very finely tuned kind of mechanism and that if it is not sufficiently finely tuned, it can have disastrous effects on your economy.

I have some charts here, but I don't think time permits showing them. There has been a stalling in the development of new rental housing in the city which has coincided with the rent control actions, also coincided with other factors. I wouldn't blame it all on rent control. I would attribute some of it to the state of the market, interest rates and so forth.

In any event, the Mayor is shortly going forward with some proposed amendments to the Rent Control Act which we believe will improve the economic climate for the building of new housing units.

Senator CHILES. How about the first question, is some kind of study made of what economic impact there is going to be of the various city actions?

Mr. COPPIE. I think the answer to the question in the context of it, Mr. Chairman, is probably no. I think what the question has in mind is are we doing an analysis like environmental impact statements in the economic area. I think the answer to that is no. Whether we should be, I think probably the public sector will comment here.

Senator CHILES. I note Bill Raspberry of the Post recently noted that the city has an obligation to look at the implication of a disproportionate concern for the poor. He said the more the city does for its have-nots by way of increased services, better housing and improved welfare benefits, the more it is going to tend to drive out

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the tax base from which these services must be financed and the inevitable result, no matter what the good intention, is a bankrupt city unfit for either rich or poor.

You might say that the boom industry of the District has been poverty. At some state, the effects of expanding benefits to the poor must be analyzed from the point of view of what it does to the economic base of the city. It seems to me that you are going to have to evaluate all city plans against that kind of criteria. We just got a pretty good lesson in New York City, I think, for the first time, of seeing that cities can go bankrupt.

Mr. GILBERT. Mr. Chairman, I read Bill Raspberry's column. I find that I agree with a great deal in it, but I don't agree with it entirely. I think our obligation is to move at all levels. I think that we have got to make sure that we meet the needs of lower income persons as well as those in middle and upper income brackets.

Senator CHILES. I think it is all the levels, too; but I think perhaps he points out that it has been a disproportionate concern or if you get to the disproportionate concern, you are not going to cure that problem either. You are just going to have a bankrupt city.

Mr. GILBERT. I think we are learning partly by our experiences with the rent control and with other efforts that we have made. This overall economic development plan that we are starting to put together, and we will have a first cut of it in a few months, will address these issues because those are the leading issues in this area.

ADDITIONAL QUESTIONS

Senator CHILES. Mr. Coppie, we have a number of additional questions which we would like to have inserted in the hearing record. We would appreciate it if you would see that they are answered for the record.

Mr. COPPIE. I would be happy to, Mr. Chairman.

[The questions and answers follow:]

RENTAL ACCOMMODATIONS OFFICE

QUESTION:
1. A cursory comparison of the proposed staffing and estimated workload for this office raises a serious question as to whether the workload can be adequately processed with the resources requested. I forsee large-scale backlogs with the portion of the workload that is processed being handled in a very perfunctory manner. Would you please explain how the office will handle the workload and whether it is possible to provide clients with anything approaching quality service?

ANSWER:
1. Work production estimates for the Rental Accommodations Office are predicated upon present work performance which has been severely hampered by a shortage of resources (the FY 1976 appropriations have not yet been available to the District of Columbia). Employees have to perform primary functions and assist each other in a variety of other tasks to compensate for the lack of staff. Office supplies and materials are in short supply, and the physical work environment is limited to the point where it does affect work performance.

A fully funded agency would be able to overcome these problems almost immediately and increase work performance accordingly. Moreover, advantage could be taken of more efficient management techniques such as departmentalization and specialization of labor, better supervision and optimum span of control, and performance measurement and evaluation.

This will result in effective quality control and improvement and, at the same time, work production could be increased 30-40 percent.

The present difficulty is that the office is operating below its level of marginal utility. Consequently, there is little reason on our part to doubt that, with the requested appropriations, the workload can be effected with quality service more readily than evidenced by a cursory analysis of the numbers.

QUESTION:
2. Recent newspaper articles have stated that members of the Rent Commission believe that the City's current rent control statute prescribes an unworkable program. What is wrong with the current legislation? What needs to be done to correct it?

ANSWER:
2. While we are aware that members of the Rental Accommodations Commission have collectively and individually expressed concerns about the statute, we would be reluctant to address statements attributed to them in newspaper articles. On the other hand, we understand that the Commission has been working on proposed amendments to the Rental Accommodations Act to be forwarded to the Council at the request of the Chairman, Mr. Sterling Tucker. We understand further that their proposed changes will be designed to reduce the paperwork and simplify the administrative processes.

Mayor Washington has taken the initiative with respect to making the law.

law more effective and better suited to the needs of the citizens by forwarding to Mr. Tucker on April 13, 1976, an interim set of proposals to achieve similar ends. Our experience has pointed out what we feel are necessary changes which can be implemented quickly with minimum disruption of the program function, and continued study may be beneficial.

We feel that no one can state absolutely that the program is or is not workable. Some may argue that enough resources and money can make any program work. Without pursuing that somewhat ambiguous position, because who knows how much is enough, resources and money are at a premium everywhere and scarcity is a fact of life. Recognizing this, our proposed amendments are aimed at achieving optimum effectiveness of the law given the resources and funds available from the revenues that can be generated from the city's resources.

DEPARTMENT OF HOUSING AND
COMMUNITY DEVELOPMENT

NEIGHBORHOOD IMPROVEMENT PROGRAM

QUESTION

1. Would you please explain how the Neighborhood Program works? What neighborhoods have been involved to date and how many dwellings have been improved? What was the cost of the improvements? What magnitude of costs can be expected to accomplish the program city-wide and where will the funds come from?

ANSWER

1. As has been indicated previously, the Neighborhood Improvement Program will consist of various program elements designed to collectively preserve and improve the physical condition and quality of neighborhoods, primarily in designated Community Development Areas pursuant to the Community Development Block Grant Program. These program elements include a rehabilitation loan program to provide below-market-interest-rate loans to homeowners who cannot afford or otherwise qualify for conventional bank loans and to investors who agree to maintain rents within fixed limits during the life of a rehabilitation loan; selective public acquisition and rehabilitation of properties which constitute blighting influences due to their vacant and substandard condition; selective use of the District's authority to correct housing code violations and to assess the cost as a tax against the property; and the construction of public improvements to complement private neighborhood improvement activities and to enhance the general physical quality of neighborhoods.

The operation of the Program has not yet been commenced, but the cooperative planning of certain

aspects of the Program has been ongoing in the Anacostia and Near Southeast Community Development Areas for approximately two months. The release of CDBG-1 funds for the various Program elements is being requested from HUD. The Program will also operate in the H Street, N. E., 14th Street, N. W., and Shaw Community Development Areas.

To accomplish the program $5,615,000 in CDBG-1 funds have been designated for use primarily in Anacostia and Near Southeast.

QUESTION

2. You indicate that a monitoring process will be utilized to measure the progress of the program. Would you please explain the monitoring process: How much staff will be required? What kind of reports will be submitted and who will act on the reports? What kind of system do you have in place to insure that, when appropriate, action is taken as a result of the monitoring activity?

ANSWER

2. The progress of the Neighborhood Improvement Program will be measured through a series of reporting systems being developed by the Office of Administration and Management, the Office of Policy, Planning and Evaluation, and the Neighborhood Improvement Administration.

It is anticipated that the development and evaluation of the various reports will be handled by existing staff, without the necessity of increasing the size of the staff for this purpose.

The reports that will be submitted will treat areas such as, for example, the number of buildings and dwelling units brought into compliance with the Housing Regulations, the time involved in various program activities, and the level and rate of expenditure of

funds. Should problems or matters needing attention be revealed by the reports, they may be acted upon by the Chiefs of the Neighborhood Preservation Division or Housing Regulation Division, the Administrator of the Neighborhood Improvement Administration, or the Director of the Department, although it is expected that most such actions would occur at the lower of these levels.

To ensure that appropriate action is taken with respect to matters which are indicated by the reports to require attention, the leadership of the Neighborhood Improvement Administration and its Neighborhood Preservation Division and Housing Regulation Division will be expected to provide competent management, to thoroughly evaluate the reports, to identify areas requiring adjustment, to formulate the necessary adjustments, to implement same, and to call upon the expertise of the Office of Administration and Management and the Office of Policy, Planning and Evaluation for assistance in these areas, as necessary.

D.C. DEVELOPMENT CORPORATION

QUESTION:

3. How many units--new and rehabilitated--have been brought into the market as a direct result of the D.C. Development Corporation?

ANSWER:

3 The District of Columbia Development Corporation (DCDC) has completed 27 units of new and/or rehabilitated units and is currently in process of completing 117 units. The configuration of these units is illustrated in the attached Chart I.

In addition, the Home Purchase Assistance Program will provide approximately 35 families with no-interest deferred payment loans as down payments on existing housing units.

QUESTION:

4. Describe the contractual relationship between the City and the D.C. Development Corporation. What kind of participation is there on the part of the City in selecting activities to be funded?

ANSWER:

4. The City has entered into performance contracts with the DCDC which require the latter to undertake certain general activities in the economic and housing field. Before they can initiate any single project, however, (business loan or housing development) they must submit a "drawdown" request for that portion of their revolving fund which was obligated by contract. The DCDC Board of Directors must approve all such requests before they are submitted to the City for review.

The City reviews each of these requests with reference to contract compliance and City and Federal regulations. These findings are then transmitted to the D.C. Development Corporation.

When the City decides to initiate any particular project for which it feels DCDC is the appropriate body to carry out the activities, it may do so by an amendment to the current DCDC contract. Amendments, however, must be ratified by the DCDC Board and comply with District of Columbia and Federal regulations.

DCDC Question No. 2, continued

CHART I.

STATUS OF D. C. D. C. HOUSING DEVELOPMENT ACTIVITIES

Project Title	Description	New	Rehab	Completed	Underway
Trinidad Phase I	4-3 Bedroom Townhouses	X		X	
Trinidad Phase II	20-3 and 4 Bedroom Townhouses	X	X		X
Trinidad Phase III	2,3,and 4 Bedrooms 12-owner occupied units		X		X
6th & L Streets, N.E.	15-3 Bedroom condo's		X		X
703 Block of 6th Street, N.E.	3-4 and 5 Bedroom units		X		X
Sellvue Crest	20-3 Bedroom Town-houses	X			X
1000 P Street, N.W.	11-efficiency units		X	X	
Harvard & Columbia Road	40-14 Bedroom units		X		X
Urban Homesteading Phase I	12-3 and 4 Bedroom units		X	X	
Urban Homesteading Phase II	7-3 and 4 Bedroom units		X		X

PUBLIC HOUSING

QUESTION:
5. What specific actions have been undertaken to increase revenues from public housing by increasing rents as provided by the Housing and Community Development Act of 1974?

ANSWER:

5. Staff in the Department has developed a proposed Rent Range Distribution System. This system will enable the Department to determine the number of families that should be accepted for public housing at various income levels and various rent levels. Thus as families vacate properties the staff can select replacement families from the waiting list to help achieve the desired distribution of rent levels. Staff in the Department is developing a procedure for establishing a minimum rent. Staff is also exploring the feasibility of eliminating maximum rents and utilizing the twenty-five (25) percent criteria for determining maximum rents.

QUESTION:
6. When do you expect rental income to increase sufficiently to at least equal the operating costs of the public housing program? What steps have been taken or are planned to expeditiously accomplish this?

ANSWER:
6. We do not expect rental income to increase sufficiently to at least equal the operating costs of the public housing program. There is a provision in the Housing and Urban Development Act of 1970 which establishes the maximum public housing rentals at twenty-five (25) percent of the tenant's income. However, the Department is constantly striving to reduce operating costs by utilizing more effective and efficient

ANSWER:
methods and procedure. The Department is also engaged in training programs to increase productivity and efficiency. Lastly, the Department is utilizing the concept of Management By Objective in order to bring improvement to overall operation of the public housing program.

QUESTION:

7. Does your budget request imply a reduction in force or loss of personnel through either attrition or shift to grant funding in fiscal 1977?

How many positions, if any, will be reduced as a result of reduced appropriations this year?

Are these positions expendable? What process was used to determine which positions should be abolished?

Has a similar process been employed to reduce positions which are grant-funded in the Department of Housing and Community Development?

The Preliminary budget justification for FY '77 indicates a decline in the funding level of the Community Development Block Grant from $42.7 million in FY '75 to $16.4 million in FY '80. How many positions are funded by the CDBG in FY '66? How many positions will be funded in FY '77 from the CDBG? What steps are you taking in regard to funding positions in future years under the CDBG? It appears that a substantial decrease will occur in both positions and program operations. What alternate funding sources are you looking to in order to carry out the Department's Community Development program?

ANSWER:

7. Yes, the budget request implies a reduction in force. There is no reason to believe, based on past rates of resignation and retirement, that the proposed cuts can be met by attrition. Also, as indicated below, many of the positions deleted from the FY 1977 appropriated budget are not eligible for grant funding.

A total of 56 positions will be eliminated as a result of reduced appropriations in the FY 1977 budget. Of this number, 14 were initially dropped by the Department; the remaining 42 were cut by the District of Columbia Council. Forty of the 42 positions are still occupied.

The positions dropped by the Department in its initial budget formulation were primarily engaged in administrative and planning functions which were consolidated from previously independent agencies when

DHCD was established. The Department felt that the functions and workload of these positions could be eliminated by revised procedures or absorbed by other positions.

The Council's cut was apparently based on the assumption that all of the positions cut from the appropriated budget could be funded through the Community Development Block Grant (CDBG), the Comprehensive Employment Training Act (CETA), public works funds, or performed by private contract. Of the alternate funding sources suggested by the Council, only the CDBG is feasible, and that on only a limited basis. Most of the 42 positions cut by the Council are engaged in the enforcement and administration of housing, building and zoning codes and regulations, all normal city government functions. The HUD regulations governing Community Development Block Grants state that "expenses required to carry out the regular responsibilities of a unit of general local government" are not eligible for such funding. In addition, the total number of positions to be funded from the CD grant is being reduced, which will make it difficult to absorb even those positions that might be found eligible under the HUD regulations.

The Department is proposing to include in the CDBG-2 application 27 of the positions cut from the appropriated budget by the Council. The 27 positions selected are those which appear most likely to qualify for community development funding; however, there is no guarantee that HUD will approve their inclusion. Some of these positions may require the addition of new functions and duties to qualify them for CDBG funding, and although the Department views such changes as less than the most efficient

use of manpower, it is considered essential to avoid further loss of capability in the critical areas of housing, building, and zoning regulation enforcement.

With respect to the process for reducing grant-funded positions, the Department is currently reviewing workload data and existing staffing to determine which grant-funded positions could be eliminated with the least harm to the Department's legal responsibilities and programs. The total number to be funded from the Community Development Block Grant (490) has been determined by the Mayor. The number to be funded by other Federal grants and low-rent housing contracts is essentially determined by the Federal agency administering each program, as the other grants and programs are more strictly limited and defined than the Commnnity Development Block Grant.

In FY 1976 the CDBG funded 544 positions. In FY 1977, 490 positions will be funded from the CDBG.

The Committee is correct in assuming that there may be a substantial decrease in both positions and program operations in future years because of a decline in the level of CDBG funding. For many years, local housing programs have been supported almost entirely by Federal funds. Local contributions have been primarily in the form of public facilities which provide continued services to the residents. In preparing to decrease its funding of housing programs, the Federal government has stated that it expects localities to pick up the costs. This Department is therefore looking to an increased level of support from the appropriated budget in future years. Although we will continue to

be alert to the possibility of alternate funding sources and will follow up any leads, it is not considered realistic to expect major funding from other Federal agencies whose responsibilities do not include housing or community development nor is there any indication that funding from private foundations will be available.

As the policy statement submitted with the budget request states, the Department hopes to develop programs which may be able to use revenue bonding, tax increment financing, and guarantees and interest subsidies which leverage additional private revenue resources. However, these resources would be applicable to only some of the Department's responsibilities and their success depends to a significant extent on factors outside of the Department's or the City's control (for example, interest rates, demand for investment funds by industrial and other nonhousing elements of the economy, inflationary trends, and similar national economic factors.)

QUESTION:

8. Describe the Department's evaluation activities of current housing programs. What conclusions have you reached as a result of evaluating on-going programs?

What is the current status of the comprehensive data management and information system being developed in coordination with the Municipal Planning Office?

ANSWER:

8. The Department of Housing and Community Development has designed an evaluation system which is currently being utilized to complete the Grantee Performance Report. This report is required for Community Development funding and will evaluate the status and progress of most Department housing programs. The Grantee Performance Report will be submitted to the U.S. Department of Housing and Urban Development on or before June 30, 1976, and we will be happy to supply your office with a copy of this document.

A major shift in emphasis toward neighborhood preservation programs is taking place under community development. Since many of these housing programs are new, it is too early to draw any meaningful conclusions about them.

A Cooperation Agreement between the Department and the Municipal Planning Office (MPO) has been drawn up and will be signed by the respective Directors within the next several weeks. The Agreement anticipates the completion of the comprehensive data management and information system over a seven-month period. The Municipal Planning Office has begun work, however, by way of studying information that will be included in the system from other District Departments; testing computer programs that will be utilized to integrate, retrieve, and manipulate the various data to be

included in the system; and devising a staffing pattern for the implementation and maintenance of the data system. It is anticipated that part of the system will begin to be made available to the Department after the first three months, which will enable the manipulation of some of the data which will be a part of the system.

QUESTION:

9. In response to one of my questions concerning the FY 1976 DHCD appropriation request, you indicated studies were underway to determine changes in the housing stock and households in the District since 1970. Provide for the record, the progress on those studies and what they indicate.

Does the Department, for example, know how many long-term residential vacancies presently exist, their ownership, and location?

How does the Department view the vacant housing situation in the City? What resources can be brought to bear on the situation?

Is vacant housing a serious problem in the District of Columbia?

ANSWER:

9. The Department contracted with the Washington Center for Metropolitan Studies in August of 1974 to produce a series of reports on changes in the housing stock and households in the District since 1970. Two reports were to have been produced. The first, "Urban Renewal Strategies and Population Dynamics 1974," has been completed. This was based on a census type sample survey of households within the District of Columbia. A second report on resident attitudes toward housing and commutation, based on another sample survey of households, is soon to be published.

The first report, "Urban Renewal Strategies and Population Dynamics," indicates a number of important changes in the District as well as in the

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metropolitan region since 1970. These may be understood in all of their complexities by reading the report. In summary, the report shows rising incomes though reduced buying power on account of inflation; fewer births; an increasing number of but smaller households; an increasing number of households due to fewer marriages; a greater number of singles and an increasing divorce rate; fewer large families; and high mobility of the population within the metropolitan region.

Information on long-term residential vacancies is not collected on any regular basis for the District of Columbia. Under a contract with the R. L. Polk and Company in 1974, we received information on long-term vacancies by Census Tract, not ownership, as a result of surveys they conducted in 1970 and 1973. These data indicated a very low long-term vacancy rate for the District as a whole. Somewhat higher long-term vacancy rates were recorded for a part of the Near Southeast, Anacostia, Far Southeast and the inner-city Northwest neighborhoods. However, it is our feeling that a more detailed reporting of the results of the Polk survey is not relevant at this time, due to the dynamic housing situation in the District and changes that have occurred since 1973.

Based on available information, the Department does not consider the vacant housing situation in the District to be serious. There are pockets of higher-than-average vacancies both short- and long-term within the District in the areas indicated above; but generally speaking, with few recent housing starts, an increasing number of households, and a pent-up housing market within the region as a whole, the need for new housing construction is a more serious problem than that of vacancy.

With respect to bringing various resources to bear on the vacant housing situation and the housing situation in general, the Department has developed and is developing new rehabilitation loan programs, will complete its new construction and rehabilitation program commitments within existing Urban Renewal Areas, and will sponsor the development of new housing on existing vacant and excess Federal and District-owned properties.

Based on available data reported above, vacant housing is not considered a serious problem in the District.

QUESTION:
10. The Department noted several innovative activities included in the first year Community Development Program, namely the Rehabilitation Loan Program; Home Purchase Assistance Program; Building Repair Program; Code Enforcement Acquisition; Urban Homesteading; and Neighborhood Housing Services.

Describe progress made under these programs to date in a brief fashion.

ANSWER:
10. Briefly, the progress made to date with the above programs is as follows:

a. Rehabilitation Loan Program: Enabling legislation has been passed, environmental review has been completed, operating rules have been prepared and approved by DHCD; public information effort and selection of priority program areas has begun with citizens; citizen responses are being received and responded to.

b. Home Purchase Assistance Program: This program was ruled ineligible by HUD for funding under the Community Development Block Grant Program. However, operating rules are almost complete for a limited program of home purchase assistance grants, using funds received

under the former Model Cities Program and to be administered by the D.C. Development Corporation.

c. Building Repair Program: This is an on-going program of the D.C. Government which provides for the emergency repair of housing code violations pursuant to Section 5.313 of the D.C. Code and which has traditionally been funded under the annual appropriations budget. The CD funds earmarked for the program supplement available appropriated funds. Since July 1, 1975, activity under this program has involved the repair of 256 buildings at a cost of $129,012.

d. Code Enforcement Acquisition: The identification and negotiated purchase of property under this CD activity are tied to the carrying out of concentrated code enforcement inspections and rehabilitation loan activity (as referenced in item 4a above). Progress to date includes enactment of required enabling legislation and completion of environmental reviews.

e. Urban Homesteading: Since the original homesteading of 13 properties during early 1975, activity has involved the negotiation with HUD for the transfer of 31 additional properties for the homesteading program. Basic agreement on the selling price of these 31 properties has been reached with HUD.

f. Neighborhood Housing Services: The Department is in the process of identifying an area appropriate for this program.

QUESTION:

11. The Department also described several new programs in the planning stages such as a Municipal Mortgage Insurance Fund; Homeownership Assistance Fund; Homebuyer Counseling Program; Housing Resources Center; Bonding Assistance and Contractor Loan Program; and Revised Property Tax System.

Briefly describe progress on bringing these programs into being. Will they be included in a future year's CDBG? What other funding sources might be employed to fund such programs?

ANSWER:

11. The municipal mortgage insurance program is still in the planning stages; $50,000 is included in the second year Community Development Block Grant application now pending before the D.C. City Council for planning and program development costs for this and other housing finance programs.

The Home Purchase Assistance Program is a Model Cities-funded project which is to be administered for the Department by the D.C. Development Corporation (DCDC). The revised contract for this program is now in the very final stages of negotiation between the Department and DCDC and should be signed by the end of April 1976, enabling the program to begin. Nearly all preparation work for the program has been completed, and it is anticipated that DCDC can begin accepting applications for the program in early May.

The Home Purchase Assistance Program described above includes a home buyer counseling element which will be implemented simultaneously with the rest of the program.

Additionally, $125,000 is included in the second year CDBG application now before the City Council for development of a city-wide home

counseling program which would include homebuyer counseling as one of its elements. Implementation of this program would not start until fall of 1976 at the earliest, assuming it is left in the application by the City Council and approved by HUD.

THe Housing and Business Resources Administration is one of the operating Administrations of the Department of Housing and Community Development which currently provides assistance to all households and businesses relocated in the District of Columbia under D.C. and Federal program activity. The Home Counseling Program discussed above would be an addition to the "housing resources" available through the Department and is likely to be administered directly or indirectly through the Housing and Business Resources Administration.

The Department has received several applications for assistance in the conversion of existing properties to lower-income tenant cooperatives and is currently working with the proposed sponsors of these projects to determine the best way for the Department to provide assistance in these endeavors. The terms of the Department's new rehabilitation loan program have been devised specifically to allow the Department to assist lower-income tenant-owned cooperatives with rehabilitation loans in specified circumstances. Additionally, the Department has done preliminary planning work to identify the basic steps needed to convert one or more public housing projects into tenant-owned cooperatives and/or condominiums. Further planning is underway to identify the specific projects for which this action might be suitable and to clarify the costs of the action.

The Department has received a number of comments from citizens and from other D.C. Departments concerning the proposed revision in the property taxation system which was included in the Draft Statement of Interim Housing and Community Development Policies which it began circulating in January of this year. The Department is now in the process of revising this statement, and the revised statement will include a more specific proposed policy concerning property taxation measures. No direct activity has been undertaken to revise the property taxation system to date, and it is likely that any such action will need to be preceded by a considerable period of study and discussion with citizens and within the city government itself.

The Department anticipates including these programs in future years' Community Development Block Grant funding requests.

With respect to other funding sources that might be employed, the District is constantly pursuing the possibility of alternate funding sources for its programs. The proposed "Housing and Economic Development Finance Corporation Act," (introduced to the City Council last year as Bill No. I-208 and now undergoing revision), offers one major potential source of alternative funding for certain housing programs.

QUESTION:

12. Has a developer been chosen by the Department for the Parkside tract in Far Northeast? What interest has been expressed in the site?

ANSWER:

12. The Department has not selected a developer for the Parkside tract in Far Northeast. An offering document is now being prepared for distribution to the public. It is anticipated that this document will be available by June 1, 1976. Some development teams have expressed an interest in the site. However, this interest cannot be measured until there is a response to the offering.

ECONOMIC DEVELOPMENT

QUESTION:
1. What role did the Department play in the development of the "Economic Development Activity Report" prepared for this Committee by the Office of Municipal Planning?

ANSWER:
1. The Department of Economic Development furnished the Office of Municipal Planning with all publications and reports developed by the Mayor's Economic Development Committee, among which was the Overall Economic Development Program and its update. The Department suggested several outside resources for information and the names of agencies and groups working on some elements of economic development for D. C. The Department outlined the scope of its duties as they related to economic development and furnished MPO with a list of its projects and activities, several of which were named and described in detail in the report. The Department reviewed the draft of the document and offered several suggestions for change and addition that were included in the final document.

QUESTION:
2. How does the Department view its role in the economic development field and what, if any, distinctions does it make between its activities and those of OMP; DHCD; DCDC; PIC: Greater Washington Business Resource Center; Downtown Progress; Pride Inc.; Anacostia Economic Development Corp; Metro Washington Board of Trade; National Council on Equal Business Opportunity.

How does the Department relate to the foregoing economic development promotion groups?

What role does the Department play in developing economic development policy for the City?

Which of the several departments and agencies with economic development responsibilities has the lead responsibility for policy development and direction?

ANSWER:

2. The Department views its role as the central clearinghouse for all D.C. economic development matters, furnishing advisory services to the various departments, groups, and agencies named in the question. Since the Department has very limited resources to deal with the entire scope of economic development, it is unable to undertake the leadership role it feels that is both needed and desired. OMP and DHCD and other D.C. Departments, visualize economic development from a planning viewpoint, whereas the role of the Department is more oriented to implementation and to project development. The other groups mentioned operate mostly outside of the government, depending on funds obtained through grants, subscription, etc. for existence. Each of these groups concentrate on one or more phases of economic development but none looks at the entire spectrum that should be a prime function of the Department.

The Department communicates with members of the groups mentioned, mostly in an advisory capacity, sometimes even sharing limited resources.

The Department does not take a leadership role in forming economic development policy for the City. It, however, would be very productive if this were an assigned responsibility of the Department with the proviso that sufficient monies would be budgeted in order to carry out this function.

There is no one Department or Agency in the D. C. Government that takes the lead responsibility for policy development. The Department believes this type of centralized leadership is necessary for maximizing development efforts and would like to be given both the authority and financial backing to do this.

QUESTION:
3. Should the Department be renamed the Department of Licenses and Inspections in order to clarify its responsibilities?

ANSWER:
3. The name of the Department should remain the same until the creation of a new entity that would have the leadership responsibility for economic development. At the present time, the name of the Department attracts some valuable inquiries which might be otherwise lost. The Department on many occasions acts as a referral agency that leads to the proper handling of such inquiries.

QUESTION:
4. What role does the Department play in developing strategies to retain and increase the number and locations of retail food markets in the City?

ANSWER:
4. The Department deals with the problem of diminishing food market service in the following manner. There are three areas of concern, namely:

1) Maintaining existing units.

2) Opening new units.

3) Studying innovative ways of bettering the distribution system especially in those areas of the city where closings have left the residents with little or no service.

To accomplish these objectives, the Department maintains contact with most of the existing retail food market chains and with as many of the individual owners as possible. The purpose of these contacts is to be forewarned of pending store closings and to plan for replacement service, as well as to explore areas where new units might be located. Through its connection with DCDC, the Department also is involved with

several individual outlets aiding them to profitably exist by supplying financial and technical assistance.

The Department also works with Federal Agencies and Departments such as Agriculture and Commerce, as their interest in food distribution relates to D.C. matters.

In conclusion, it should be noted that there is only a single resource person in the Department that deals exclusively with economic development problems. Even with frequent counseling and assistance from the Director, the accomplishments therefore can only be limited at best.

MUNICIPAL PLANNING OFFICE

QUESTION: 1.) In response to a question posed during the FY '76 hearing, the Office stated that the following documents would be finalized and ready for submission to the City Council:

a. Ward profiles for the eight wards (January)
b. Population projection for 1985 (January)
c. City-wide profile paper complementing ward profiles (February)
d. Interim Statement of goals and policies for the District (March)

ANSWER:

1. Have all of these documents been completed and submitted to the City Council? What is their status in terms of being generally acknowledged and/or adopted by the Council and citizens?

The FY 1976 question referred to relates to our Comprehensive Plan work schedule. That reply outlined our process for preparing and submitting comprehensive plan documents for review. That process does not envisage the submission of "finalized" documents until much later this year.

It is our intention to have our draft documents reviewed by the agencies of the city government, by members of the City Council and by community organizations and officials including ANC Commissioners. Copies are also being furnished Congressional Committees.

That process is underway and essentially on target.

To answer specifically the sections of the current question:

a. Ward profile documents for the eight wards. Eight draft summary ward profile documents have been prepared and forwarded. They are support documents for our comprehensive planning program. As such they are intended to be the subject of extensive discussion but will

not be formally adopted by the Mayor and Council. We are midway in a process of citizen/agency/Council involvement with respect to refinement of these documents. We have briefed Council members, advisory neighborhood commissioners, citizen and business groups and have asked for their responses.

b. Population studies. A preliminary report containing a population forecast for 1985 for all parts of the city has been prepared. The findings of this study were given to the Congress, the Council and interested groups in context of the Municipal Planning Office (MPO) testimony on February 14, 1976 to Senator Eagleton. The draft report has been circulated to relevant D.C. Government agencies. Corrections have been made and the final report is being readied for publication. This document will be presented as an official planning report to the Mayor and Council as a support paper for the comprehensive plan.

c. City-wide profile papers. In connection with preparing the goals statement referred to below, the Economic Development Activity Report previously submitted to the Senate Appropriations Committee, we have prepared analyses of facts and trends with respect to several city-wide subject areas - economic development, the environment, land use, social services and others. In addition, the population study referred to in item b serves as a support document for population, household, housing stock and income information and trends. Also, the housing policy statement prepared by the Department of Housing and Community Development, which is now being reviewed by agencies and citizens, covers the housing field. These city-wide documents will be submitted to agencies, the public, and to the Council for review and comment along with the goals statement using the same process being used for the draft summary ward profile documents. The ward and city-wide documents are background and support to the plan and will not be officially adopted. The goals statement will, however, be proposed as the formal element of the comprehensive plan.

d. Goals statement. We have compiled draft goals statements as a first step in preparing the formal Goals and Policies Element of the Comprehensive Plan. A draft paper on existing goals and policies gathered from budgets, agency plans and other documents, including an evaluation of the interrelationship of various goals and policies, was prepared, and was circulated among D.C. agencies for comment. It will be submitted for informal review by the D.C. Council and for comment by citizens using the process developed for the ward documents. The proposed Goals and Policies Element of the Comprehensive Plan will be forwarded to the D.C. Council later this year.

QUESTION:

2. What planning activities does OMP have underway to create new shopping facilities in the eastern part of the City? Has there been substantial progress in this area? What tools, programs, and funds does the Office look to in rejuvenating commercial areas in the eastern part of the city?

ANSWER:

2. New commercial facilities in the eastern part of the city are a primary city goal. The effort to plan for such facilities is the joint responsibility of several agencies: Department of Economic Development (DED), Department of Housing and Community Development (DHCD), and the Municipal Planning Office (MPO). For instance, these agencies took part in a recent meeting to help the A&P food chain locate sites for new stores in the city.

DED/DHCD/MPO planning activities directed at the creation of shopping facilities in the eastern part of the city (using 16th Street, N.W. as the line) include:

Takoma. This station area is being examined for its potential for new shopping facilities for the surrounding community. In Takoma, a bakery expansion is now before the Zoning Commission.

Rhode Island Avenue. Next to the Rhode Island Avenue Metro Station parking area is a forty acre city-owned tract, the former Harmony Cemetery, which can be used as the site for mixed use private development, including a shopping center. The tract was acquired in the mid 1960's for freeway purposes.

The freeway project has been abandoned. MPO has prepared three alternative plans for the tract. Community discussions are proceeding on these alternatives. A final plan is expected late this year.

Potomac Avenue

In 1974, MPO prepared a plan for the Potomac Avenue Metro Station in Capitol East. This plan recommended a rezoning to allow for apartments with shopping on the ground floor. A private developer proposed such a development for a large vacant tract near the station. The land was rezoned in 1974. A citizens suit to block the rezoning is before the courts.

Minnesota Avenue

At the Minnesota Avenue Metro station in Far Northeast, DHCD is providing funds to DED to hire a consultant who will suggest improvements to the Minnesota Avenue and Benning Road shopping center to the south of the subway station. Also, the Old Benning School (now replaced with a new school) next to the subway station is to be declared surplus for possible commercial use.

Anacostia

In Anacostia, MPO is working with the Washington Metropolitan Transit Authority (WMATA) on the question of the alignment of the Branch Avenue subway line which serves Far Southeast Washington and nearby Prince Georges County. One of several route changes being studied by WMATA would place a subway station directly under the Curtis Brothers property on Martin Luther King Avenue south of the 11th Street Bridge. This site is a prime location for a shopping center to serve Anacostia. When the subway route issue is resolved, MPO will prepare an impact analysis including shopping potential.

Surplus Property

MPO is coordinating the local government activities with respect to the possible sale as surplus property of two Federal Government holdings - the Wilburn military housing tract and Camp Simms, site of the D.C. National

Guard which is to be relocated to the Bolling/Anacostia Base. These two tracts can be used for public purposes, housing, mixed uses, including shopping.

Other Projects

Other projects in the eastern portion of the city which will include new shopping facilities are:

1.) Fort Lincoln New Town

2.) Parkside project along Kenilworth Avenue, N.E.

3.) Capitol View Plaza at East Capitol Street and Southern Avenue.

4.) The Shaw and H Street Urban Renewal Areas.

The question also seeks information on "tools, programs and funds" to be used to rejuvenate commercial areas in the eastern part of the city. HUD Comprehensive Planning (701), and Community development block grant funds, and by U.S. Department of Transportation (UMTA) and Commerce (EDA) are used in part to support commercial revitalization. In the case of completed plans that call for physical improvements installed by the city (street lights, curbs and sidewalks, parking facilities and signs) possible funding sources include: federal public works grants -- transportation (DOT) economic development (EDA), community development (HUD) and appropriated funds. Also, in order to create parcels of land of sufficient size for modern shopping facilities, it may be necessary to exercise the power of condemnation either through the renewal process or by new legislative authority.

A pilot project for commercial revitilization is underway now. The Bicentennial office, in cooperation with MPO, has sponsored the D.C. Chamber of Commerce in a program funded by EDA which will result in new planters and sidewalk improvements along the commercial blocks at 18th Street and Columbia Road, N.W. This program is now being expanded to include public space improvements at Martin Luther King Avenue and Goodhope Road in Anacostia.

QUESTION: 3.) What department or agency, of all those cited in the "Economic Development Activity Report" submitted by the Office, has the lead responsibility for economic development policy and planning? Where is economic development program development carried out within the City bureaucracy?

ANSWER:

3. The ultimate responsibility for economic development policy rests with the Mayor, the City Administrator and the D.C. Council. The on-going executive function in the area of economic development policy, planning and programs rests with a group of senior officials who are activily involved in several programs related to the city's economy. As noted in the Economic Development Activity Report, MPO is at work on an overall economic development plan; DED engages in economic project activity (supermarkets, business liaison, minority business development); DHCD engages in housing, shopping and office development under approved urban renewal and community development plans.

Other agencies with roles to play in economic development include:

- Office of Budget and Management Systems (budget policy including the Capital budget).
- Department of Finance and Revenue (tax policy and programs)
- Department of General Services (city contracts)
- Department of Manpower (training and job counseling)

QUESTION: 4.) Is the Office currently preparing Metro Impact Studies for stations in the eastern part of the City? Describe.

ANSWER:

4. Metro impact reports were prepared in 1973 and 1974 for the entire city. These studies are currently being brought up to date and will include detailed reports on the following station areas in the eastern part of the city:

Glenmont Line

Rhode Island Avenue
Brookland
Fort Totten
Takoma

New Carrolton Line

Eastern Market
Potomac Avenue
Minnesota Avenue

QUESTION: 5.) When might we see some groundbreaking in the Buzzard Point/South Capitol Street area? Is the proposed development to be privately financed? What are the main impediments to development?

ANSWER:

5. A plan with three alternative approaches was prepared by MPO and the National Capital Planning Commission. A city task force, with the assistance of the Department of Housing and Community Development and a consultant, has just completed an analysis of public costs and benefits for the project and appropriate methods of implementation. It is anticipated that as the result of these analyses, a final plan and program for development of the area will be presented to the Mayor, D.C. Council and National Capital Planning Commission late this year.

The analysis prepared by the DHCD consultant suggests a development program of up to 4200 dwelling units, up to 500,000 square feet of office space and 200,000 square feet of retail space. This level of development would be reached over a period of 8-11 years depending on several possible rates of market absorption. Development of the housing, offices and shops could be accomplished by a private developer or developers using private funds.

Among the issues to be resolved are the question of whether to use urban renewal powers or other forms of land assembly, how to finance public improvements, reconcile the waterfront development with pending legislation to place Buzzard Point private land in public ownership, and the like. Current activity is designed to select a developer. Once a developer is selected, detailed design work and actual construction will follow.

QUESTION: 6.) What is the Office's position on proposed branching by thrift instituions located in the City to suburban locations?

ANSWER:

6. We have not developed a departmental position on proposed branching by thrift institutions across the D.C. line into the suburbs. It is an issue that should be studied in depth by the city government, taking account of tax and service impacts and the possible adverse effects on District employment which could result from extensive branching activities by such D.C. based corporations which are now doing all their business within the city limits.

There are several concerns including the fact that there is an evident need for these institutions to broaden their lending activities within the District. At the same time, we certainly do not want to lose the institutions which we now have, nor do we want to facilitate a flight of this activity to the suburbs which might result from branching.

The branching pattern that has developed for other activities suggests that such regional businesses tend to expand primarily in the suburbs and to build increasingly bigger outlets in the suburbs. Some of that growth and development has been at the expense of the city. At the same time, there is an issue of assuring the continued viability of these thrift institutions within the city. The whole issue of branching not just for thrift institutions, but for all business enterprise including food stores and department stores is one that will be examined by the economic development study group in MPO.

SUBCOMMITTEE RECESS

Senator CHILES. We will have to recess now until 2 o'clock this afternoon when we will meet in room 126 of the Capitol.

[Whereupon, at 12:05 p.m., the subcommittee was recessed, to reconvene at 2 p.m., the same day.]

(AFTERNOON SESSION, 2 O'CLOCK, FRIDAY, APRIL 9, 1976)

[The subcommittee reconvened in room S–126, the Capitol, Hon. Lawton Chiles (chairman) presiding.]

DISTRICT OF COLUMBIA

CITIZEN'S RIGHTS, CONSUMER PROTECTION, AND BUSINESS REGULATION

STATEMENT OF COMER S. COPPIE, DIRECTOR, OFFICE OF BUDGET AND MANAGEMENT SYSTEMS

ACCOMPANIED BY:

RUTH HANKINS-NESBITT, CHAIRPERSON, PUBLIC SERVICE COMMISSION

BARRY ZAMOFF, GENERAL ASSISTANT TO DIRECTOR, OFFICE OF HUMAN RIGHTS

MARY BRAZELTON, EXECUTIVE SECRETARY, PUBLIC SERVICE COMMISSION

MAXMILIAN WALLACH, DIRECTOR, DEPARTMENT OF INSURANCE

JUSTIFICATION

Senator CHILES. The subcommittee will now consider the budget estimate of the several agencies in the citizen's rights, consumer protection and business regulation category.

Comer, do you want to lead off on that? I see we have Miss Ruth Hankins-Nesbitt and Archie Morris and Mr. Baldwin. Before you start Comer, we will insert the justification material in the record at this point.

[The justification follows:]

Legislative History

The responsibilities for Citizen Rights, Consumer Protection, and Business Regulation are shared by a number of District government agencies. Of the eight agencies included in this functional area four have the dual responsibility of regulating business and protecting various consumer rights and interests (Department of Insurance, Public Service Commission(PSC), Department of Economic Development (DED), Office of Consumer Affairs (OCA)). The remaining four agencies, the Minimum Wage and Industrial Safety Board, the Board of Appeals and Review, the Commission on the Status of Women, and the Office of Human Rights (OHR), have specialized functions which are described below.

The Department of Insurance and the Public Service Commission are two of the oldest regulatory agencies in the District of Columbia. The Department of Insurance was established by an act of Congress (D.C. Code, Title 35) in 1901 and given the responsibility for administering and enforcing those laws and regulations designed to protect insurance buyers in the District of Columbia. The Department regulates all insurers doing business in the District including domestic, foreign, and alien insurance companies.

The Public Service Commission was established in 1913 by an act of Congress (37 Stat. 995) to insure that all public utilities operating in the District provide adequate and safe services and facilities. Utilities under the jurisdiction of the PSC include gas, electricity, water, and telephone services. Subsequent legislation added the licensing and monitoring of broker dealers to the PSC's responsibilities. Recently the Office of People's Counsel was added to the PSC as an independent office to represent the interests of utilities' consumers before the Commission.

The Minimum Wage and Industrial Safety Board was created by Reorganization Order No. 36 in June 1953 with responsibilities for administering and enforcing the laws and regulations governing the payment and collection of wages in the District, establishing minimum wages and overtime compensation, and enforcing the industrial safety laws. The Board also acts as the state agency for the District of Columbia under the Occupational Safety and Health Act of 1970 (OSHA) (P.L. 91-596).

The Board of Appeals and Review was established by Reorganization Order No. 55 in June 1953, as part of the former Department of Licenses and Inspections and in August 1955, was made a separate agency by Commissioner's Order 55-1501. Organization orders relating to the Board amending the original order were issued

in 1960 and 1968. This Board provides the first full evidentiary hearing and final administrative remedy for aggrieved citizens challenging decisions of certain District departments and agencies in matters of property, personal rights, and privileges.

The Department of Economic Development was created by Commissioner's Order 69-96, dated March 7, 1969, with responsibility for planning, implementing, and administering programs for promotion of economic activities in the District, protection of consumers, licensing and regulation of businesses and professions, including examining boards, and enforcement of the District's housing, buildings, mechanical, and electrical codes, and regulation and enforcement of zoning laws and regulations. This department was also assigned responsibility for staff support for the Alcoholic Beverage Control (ABC) Board and the Board of Condemnation of Insanitary Buildings. The code enforcement functions, the enforcement of zoning and housing regulations, and responsibilities related to the Board of Condemnation of Insanitary Buildings were transferred to the newly established Department of Housing and Community Development by Reorganization Plan No. 3, in July 1975.

The Office of Human Rights (OHR) was established within the Executive Office of the Mayor by Commissioner's Order 71-224, dated July 8, 1971. This office has the primary statutory responsibility for the elimination of unlawful discrimination in the areas of employment, housing, public accommodations, and educational institutions on the basis of race, color, religion, national origin, sex, age, sexual orientation, family responsibilities, physical handicap, matriculation, and political affiliation, as provided under the D. C. Human Rights Law (Title 34) and Commissioner's Order 71-224. In addition, the Office is responsible for equal employment and affirmative action in D. C. government (Commissioner's Order 71-26 and 71-77), and compliance with equal opportunity requirements for D. C. government contractors (Commissioner's Order 73-51).

The Commission on Human Rights, a 15-member citizens' advisory board was also established by Commissioner's Order 71-224. This Commission, among other duties, is responsible for holding public hearings for those discrimination cases where conciliation efforts have failed to resolve a complaint.

The Commission on the Status of Women was established by Commissioner's Order 73-94a (Organization Order No. 38, dated April 24, 1973) and given broad responsibilities for improving and upgrading the status of women in the District.

This mandate is accomplished through a variety of activities including acting as advisor to public and private agencies, working with various women's groups and projects, and participating in the planning of programs which affect women.

The Office of Consumer Affairs was established within the Executive Office of the Mayor in November 1973 by Commissioner's Order 73-225 to protect residents and visitors from fraudulent and unfair trade practices and unsafe merchandise and services, to provide consumer education opportunities, and to administer and enforce the District's consumer protection regulations and laws. The Office administers the D. C. Consumer Retail Credit Regulation (City Council Regulation No. 71-18) and the Consumer Credit Protection Act, and assists in the administration of the D. C. Consumer Goods Repair Regulation (City Council Regulation No. 74-3) which is primarily enforced by the Board of Consumer Goods Repair Services established by Commissioner's Order 74-232.

The Advisory Committee on Consumer Affairs, a 15-member committee composed of citizens and District government agency representatives, was also established by Commissioner's Order 73-225.

Program Highlights

The Department of Insurance, in addition to the overall regulation of the insurance industry in the District, collects taxes, fees, and fines levied on District insurance companies, administers the Premimum Finance Law and the Insider Trading and Proxy Law, and regulates holding companies under P.L. 93-388. Workload is increasing across the board in addition to new problems such as medical malpratice insurance, an increasing rate of insolvencies among insurance companies, and grave financial problems, such as those of GEICO, which require additional monitoring and special attention.

A statistical description of the Department's workload is as follows:

Program Measures	FY 73	FY 74	FY 75	FY 76	FY 77
		(Dollar Amounts in Thousands)			
Insurers regulated	820	822	800	815	825
Premium Tax and License fee collections	$7,500.0	8,300.0	8,500.0	9,200.0	9,500.0
Licenses Issued	12,500	15,000	17,600	18,500	19,000
Filings Reviewed	590	650	700	750	800
Forms Reviewed	24,200	26,100	27,000	28,000	32,000
Review of Reserves					
Investigations and Inquires	$1,044.2	1,039.7	1,100.0	1,200.0	1,300.0
Preliminary Conferences and Hearings	11	19	25	30	50

Consumer protection is provided (1) through supervision of the D.C. Insurance Guaranty Association (established under P. L. 93-89) which is composed of insurance

companies and maintains a fund to pay claims against insolvent insurance companies and (2) by responding to consumer complaints and inquiries regarding insurance companies, agents, brokers, and policies.

The Department has recently drafted a bill for a Joint Underwriting Authority and Study Commission to deal with problems of medical malpractice and was involved in 1973 and 1975 in reviewing no fault insurance legislation and testifying before the City Council and Congress about this legislation.

The Public Service Commission carries out its responsibilities under the direction of a three-member Commission with staff support divided into four major divisions: (1) the Administration Division is responsible for coordinating rate hearings, procurement, disseminating information; (2) the Accounting Division is responsible for auditing utilities to ensure compliance with PSC standards and rulings, investigating discrepancies, and updating the Commission on utility operations including capital investments, advertising, overhead, customer billing; (3) the Engineering Division is responsible for keeping the PSC informed of the status or changes in utilities' technology and customer needs; and (4) the Securities Division is responsible for licensing and monitoring broker dealers. The Office of the People's Counsel conducts investigations and intervenes on behalf of consumers in formal hearings and in other decisions by the Commission.

The Minimum Wage and Industrial Safety Board through the enforcement of minimum wages, overtime compensation and wage payment, caused the collection of between $500,000 and $600,000 annually in wages for workers who might otherwise have been shortchanged by employers:

1973 - $566,512
1974 - $563,961
1975 - $508,653

From 1973-1976 the Board revised upward the minimum wage in seven industry categories covering some 253,000 workers:

Industry	No. of Workers	Minimum Wage
Hotel, Restaurant, Apartment House and Allied Industries	40,000	$2.25
Retail Trade Industry	40,000	2.25
Manufacturing, Wholesale Trade, and Printing and Publishing Industries	50,000	2.46
Laundry and Dry Cleaning Industry	5,000	2.40
Beauty Culture Industry	3,000	2.50
Building Service Occupations	15,000	2.75
Miscellaneous Occupations	100,000	$2.75

The Industrial Safety Division of the Board has also developed a state plan which has been submitted to the U.S. Department of Labor for approval and has received Federal funding for an injury and illness reporting system.

The Board of Appeals and Review, consistent with its role of providing the first full evidentiary and final administrative remedy for aggrieved citizens challenging decisions of certain District departments and agencies, includes in its decisions conclusions of law and findings of fact as established in the hearings.

During the past four years the Department of Economic Development has improved its operation through the use of ADP technology to establish management information systems to monitor and expeditite the activities of its various divisions. All user charges and fees have been recomputed for occupational and professional licenses. It is anticipated that the new fees which should become effective sometime this year will bring in significant additional revenue. The Alcoholic Beverage and Control Board has proposed a series of amendments to the ABC Board program which will enable the District government to regulate more effectively the sale and consumption of alcoholic beverages and increase the District's revenues. During the past fiscal year in the Occupational and Professional Licensing Division of the Office of Licenses and Permits 12,000 new applications were received, 6,100 examinations were given, and 53,000 licenses were issued, an increase in all categorie Revenues reached $892,000 which represents an increase of 25% during the last two fiscal years. Two new licensing programs were added since fiscal year 1973, without the addition of funds or personnel.

The Office of Human Rights, since the enactment of Title 34 in November 1973, has received approximately 900 complaints charging discrimination based on all of the protected categories under the law. Based on data for the first six months of FY 1976 it is anticipated that approximately 544 complaints will be docketed and that approximately 358 complaints will be closed in FY 1976. It is also projected that there will be a satisfactory adjustment rate of between 20.8% and 22.8% with 16 to 18 individual cash settlements totalling between $39,419 and $43,569.

Selected past program performance measures and projected accomplishments in other areas of responsibility (affirmative action and contract compliance) are shown in the table below.

Program Measures	Actual FY 75	Projected FY 76	Projected FY 77
Affirmative action plans reviewed and monitored	33	35	40
Affirmative action plans revised	21	23	30
Training EEO Counselors (number trained)	121	125	150
Contract proposals processed	867	920	950
Contract compliance reviews conducted	20	55	65
Pre-award conferences held	43	30	35
Percent of total contracts of minority firms			
Construction	21.8	10.5	25.0
Negotiated Services	38.9	29.0	40.0
Percent of total dollar value of contracts awarded to minority firms			
Construction	5.5	4.0	10.0
Negotiated Services	32.4	33.5	35.0

Major activities of the Commission on the Status of Women since its establishment are (1) Project Women, a special project designed to provide adult leadership to deprived young women and (2) participation in program planning by the Mayor's Criminal Justice Coordinating Board, Child Day Care Advisory Committee, D. C. Vocational Educational Advisory Council, Manpower Services Advisory Committee. The Commission submits an annual report to the Mayor with program and budget recommendations to improve the status of women in the District of Columbia.

In FY 1975 the Office of Consumer Affairs received 1,960 written complaints and saved consumers an estimated $49,050. Ninety-six of these complaints were referred to the Corporation Counsel for legal action. In one case a consent decree was obtained. Since FY 1974 the Office's staff has made over 175 public appearances reaching 13,000 persons directly and reaching many others through radio and television. Over 75,000 copies of various consumer brochures have been distributed. The Board of Consumer Goods Repair Services has resolved 50 to 55 complaints received in FY 1975 and has issued 309 automotive licenses and 65 electronic licenses. The Office worked with the D. C. school system to develop a Consumer Education Curriculum Guide for use in the public schools. The Office has also made special efforts to assist the Spanish-speaking consumers by assigning a bilingual complaint investigator to the Ayuda office.

Resource Requirements

From FY 1973 to FY 1976 the budget of the Department of Insurance increased 11.3 percent. This increase was primarily because of mandatory pay raises, pay annualization, and inflationary costs. In addition, the FY 1976 request includes two new positions for a workload increase. The FY 1977 request of $546.5 is an 8 percent increase over the FY 1976 budget. This increase is due to pay annualization of the FY 1976 pay raise, and for contractual services for outside

actuarial assistance and special tasks to be performed in FY 1977 related to the establishment of a Joint Underwriting Authority.

The appropriation request of the Public Service Commission over the last four years represent minimal increases for inflationary increases in consumable supplies, and increases for within grades. Under their respective enabling acts, the PSC and the People's Counsel have the authority to assess utility companies for some of the overhead expenses of the PSC. The relatively large increase between FY 1975 and FY 1976 represents a $100,000 increase to support the People's Counsel with two staff persons and a third full-time Commissioner.

The positions and budget of the Office of Human Rights have remained relatively stable during the last four years. The number of authorized positions increased from 34 to 37 during the period FY 1973 through FY 1976, while the budget during this period increased from $500.3 to $628.6, an increase of 25.6% over four years. This increase was primarily due to mandatory pay raises, pay annualization, and inflationary increases in non-personnel items.

During the period 1973 to 1976, the budget of the Minimum Wage and Industrial Safety Board increased 45 percent. Of this increase, 48 percent was for activities related to the enforcement of minimum wage laws. This increase is due primarily to three investigator positions authorized in FY 1973, pay annualization, and pay raises. The remaining 52 percent was for increases in the Industrial Safety Division for OSHA-related activities. These included three positions, pay annualization, and pay raises. The FY 1977 budget increase amounts to $32.0 for pay annualization, of this amount $17.9 is for the Minimum Wage Division and $14.1 is for the Industrial Safety Division.

From FY 1973 through FY 1976 there has been a 21.6% increase in the operating costs of the Board of Appeals and Review while there has been no change in the number of authorized positions. This increase has been due to mandatory pay raises, within grades, and pay annualization. The request for FY 1977 is for four positions and $90.5. The amount requested is an increase of 1.2% over the amount requested for FY 1976.

Since FY 1973, the budget of the Department of Economic Development has decreased $4.5 million or 59 percent. The most significant change occurred in July 1975, when the housing and zoning functions were transferred to the Department of

Housing and Community Development. Two hundred and eighty one positions and $4,872.5 were transferred. Mandatory increases totalling $119.6 for FY 1977 are for pay annualization ($91.6), costs of examinations ($9.0), and other items ($19.0).

Title 34 which expanded the legal powers of the office and increased the number of protected classes by ten, has had the most significant impact of any factor on the workload of the Office of Human Rights during the last four years and has caused a corresponding increase in the workload of the Commission on Human Rights. The FY 1977 request of additional staff members through the transfer of 17 EEO employees from other District agencies in accordance with City Council Act 1-87, the Affirmative Action in District Government Employment Act, is aimed at providing sufficient personnel to handle the existing and projected workload. Although this transfer represents a 78.6% increase in the operating costs for OHR, it should be noted that this is only a reallocation of funds and personnel already included in the District's budget.

The budget of the Commission on the Status of Women provides salary for two staff persons and supplies and materials for printing, special reports, and holding community meetings. These appropriated funds are supplemented by substantial grant funds received primarily from the Federal Law Enforcement Assistance Administration, and the Federal Comprehensive Employment and Training Act. The changes in funding levels between FY 1974 and FY 1975 are due to adjustments to reflect actual spending. Mandatory pay raises and inflationary increases in consumable supplies and materials account for other funding changes.

The Office of Consumer Affairs was established late in FY 1974 and was in operation only for the last seven months of the fiscal year. The personnel costs for the initial year were low because a full staff was not hired until FY 1975, the first full year of operation. Since FY 1974, there has been a steady decline in non-personnel costs despite inflationary increases in the costs of many items included in this category. From FY 1974 to FY 1976 there was a 72.9% reduction in these costs. From the first year of operation to FY 1977 there has been a 7.7% increase in personnel costs and a reduction of two authorized positions.

The FY 1977 request of $299.0 and 16 positions will allow the office to continue its current level of operation only.

CITIZEN RIGHTS, CONSUMER PROTECTION AND BUSINESS REGULATION

	F.Y. 76 Amended Request		F.Y. 77 Request	
	Pos.	Amount	Pos.	Amount
Office of Human Rights	37	628.6	57	1,065.6
Office of Consumer Protection	18	297.5	16	299.0
Department of Economic Development	200	3,098.5	187	3,039.6
Minimum Wage and Industrial Safety Board	45	792.5	45	777.5
Department of Insurance	26	504.2	26	546.5
Public Service Commission	32	710.3	32	706.5
Board of Appeals and Review	4	89.4	4	90.4
Commission on the Status of Women	2	39.8	2	41.1
Total	364	6,160.8	369	6,555.2

Citizen Rights, Consumer Protection and Business Regulation

Budget Summary

Agency	Obligations FY 73 Auth. Pos.	FY 73 Amt.	FY 74 Auth. Pos	FY 74 Amt.	FY 75 Auth. Pos.	FY 75 Amt	Budget Request FY 76 Auth. Pos.	FY 76 Amt.	FY 77 Auth. Pos.	FY 77 Amt.
Department of Insurance	24	452.7	24	464.9	24	455.2	26	504.2	26	546.5
Public Service Commission	28	476.0	28	504.5	28	532.6	32	710.3	32	706.5
Minimum Wage and Industrial Safety Board	39	536.6	42	679.2	42	787.3	45	792.5	45	777.5
Board of Appeals and Review	4	73.5	4	71.2	4	73.5	4	89.4	4	90.4
Department of Economic Development	539	7,501.6	544	7,562.1	544	7,782.1	200	3,098.5	187	3,039.6
Office of Human Rights	34	500.3	37	552.8	37	627.8	37	628.6	57	1,065.6
Commission on the Status of Women	2	31.6	2	46.9	2	36.3	2	39.8	2	41.1
Office of Consumer Affairs	...	...	14	152.4	19	289.8	18	297.5	16	299.0
Totals	670	14,072.3	695	10,034.0	700	10,584.6	364	6,160.8	369	6,566.2

CITIZEN RIGHTS, CONSUMER PROTECTION AND
BUSINESS REGULATION

Grants, Summary

	F.Y. 75	F.Y. 76	F.Y. 77
		(thousands)	
Office of Human Rights	$74.2	$80.0	$80.0
Office of Consumer Affairs	.....	.....	.....
Department of Economic Development ..	.....	.....	.....
Minimum Wage and Industrial Safety Board	176.0	112.8	369.7
Department of Insurance	.....	.....	.....
Public Service Commission	.....	15.0	15.0
Board of Appeals and Review	.....	.....	.....
Commission on the Status of Women ...	50.0	.....	.....
Total	300.2	207.8	464.7

Federal grant funds expended in this functional category are utilited mainly by the Office of Human Rights, the Public Service Commission, and the Minimum Wage and Industrial Safety Board.

The Equal Employment Opportunity Commission (EEOC) provides Federal grant funds to the Office of Human Rights (OHR) to help improve the processing of cases referred to OHR by EEOC. Grant funds pay for six positions, some operating costs, and at least eight systemic investigations per year.

The Industrial Safety Division of the Minimum Wage and Industrial Safety Board receives Federal grant funds from the U. S. Department of Labor to assist the District in the development and operation of an occupational safety and health program in accordance with Public Law 91-596.

The Public Service Commission receives Federal grant funds from the U. S. Department of Transportation to support the District's participation in the national natural gas pipeline safety program.

The Commission on the Status of Women received Federal grant funds in Fiscal Year 1975 for "Project Women" which was designed to help prevent juvenile delinquency in adolescent girls from disadvantaged neighborhoods. This project was operated in cooperation with the D. C. Public Schools.

FUNCTIONAL STATEMENT

Mr. COPPIE. Mr. Chairman, I have a brief functional statement which I would like to have provided for the record. I would briefly review this.

The functional area of citizen's rights, consumer protection, and business regulation includes the Economic Development and Insurance Departments, Public Service and Status of Women Commissions, the Appeals and Review Board, the Minimum Wage and Industrial Safety Board and the Offices of Human Rights and Consumer Protection.

Mr. Chairman, the more comprehensive statement can be provided for the record.

[The information follows:]

FUNCTIONAL AREA SUMMARY

CITIZEN'S RIGHTS, CONSUMER PROTECTION, AND BUSINESS REGULATION

The functional area of Citizen's Rights, Consumer Protection, and Business Regulation includes eight elements. The budget request of $6.6 million will provide funds for the Offices of Human Rights and Consumer Protection, the Economic Development and Insurance Departments, Public Service and Status of Women Commissions, and the Appeals and Review Board, and Minimum Wage and Industrial Safety Board.

The budgets for these elements include no new program initiatives or workload improvement due to the austere nature of the Fiscal Year 1977 budget. A budget increase of $405,400 or 6.6 percent is primarily due to the transfer of EEO positions from other District agencies. The budgets for all other elements in this area reflect only slight increases or reductions over the Fiscal Year 1976 amended budget.

Some of the objectives include the updating of user charges and fees for occupational and professional licenses in the Department of Economic Development; the development by Consumer Affairs of a Consumer Education curriculum guide for Public Schools; eliminating the workload backlog under Title 34, the D.C. Human Rights Law; implementation of an Occupational Safety and Health Plan; and meeting growing workload requirements due to increased regulatory requirements and increased insolvency of insurance companies brought on by growing financial problems among insurance companies.

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CONSOLIDATION OF REGULATORY AND CITIZEN PROTECTION AGENCIES

I. TOPIC

This paper addresses the relative merits of consolidating those agencies identified by the Senate Subcommittee under the functional area, "Citizen Protection and Business Regulation." These agencies are:

Office of Human Rights
Office of Consumer Protection
Department of Economic Development
Minimum Wage and Industrial Safety Board
Department of Insurance
Public Service Commission
Board of Appeals and Review
Commission on the Status of Women

II. DISCUSSION

Of the eight agencies identified above, one is considered to be administrative (Department of Economic Development); three to be regulatory (Public Service Commission, Minimum Wage Board, and Department of Insurance); three to be quasi-judicial (Office of Consumer Protection, Office of Human Rights, and Board of Appeals and Review); and one to be advisory (Commission on the Status of Women).

Among the regulatory agencies, one -- the Public Service Commission -- has been designated an independent agency under the District of Columbia Self-Government and Governmental Reorganization Act. The Minimum Wage Board has been proposed for inclusion within a Department of Labor by the Department of Labor Task Force, appointed by the Mayor. Under this proposal, the Board would retain its regulatory powers but the administrative apparatus would be integrated within the proposed department. In addition, the Unemployment Compensation Board would also be integrated. The Department of Insurance has been proposed for inclusion within either a Department of Commerce or Department of Regulatory Affairs by the Department of Commerce Task Force appointed by the Mayor.

In addition to the Department of Insurance, other agencies have been proposed for inclusion under a Department of Commerce or Department of Regulatory Affairs umbrella, including the Department of Economic Development, the Office of Consumer Protection, the seventeen occupational and professional licensing boards, the Alcoholic Beverage Control Board, Public Service Commission, and Armory Board. The latter three agencies would retain operational independence but receive administrative support from the new department. Inasmuch as a reorganization of this magnitude will require considerable planning and detail, current efforts have been somewhat curtailed pending an audit of the city government initiated by the Senate District Committee.

One quasi-judicial agency, the Office of Human Rights, has been established in the Executive Office for the purposes of direct administrative communication with the Mayor, public visibility, and a requirement to separate this investigative and hearing body from line departments. The Board of Appeals and Review has been established in the Executive Office to hear appeals from administrative decisions and, as such, must remain separate from those departments whose decisions it may be asked to review.

Although it is theoretically possible to merge administrative appeal mechanisms, the Board of Appeals and Review considers cases from a broad range of sources, and therefore is much like a general appeals tribunal

within the city government. Other administrative appeal bodies within the city government are the Condemnation Review Board, Contract Appeals Board, Board of Labor Relations, and Hackers' License Appeal Board. Each of these boards has developed high specialization in its area of concern and, with the exception of the Board of Labor Relations, each is supported administratively by an agency of the city government.

The Commission on the Status of Women was established as an advisory body and has no operational authority. It has been established in the Executive Office to provide it with direct administrative communications with the Mayor, public visibility, and the highest executive level support for this important function.

III. CONCLUSIONS

It has been the policy of the Mayor to increase effectiveness and efficiency in the city operations where possible, to reduce his administrative span of control where advisable, and to eliminate duplication, overlap and fragmentation. Consolidation and realignment of various city functions and organizational units have been emphasized to attain these goals. Consistent with this policy, it has been the city's approach to establish task forces consisting of key city officials to make recommendations on reorganization and realignment proposals. As part of this process, outside experts have been called upon and a considerable degree of staff research, both staff and line, has been conducted.

Factual information set forth in Section II of this paper reflects, in those areas of immediate interest, this approach to reorganization. In addition to the executive branch efforts on reorganization matters, reorganization proposals are reviewed by professional organizations, the business community, citizen groups and organizations, and the City Council as part of its organizational powers set forth in Section 422 of the Home Rule Act.

The City Council may also initiate reorganization actions under Section 404, and has developed reorganization principles and procedures which are to be followed. Reorganizations, therefore, when implemented, represent the collective determination of the legislative and executive branches, both of which have reorganization authority, supported by citizen, business and professional advice.

While not wedded to the task force approach, with respect to reorganization and consolidation issues, we feel that this method has been effective. Progress toward streamlining and increasing the operational effectiveness of city operations will continue to be made through this and related methods.

INSOLVENCY AMONG INSURANCE COMPANIES

Mr. COPPIE. I am prepared to be responsive to your questions at this time.

Senator CHILES. The justification material noted an increasing rate of insolvencies among insurance companies and grave financial problems, such as those of GEICO, which are requiring additional monitoring and special attention.

Please describe to the committee what steps the Department of Insurance has taken to remedy the situation and financial problems of GEICO.

Mr. COPPIE. Mr. Maxmilian Wallach, the Commissioner of Insurance, is here—at least he is supposed to be here. He is supposed to be here at 2.

ASSESSING UTILITY COMPANIES

Senator CHILES. All right. Let's skip over that.

The Public Service Commission has the legal authority to assess utility companies for some of the overhead expenses of the Public Service Commission.

To what extent is the fiscal year 1977 budget request offset by a projected charge to utility companies?

Mr. COPPIE. This is Ruth Hankins-Nesbitt, the Chairperson.

Senator CHILES. Did you get my question there? I was asking to what extent the 1977 budget request is offset by projected charges to utility companies.

Ms. HANKINS-NESBITT. Mr. Chairman, the authority that the Public Service Commission has to assess the utility companies is taken from the District of Columbia Code 43:412. In paragraph 42 the authority there is given as for the assessments.

It is the policy, and I believe this is what is in the 1977 budget also, that is, the only assessments that are made against the utilities are those assessments with respect to investigations where there are formal cases with the Commission; any investigation or the hearing of that case, the final hearing of the case—that is the investigation—the cost of consultation, and what they need for it or any other cost of the respective utilities.

This is the only thing that is in our 1977 budget.

I would like to go to Mary Brazelton here who prepared the budget.

Senator CHILES. What is the exact amount?

Ms. BRAZELTON. There are three positions that we finance out of the three miscellaneous trust fund accounts which, you know, are the Gas, Pepco, and Telephone companies.

The exact amount for fiscal year 1977 will be $85,300 for the three, and that is for their salaries and benefits.

Senator CHILES. Is it only for investigations? You can't assess anything for part of your other overhead costs?

Ms. BRAZELTON. I believe we can assess them for some postage and printing material under the code. But I don't see where we can assess them for any other salaries.

TRANSFER OF AGENCY EEO OFFICERS TO OFFICE OF HUMAN RIGHTS

Senator CHILES. The fiscal year 1977 budget request for the Office of Human Rights shows a 70 percent increase over the 1976 request, primarily because of the transfer of 17 equal employment opportunity officers from other agencies to the Office of Human Rights. What is the expected advantage to be gained through this centralization effort?

Mr. ZAMOFF. There are several primary advantages in the transfer of the EEO officers. The first is a reduction in the active caseload of the office. We project a reduction of approximately 240 cases during the fiscal year as a result of the transfer.

We also project a reduction in the median amount of time to complete the investigation of a complaint; that is, from case docketing to case closing. For cases docketed in fiscal year 1977, we will be reducing the time to approximately 180 days as a result of the transfers being effected.

In addition, we anticipate strengthening the quality of the Office's investigations by adding experienced personnel to the Office's intake, conciliation and investigative staffs. We also anticipate better cooperation and coordination among D.C. agencies on EEO matters; strengthening the internal affirmative action programs of several D.C. Government agencies and, therefore, strengthening the overall D.C. Government's affirmative action program; and finally, elimination of the provision where it is possible for an EEO officer to investigate a case within his or her own department.

The transfers would centralize the EEO personnel within the Office of Human Rights and eliminate the possible conflict of interest inherent in the situation where an EEO officer would decide a case while working for a department against which the complaint was filed.

We have a response. We are submitting that to the committee.

Senator CHILES. Thank you.

PROPOSED DEPARTMENT REORGANIZATIONS

Going into the consolidation of regulatory agencies, the District of Columbia Government is currently organized in some 65 separate departments and agencies.

The city has taken commendable action with regard to consolidating four related agencies into the new Department of Housing and Community Development. Streamlining the city into fewer rather than more agencies is a desirable trend.

It appears to the subcommittee, however, that a number of opportunities still exist for effective consolidation. For example, the eight or so agencies that attempt to protect citizens either through business regulation, minimum wage laws, advocacy of minority rights could, it seems, be consolidated into one agency.

Mr. COPPIE. Mr. Chairman, I appreciate the note of commendation. We have, as you pointed out, established the Department of Housing and Community Development which is a substantial step in the right direction.

In the last several years, we have enhanced our position of becoming more effective and efficient in the total operations of the city.

The Mayor has a task force looking at various alternatives, including the Department of Corrections, and the Department of Regulatory Affairs. At this time no final determination has been made.

We presented a plan of options to the Mayor that will be considered by him but I am not prepared to say what action will be taken, if any.

I think in light of the audit survey that is currently underway, which might result in more comprehensive audits of the city's affairs, the need for some considerable stability in this period is important. That in itself doesn't preclude the reorganizations that are fully justified.

Senator CHILES. You just have these tentative plans to consolidate and reduce the number of agencies?

Mr. COPPIE. We have it under review, Mr. Chairman. No timetable has been set for an official plan of implementation.

PROPOSED DEPARTMENT OF LABOR

Senator CHILES. Would you describe the proposal to create a Department of Labor that is referred to in the justification material? What current agencies would be folded into this department?

Mr. COPPIE. Mr. Chairman, again, the Department of Labor is under active consideration by the city's task force. The primary agencies that would be consolidated into this department are the current Department of Manpower, the D.C. Unemployment Compensation Board, the D.C. Office of Minimum Wage and Industrial Safety, the D.C. Apprenticeship Council, and perhaps portions of the Youth Opportunity Services.

Again, no specific timetable has been set for the implementation of this. It is being discussed actively in the city government.

PROPOSED DEPARTMENT OF COMMERCE

Senator CHILES. In your tentative proposal to create a Department of Commerce referred to in the justification material, what current agencies would be folded into it?

Mr. COPPIE. Mr. Chairman, the primary component of the Department would be the existing Department of Economic Development. That would be the largest single component.

We also propose to transfer the Office of the Recorder of Deeds the Office of the Surveyor, the Alcoholic Beverage Control Board, and the Insurance Department. In addition, there would be some considerable tying in and coordination with some of the regulatory agencies; preserving their independence on the one hand but giving them some additional administrative capability from the larger Department of Commerce.

PROPOSED DEPARTMENT OF REGULATORY AFFAIRS

Senator CHILES. In the proposal to create a Department of Regulatory Affairs, what current agencies would be folded in there?

Mr. COPPIE. Mr. Chairman, this would be primarily the regulatory agencies: the ABC Board, the Insurance Department, and the Public Service Commission,

Senator CHILES. Going back, I understand your insurance man is here.

Mr. COPPIE. Maxmilian Wallach.

INCREASE IN INSOLVENCIES AND FINANCIAL PROBLEMS OF INSURANCE COMPANIES

Senator CHILES. Mr. Wallach, the justification material on page 4 noted an increasing rate of insolvencies among insurance companies and grave financial problems, such as those of GEICO, which are requiring additional monitoring and special attention.

Please describe for the committee what steps the Department of Insurance has taken to remedy this situation. Have the financial problems of GEICO been stabilized?

Mr. WALLACH. The Department of Insurance conducted several studies of GEICO's reserves and reviewed the reasonableness of the additions to the loss reserves and the year-end reserve level.

The combined loss and loss expense reserves were increased by $35 million and an additional $25.6 million as of December 31, 1975, and are now deemed reasonable—$368 million.

GEICO's cash flow is reviewed monthly and so is the investing of assets in Government securities and other securities which could be easily converted to cash for the payment of claims.

The progress achieved in the filing of rate increases in all the States and the District of Columbia is monitored on a monthly or more frequent basis, together with the projected impact on the dollar amount of premium income.

The implementation of a reduction of risk exposure of approximately 20 percent for the year 1976 is monitored on a monthly basis by a policy count of voluntary auto policies.

This is needed until GEICO's surplus is restored to a level which will adequately support a greater volume of premium writings or until such time as an acceptable program of reinsurance and/or refinancing is accomplished.

PROBLEMS OF GEICO INSURANCE CO.

The annual statement for the year ended December 31, 1975, showed an impairment in surplus. GEICO was ordered to make up this deficiency not later than April 30, 1976.

The stockholders, at their annual meeting on March 31, 1976, approved the proposal to reduce the par value of the common stock from $4 to $1 per share. The resultant transfer of funds from capital to surplus brought the company's capital and surplus in compliance with the statutory requirements.

The above measures are steps in the right direction. However, GEICO is still in need of an infusion of funds, possibly combined with an acceptable reinsurance program.

The Department of Insurance also has been exploring the feasibility of infusion of funds by industry efforts as a backup if other efforts should prove to be unsuccessful.

The company has taken actions to implement the steps taken by the Insurance Department or were based on discussions held with the Insurance Department.

As far as insolvencies are concerned, there have been countrywide about 30 during 1975. Starting in 1973, the fall of 1973, until

now, there are 5 insurance companies which were declared insolvent in other States, but having conducted business in the District.

The D.C. Insurance Guarantee Association created in 1973 came into play and paid the claims for these companies, or the unearned premiums, in excess of $100.

Total assessment so far to industry—that is, to those companies who are licensed and write business in the District—so far has been $50,000.

In other words, we have very few claims and very little business conducted by these insolvent companies. The other 25 or 30 companies who were declared insolvent were not licensed to do business in the District and, therefore, there was no damage to the other insurance companies or the insurance buying public.

Senator CHILES. Thank you, sir.

ENVIRONMENTAL SERVICES

STATEMENT OF COMER S. COPPIE, DIRECTOR, OFFICE OF BUDGET AND MANAGEMENT SYSTEMS

ACCOMPANIED BY:

WILLIAM C. McKINNEY, DIRECTOR, DEPARTMENT OF ENVIRONMENTAL SERVICES

JEAN LEVESQUE, DIRECTOR, WATER RESOURCES MANAGEMENT, DEPARTMENT OF ENVIRONMENTAL SERVICES

JUSTIFICATION

Senator CHILES. We will now go to the budget estimate of the several agencies in the environmental services category. We will insert the justification material in the record at this point.

[The information follows:]

Legislative History

The Department of Environmental Services and the Washington Aqueduct originated in the Act of 1802 which incorporated the City of Washington. This Act granted authority for nuisances removal, sewer and pump repairs, collection and conveyance of water, and street and alley cleaning.

Numerous acts and organization orders through the years have resulted in a general expansion of this basic authority with the objective of meeting the broad problems of environmental pollution and control, and the production and distribution of potable water in the District of Columbia. Recently, Commissioner's Orders 71-225 and 72-96 and amendments have established the Department of Environmental Services by incorporating the Department of Sanitary Engineering and transferring the environmental health program from the Department of Human Resources. An Act of June 11, 1878 (20 Stat. 102) provided that the District of Columbia pay the expenses of the Washington Aqueduct and its appurtenances.

The organizational structure of the Department of Environmental Services reflects the patterns at Federal and State levels to consolidate environmental control and cperational programs within a single institutional entity. The Washington Aqueduct is under supervision of the U.S. Army Corps of Engineers.

Program Highlights

The three major activities of the Environmental program are Water Resources Management, Solid Waste Management and Environmental Health.

- Water Resources Management:

This area involves collection and treatment of sewage and the production and distribution of potable water (Aqueduct) for the District and some surrounding jurisdictions.

In the late 1960's and early 1970's, a series of regional meetings were conducted by the Department of Interior for the purpose of planning and acting on pollution abatement in the Potomac River. The result of those meetings was a Memorandum of Understanding in the fall of 1970 signed by the District, Maryland, and Virginia, which provided for a time-phased plan for increased treatment capacity at the Blue Plains regional sewage treatment plant. In 1972, the local Memorandum of Understanding was amended to prevent further degradation of the river during the construction period of Blue Plains by requiring a process of interim secondary treatment. P. L. 92-500 (1972) required that advanced waste water treatment (tertiary) be planned for the Blue Plains Plant after completion of the added secondary capacity. Advanced treatment would provide up to 98% pollutent removal. By 1985 the Act optimistically calls for a pllutent-free sewage treatment process.

Total cost of the Blue Plains project was estimated at $360 million. The District's fully funded share is $59.8 million with the balance coming from Maryland, Virginia, and Federal funds. Other capital projects in the water resources area total more than $20 million, and include the construction of an emergency water pumping station, and replacement of sand filters at MacMillans Reservoir.

- Solid Waste Management

In 1967 the City's Kenilworth dump was converted to a landfill operation and subsequently closed in October 1969 to be developed into a recreation facility. Solid waste disposal then was removed from Kenilworth to Oxen Cove from September 1971 to June 1972. At that time the City faced a disposal site crisis. After many public hearings and Council debate which considered alternative disposal systems, (ranging from baling and barging

to resource recovery and rail Haul), final approval was given to use a regional landfill operation at Lorton, Virginia, plus operation of the City's recently completed Incinerator #5. The City's older incinerators Fort Totten, Mt. Olivette, and O Street were closed and modified for use as transfer stations in September, 1971. Incinerator #5 however was allowed to operate through 1974; recently the Council passed legislation that would close the incinerator in January 1977, at which time disposal at I-95 landfill from transfer stations in the City would constitute the City's disposal system. The Council is currently considering extension of that closing date.

Major improvements to the solid waste disposal program will be the development of a $9.6 million resource recovery center at the I-95 landfill site, and conversion of Fort Totten (closed incinerator) to a transfer station.

In Fiscal 1970, funds were granted to combine separate collection activities of garbage and trash. Twice weekly collections of all solid waste was begun for residents with 4 family units or less and is the system in use at this time. However, due to fiscal constraints, once a week collection is currently under consideration. Departmental policy has been to streamline collection activities by better route design and balance, and higher levels of supervision of field activities. These efforts have produced the recent decision to reduce collection crew size from four men to three.

Street cleaning operations were increased in the 1968-1970 period, but were reduced from 1971 forward because of budget base reductions and inflationary pressures. This area is particularly vunerable to base reductions because of the low health hazard priority of street cleaning as compared to trash removal and disposal. However, the increased use of street

cleaning machines, night street cleaning programs, the addition of street litter cans, anti-litter law signs, and the establishment of an environmental health school have offset some of the program impact of budget reductions.

- Environmental Health

This area involves consumer health services, occupational and institutional hygiene, and air and water quality control and has the objective of carrying out a regulatory program of environmental control within the District.

In the past, Federal grants have been available for Environmental Health programs for War on Rats, meat inspection and air pollution. In Fiscal 1975 these funds with the exception of air pollution were reduced and will probably be further reduced in upcoming years. Federal Drug Administration grant funds will be available for flood inspection in fiscal years 1976-1978.

- Debt Service for Capital Improvements

Debt service generated by Department of Environmental Services and Washington Aqueduct Capital projects amounts to $14.9 million for projects approved through 1975. This amortization is 18.4% of the City debt. Many of the projects in the water resources area are on-going programs, such as sewer ex sewer extension and improvement, water service extensions and trunk and secondary water mains.

RESOURCE REQUIREMENTS

Operacing budget requirements for the Department of Environmental Services and the Washington Aqueduct for the period FY 1972 - FY 1977 and significant program indicators are shown below:

Budget growth during the period FY 1972-1975 is mainly attributed to

wage and salary increases and inflationary pressure especially in the area of utilities and supplies and materials such as chemicals and auto parts. Operating expenses related to the interim sewage treatment program and the near completion of Blue Plains secondary facilities expansion begin to appear in Fiscal 1975.

The Fiscal 1976 request for the Department of Environmental Services amounts to $44,007.8 and $8,611.9 for the Washington Aqueduct. The total increase for both agencies over Fiscal 1975 consists of wage and salary adjustments, inflationary increases in chemicals for interim sewage treatment potable water production and electricity in all facilities. Thirty-nine new positions are provided for operation and maintenance of the expanded facilities at the Blue Plains Plant. Increases also provide some relief for declining Federal funding in the War on Rats program, for tractor trailer replacement for transportation of solid waste to I-95 landfill site, and inflationary costs increases in utilities, fuel, equipment and supplies and higher personnel costs.

Increases in the Fiscal 1977 budgets represent continued wage and salary adjustments and annualization for positions approved in Fiscal 1976 for the Blue Plains Plant. The balance of the increases are for repair parts, supplies, materials, and equipment to operate and maintain the expanded facilities at Blue Plains, plus a continuation of the increasing costs and usage of chemicals and electricity at Blue Plains for interim treatment as well as the Aqueduct.

ENVIRONMENTAL SERVICES
BUDGET SUMMARY
(dollars in thousands)

(Positions are authorized positions)

	Obligations								Budget Requests			
	FY 1972		FY 1973		FY 1974		FY 1975		FY 1976		FY 1977	
	Pos.	Amt.	Pos.	Amt.	Pos.	Amt.	Pos.	Amt.	Pos.	Amt.	Pos.	Amt.
Department of Environmental Services	3,386	35,212.3	3,120	39,112.9	3,122	41,596.2	3,260	47,573.1	2,904	55,007.8	2,665	60,228.3
Washington Aqueduct	325	4,903.5	325	5,251.8	325	5,649.6	325	6,991.5	310	8,611.9	310	9,103.3
Total	3,711	40,115.8	3,445	44,364.7	3,447	47,245.8	3,585	54,564.6	3,214	63,619.7	2,975	69,331.6

PROGRAM DATA

	1972	1973	1974	1975	1976	1977
Water Resource Management						
Sewage Treated (avg. MG)*	283	294	280	288	295	309
Miles of Sewer System Constructed	39	45	25	32	35	35
Miles of Sewer Cleaned	60	51	10	60	35	35
Catch Basin cleaned	4	13	85	10	10	10
Water meters read	270	282	221	225	275	275
Bills rendered	264	192	210	210	324	275
Solid Waste Management						
Street and ally cleanings (thousand tons)	.....	17	14	17	20	23
Combined trash collected (thousand tons)	.....	164	189	210	186	187
Waste disposal (thousand tons)	985	684	975	781	804	828

* Million Gallons

Environmental Services
Grants Summary

Agency	FY 75 (Thousands)	FY 76	FY 77
Department of Environmental Services	1,531.7	1,967.0	1,830.2
Washington Aqueduct	.....	.....	.....
Capital Improvements	.....	.....	.....
TOTAL	1,531.7	1,967.0	1,830.2

Federal funds available to the Department are in Water Resources Management and Environmental Health areas. Funds in the amounts of $853.9, $1,098.7 and $850.8 for FY 1975-1977 respectively are provided for water resources planning, scientific studies in water pollution control and automation of the advanced waste water treatment process.

Environmental Health grants provide funds for war on rats and food inspections (FDA) for the Bicentennial period.

FUNCTIONAL STATEMENT

Mr. COPPIE. Mr. Chairman, I have a functional statement that I would like to provide for the record.

[The information follows:]

FUNCTIONAL AREA STATEMENT

ENVIRONMENTAL SERVICES

The FY 1977 budget request of $69.3 million provides $60.2 million for the Department of Environmental Services and $9.1 million for the Washington Aqueduct.

Resource requirements in Fiscal Years 1976 and 1977 are wage and salary increases and inflated costs such as electricity, chemicals, and supplies and materials. Also included are funds for operation of the soon to be completed Blue Plains expansion.

The Department of Environmental Services and the Washington Aqueduct originate in the 1802 act incorporating the City of Washington. Subsequent acts, organization orders through the years have resulted in the current Department of Environmental Services and the Washington Aqueduct, U.S. Army Corps of Engineers. The three major activities of these agencies are Water Resources Management, Solid Waste Management and Environmental Health.

In the area of Water Resources Management, Public Law 92-500 along with a previous memorandum of understanding with surrounding jurisdictions has resulted in a commitment to higher levels of sewage treatment and expansion of the Blue Plains Treatment Plant. Other major Capital projects include replacement of sand filters at the Mac Millan Reservoir.

Since 1967 the City's solid waste disposal system has progressed from open incineration to operation of the I-95 landfill in Lorton, Virginia, Solid Waste Transfer Stations within the City. Improvements in collection and street cleaning such as reduced crew service and mechanized street cleaning recently have offset, somewhat, budget constraints in these areas.

The Environmental Health program has been and is the recipient of Federal grants in air pollution, War on Rats, and food inspection for the Bicentennial period.

69-502 O - 76 - 51

The Billing System

Water and sewer services are provided to approximately 120,000 customers in the District of Columbia. There are 104,000 single family units. These meters are read and the accounts billed semiannually. There are 16,000 multi-family, commercial and industrial customers, termed "private" because they provide their own meters. These meters are read and the accounts billed quarterly. In addition, there are 800 Federal accounts which are read and billed annually. The city is divided into four areas -- Northwest City, Northwest County, Northeast, and Southeast/Southwest -- and meter reading and account billing is done daily, cycling through these areas. The non-residential accounts are grouped separately for quarterly cycling.

The billing system is being converted from a manual operation using billing and accounting machines to full automation utilizing the SHARE Computer. The old system, most of which is still in place, is slow, inaccurate and incapable of providing timely management information. Its elements include:

- meter reading
- bill computation
- bill preparation
- bill audit
- bill mailing
- payment receipt
- payment recording

In addition, books must be balanced and delinquent accounts followed up. If one step gets off schedule, the whole process is thrown off, often requiring considerable effort to get back on schedule. Because of this, it was decided to replace the system with an automated system as quickly as possible on a step-by-step basis.

No regular bills have been produced on the manual system since October, although bills requiring special handling still are. The accounts receivable will continue in operation on this system until the cycle for the last bill issued on this system is completed.

The system in its present phase of development does not provide for the determination of the complete status of all billed accounts.

Why the Delay

Billing operations are carried on concurrently with conversion. This slows both operations because we are creating the first computer record and we are being especially careful and are double-checking all entries and computations. Additionally, any problems in developing computer programs will delay issuance of the bills. Once conversion is completed, the billing process will speed up.

Automation of the accounts is being accomplished in two broad steps. The first is to use the SHARE Computer to produce the bill and to record payments information. The second is to automate the entire system fully. The first stage of the second step is to develop a master record for each account. This is being done as we go through the first cycle of bills in the first step.

The SHARE Computer was first used to produce bills for the 40,000 accounts in the Northwest County last Spring. This was before work began on the design of the total system. The master record was not then designed and the basic information that was placed in the computer represents only one-half of the required master record. The remaining half will have to be placed in the computer as the current billing cycle proceeds.

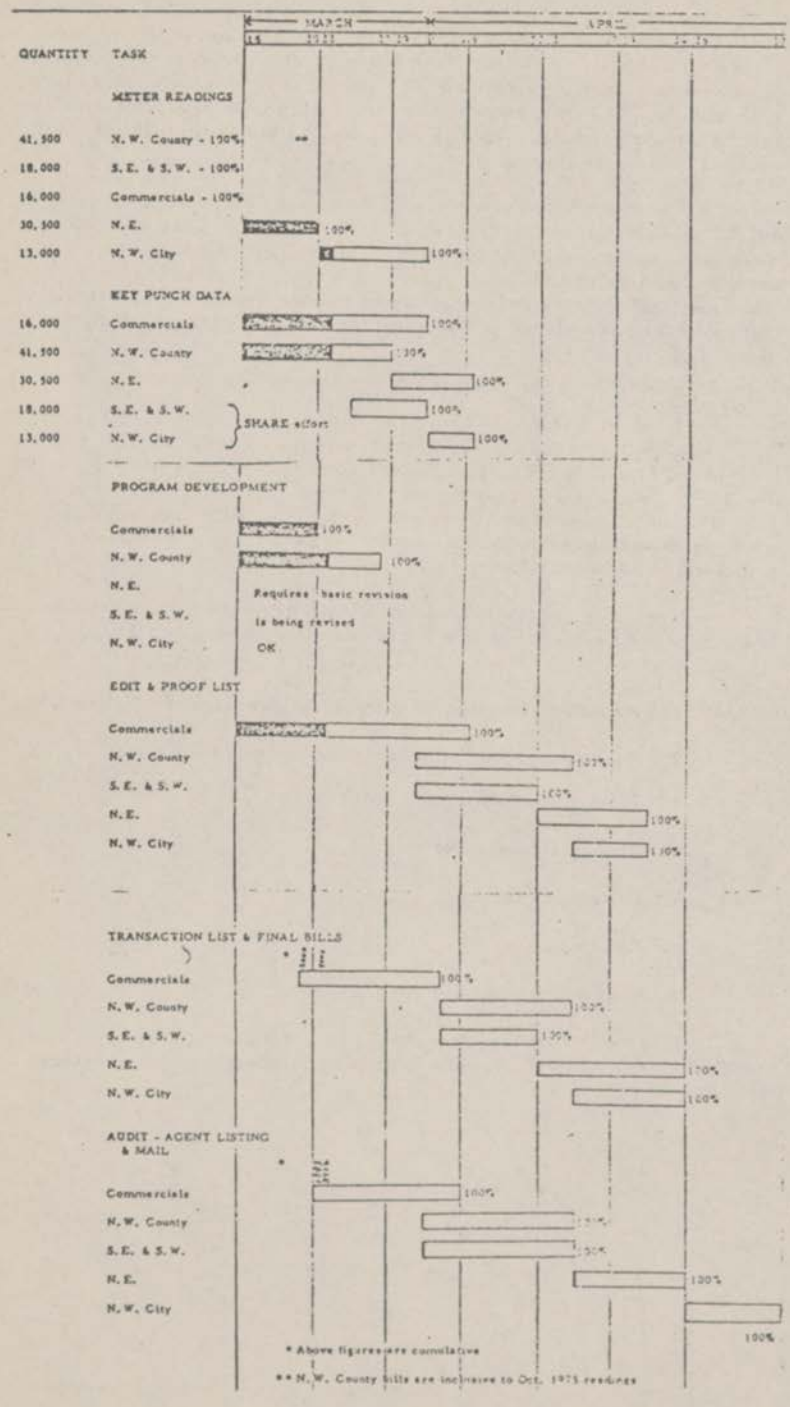
Conclusion

Creation of the master record, as well as programming problems, has slowed production of bills. We are approximately three to three and one-half months behind schedule, at this time. The current schedule will permit us to be current on billing on 1 May 1976. Attached is a chart which indicates the various task involved in the billing sequence and the projected dates of completion.

The projected work program of DES provides for the establishment of an automated system which will provide the following reports:

1. Water consumption by commercial/residential accounts -
2. Number and type of accounts bill water/sewer -
3. Total amount collected water/sewer -
4. Accounts receivable -
5. Delinquent accounts -
6. Bill to date -
7. Data concerning bad checks -

It is estimated that this phase of the automated system will be completed by December 31, 1976. Other refinements will be developed following this date.


MARCH
APRIL
QUANTITY
TASK
METER READINGS
41,500 N. W. County - 100%
18,000 S. E. & S. W. - 100%
16,000 Commercials - 100%
30,500 N. E.
13,000 N. W. City
KEY PUNCH DATA
16,000 Commercials
41,500 N. W. County
30,500 N. E.
18,000 S. E. & S. W.
13,000 N. W. City
SHARE effort
PROGRAM DEVELOPMENT
Commercials
N. W. County
N. E.
S. E. & S. W.
N. W. City
Requires basic revision
is being revised
OK
EDIT & PROOF LIST
Commercials
N. W. County
S. E. & S. W.
N. E.
N. W. City
TRANSACTION LIST & FINAL BILLS
Commercials
N. W. County
S. E. & S. W.
N. E.
N. W. City
AUDIT - AGENT LISTING & MAIL
Commercials
N. W. County
S. E. & S. W.
N. E.
N. W. City
100%
* Above figures are cumulative
** N. W. County bills are inclusive to Oct. 1975 readings

BUDGET REQUEST

Mr. COPPIE. In the area of environmental services, the fiscal year 1977 budget request of $69.3 million provides $60.2 million for the Department of Environmental Services and $9.1 million for the Washington aqueduct.

The three major activities of these agencies are water resources management, solid waste management, and environmental health.

Mr. William McKinney, Director of the City Department of Environmental Services, is here. Mr. Harry Ways, the Administrator for the Washington Aqueduct, is here to respond to any questions that you might have relative to these areas.

Senator CHILES. I do have some questions in that regard.

OATH ADMINISTERED TO WILLIAM C. MCKINNEY

Mr. McKinney, I want to ask you some questions. Before I do, I would like to swear you in.

Would you raise your right hand? Do you solemnly swear the testimony that you are about to give before this committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MCKINNEY. I do.

TESTIMONY OF WILLIAM C. MCKINNEY

Senator CHILES. At our hearing on January 22 of this year, a question arose about the charges to the Washington Suburban Sanitary Commission for $790,000 and equipment at the Blue Plains Water Treatment Plant.

Because of confusion we encountered at the hearing, I asked the General Accounting Office to look into the situation.

GAO REPORT

GAO made a report back to me on April 7, 1976, and questioned $323,000 in charges for this equipment, based on interviews with your department and on-site observations of your current equipment utilization procedures. That report will be made a part of the record.

[The report follows:]

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-118638

April 7, 1976

The Honorable Lawton Chiles
Chairman, Subcommittee on the
District of Columbia
Committee on Appropriations
United States Senate

Dear Mr. Chairman:

At your request, we looked into the use of equipment costing about $790,000 procured by the Department of Environmental Services (DES), District of Columbia Government, for the District's Blue Plains Wastewater Treatment Plant. The purchase was charged to the Washington Suburban Sanitary Commission (WSSC) under a cost-sharing agreement. The Commission questioned the amount of the purchase because DES officials told it that much of the equipment would not be used for wastewater treatment purposes.

The WSSC handles sewage disposal for Montgomery and Prince Georges Counties in Maryland; most of the sewage is disposed of through District facilities. An agreement entered into in August 1954 between the District and WSSC provides that WSSC will pay its share of (1) the actual cost to the District for handling, pumping, and treating sewage, (2) rental of facilities to which WSSC had not contributed capital in proportion to its use, and (3) replacement of specified facilities. The annual costs of operation, repairs, and maintenance are determined from records kept by the District for each sewage facility.

The cost of wastewater treatment facilities operated by the District is also shared by other local jurisdictions, including Arlington and Fairfax Counties, Virginia, generally in proportion to the quantity of sewage entering District disposal facilities.

In fiscal year 1974 WSSC's prorated share of cost was about 43 percent. Included in the cost base was the $790,000 for equipment. Because complete data on equipment utilization was not available, we could not satisfactorily determine all the equipment items that were used at the Blue Plains plant. But from observing, talking with DES officials having first-hand knowledge about equipment use, and reviewing available records we question equipment costing about $323,000.

The following table shows the type of equipment purchased and the portion we concluded to be questionable charges to WSSC.

	Cost of equipment		
	Total	Allowable	Questionable
Type of equipment			
Mobile equipment	$460,651.37	$166,270.42	$294,380.95
Laboratory equipment	240,963.06	240,963.06	-
Other equipment	71,640.46	44,137.06	27,503.40
Items under $3,000	21,250.22	20,343.47	906.75
Office equipment	3,726.00	3,726.00	-
	798,231.11	475,440.01	322,791.10
Less General Services Administration discounts	2,169.76	2,169.76	-
Total	$796,061.35	$473,270.25	$322,791.10

The specific items constituting the total $322,791 of questionable equipment charges are shown in the following table.

B-118638

Purchase order number	Quantity	Item	Unit cost	Less discounts	Total cost
Mobile equipment:					
55030	5	Utility trucks	$32,136.00	$ -	$160,680.00
53757	1	High vacuum cleaner	66,000.00	-	66,000.00
55204	2	Water jet cleaners	24,500.00	-	49,000.00
55394	4	1/2-ton pickup trucks	3,382.84	-	13,531.36
55253	1	3/4-ton pickup truck	5,169.59	-	5,169.59
					294,380.95
Other equipment:					
55301	3	Sewer rodding machines	9,167.80	-	27,503.40
Items under $3,000:					
21103	1	Sofa--DES Director office	549.00	137.25	411.75
21104	1	Chair--DES Director office	356.40	89.10	267.30
	1	Chair--DES Director office	303.60	75.90	227.70
					906.75
Total					$322,791.10

After we made our review, the Director, DES, gave us statements indicating that as of January 29, 1976, most of the equipment items we questioned would be used full time or occasionally on operations within the scope of the cost-sharing arrangements. The enclosure contains (1) the Director's statement concerning each item of equipment and (2) our comments based on what we found at the operating level. For the most part, the Director's statements deal with future use of the equipment and indicate that it will be used throughout the sewage disposal system. He did not estimate what proportion of equipment usage would be applicable to WSSC's cost-sharing agreement; therefore we can neither verify nor disprove predictions about future use of the equipment. Also, because the system does not provide for recording how and where the equipment was used, we cannot satisfactorily determine past use.

We trust this information responds adequately to your request.

Sincerely yours,

R.F. Keller

ACTING Comptroller General
of the United States

QUESTIONABLE EQUIPMENT
CHARGES TO
WASHINGTON SUBURBAN SANITARY COMMISSION

1. Purchase Order 55030 — Five utility trucks — $160,680.00

Director's statement: These trucks have not been delivered by the vendor but the Department of Environmental Services (DES) plans to use them on sewer operations. This would justify charging some of the equipment cost to the Washington Suburban Sanitary Commission (WSSC), depending on the amount of usage.

Our comment: The trucks were purchased for maintenance work at the Blue Plains treatment plant and sludge disposal sites but had not been received as of March 5, 1976. A DES operating official told us that, when the trucks are received, they will not be used at the plant or for any work connected with the WSSC agreement because contractors currently perform the assigned maintenance duties. We cannot verify either statement since they deal with a future event.

2. Purchase Order 53757 — One high vacuum cleaner — $66,000.00

Director's statement: This unit of equipment was purchased to use in conjunction with existing similar equipment to (1) remove screenings from primary pumping stations, (2) help clean primary and secondary sedimentation tanks and basins and (3) help clean digesters. DES believes that proper operation and maintenance of the expanded plant will require at least two pieces of this type of equipment. The new unit is currently used as backup to the other unit at the plant for scum removal, grit removal, etc., and by sewer operations.

Our comment: A DES operating official told us that the cleaner is used to clean sewer lines and basins throughout the entire sewer system. Although he said the cleaner was used occasionally at the Blue Plains treatment plant in connection with the WSSC agreement, he was unable to provide utilization records showing when and where the cleaner was used.

The Director's statement also indicated that the cleaner would be used generally throughout the system but did not estimate the amount of use in the WSSC area. Such an estimate would have indicated the specific amount of cost chargeable to WSSC.

3. Purchase Order 55204 — Two water jet cleaners — $49,000.00

Director's statement: The two units are currently being used in systemwide sewer operations.

Our comment: A DES operating official told us that these two cleaners were used throughout the sewer system without regard to specific sewer lines or facilities.

The Director's statement confirmed our finding but did not indicate how much use would be applicable to WSSC work.

4. Purchase Order 55394 — Four 1/2-ton pickup trucks — $13,531.36

Director's statement: One truck was not paid for by the Blue Plains plant. Three other similar vehicles bought for use by the waterworks

were assigned to the plant but were not charged to WSSC. The three vehicles were not assigned to the plant but were used throughout the system.

Our comment: A DES operating official told us that the four trucks purchased under order 55394 were not used at the treatment plant or for other work connected with the WSSC agreement. The Director indicated, however, that three trucks would be used generally throughout the system but, again, he did not say how often they would be used for WSSC work.

5. Purchase Order 55253 — One 3/4-ton pickup truck — $5,169.59

Director's statement: Eleven vehicles are assigned to various programs of the Bureau of Maintenance Services. When not in use at the plant, they are used for similar purposes at other sewer and water facilities.

Note: We questioned the use of only 1 of the 11 trucks.

Our comment: A DES operating official told us one of the vehicles was used by a machine shop not connected with the plant. He said the truck may have been used at the treatment plant or in connection with the WSSC agreement at various times but records were not available to show this.

The Director's statement also did not indicate amount of usage, if any, in WSSC work.

6. Purchase Order 55301 — Three sewer rodding machines — $27,503.40

Director's statement: The three units are currently being used in sewer operations.

Our comment: A DES operating official told us the three machines were used wherever necessary. He said they may be used occasionally at the treatment plant or for other work connected with the WSSC agreement but records were not available to show how they were used.

7. Purchase Order 21103 and 21104 — Director's office furniture — $906.75

Director's statement: The Director did not comment on these items.

Our comment: The sofa and chairs for the Director's office do not appear to be proper charges to WSSC work.

DELAY IN DELIVERY OF TRUCKS FOR BLUE PLAINS

Senator CHILES. The GAO discussed its findings with you. I understand you indicated most of the equipment would be used both full-time or occasionally on operations within the scope of the Blue Plains cost-sharing arrangement.

Since these statements deal with projected use of the equipment, there was no way for GAO to verify or disprove any predictions about the future use of the equipment.

However, there are several places where some of these items don't seem to square with me on current procedures. I would like to cover them now.

There were five utility trucks ordered on June 26, 1974, for $160,680 which GAO states have not been delivered as of March 5, 1976.

What is the delay in the delivery of these trucks?

Mr. MCKINNEY. I have with me the Director of the Water Resources Management Administration, Mr. Jean Levesque, who sat in on the discussion with the General Accounting Office.

We produced for them at that time projected use of certain equipment and also explained to them the delays of vendors being able to deliver the mobile equipment to us.

To my knowledge that still is the present problem. We have just not gotten delivery from the vendor.

I would ask Mr. Levesque to join me at the table, unless the Senator wishes otherwise.

Senator CHILES. Do you have some reason from them as to why?

When were these orders placed?

Mr. LEVESQUE. About 18 months ago, Senator.

Senator CHILES. It is an awful long time for a back order.

Mr. LEVESQUE. It sure is. The equipment has now been delivered and it is in place at Blue Plains.

Senator CHILES. I understand that these trucks are planned, Mr. McKinney, for sewer operations, a portion of which could be charged to the Washington Suburban Sanitary Commission.

PERFORMANCE OF MAINTENANCE AT BLUE PLAINS

However, according to Environmental Services' operating personnel, the current practice is to use contractors for these maintenance duties. Mr. McKinney, do you plan to change from the contract procedure?

Mr. MCKINNEY. Again I would have to refer to Mr. Levesque who is the man responsible for the day-to-day operation at Blue Plains.

Senator CHILES. But you are responsible for the overall procedure, aren't you. You are doing contract work on this rather than using your own equipment is that correct?

Mr. MCKINNEY. In not all cases am I directly involved in all decisions made as to whether or not a contractor is used or our own operating personnel.

I would say that in every case where resources are available we do most of our maintenance ourselves.

For instance, in repairing complicated electrical switch gear where we have no people for that, we turn to outside contractors.

Specifically in terms of the Blue Plains operation I would have to refer to Mr. Levesque as to what is being done by contract and what is being done by in-house personnel.

Mr. LEVESQUE. The work we are doing on Blue Plains now is being done by our own personnel except on the electrical switch gear which is being done by contract because we don't have the expertise to do it.

Senator CHILES. Right now you are not using the contract for some of your utility maintenance?

Mr. LEVESQUE. No, sir.

Senator CHILES. I understand there is a question that is now in the courts about a $87,000 waiver of solid waste fees granted by you, Mr. McKinney, to Browning-Ferris Industries. This matter is in the courts.

I don't intend to go into it except to ask a general background question. That is, that the problem seems to arise because the Department of Environmental Services kept some poor and inaccurate records on the use by private trash haulers of city dumping facilities.

DETERMINATION OF FEES FOR SOLID WASTE DISPOSAL

Would you explain to me how the fees are determined for solid waste disposal at District facilities and how is the extent of private use determined and recorded; how frequently are the bills sent out; what steps have been taken to improve the record-keeping system at the solid waste disposal facility?

Mr. MCKINNEY. The present $5 per ton dumping fee that is charged to non-District haulers of solid waste was imposed by the City Council by regulation in 1971.

It was designed to recover one-third of the cost per ton of rendering the service. When the fee was levied, the disposal cost per ton was $15 per ton. In 1975 the cost was $11.68.

The cost per ton dropped in 1975 due to the fact that tonnage of waste disposals decreased while the operating costs remained about the same.

All private solid waste collectors are licensed by the city. Their trucks are identified by number. Details of those numbers are recorded on identification cards used by the collector.

The waste is dumped at the District facility. Collectors must present their identification badge to the scale operator when the truck is weighed. The scale card is produced at that time.

This is the computer source document from which the monthly billing reports are prepared for each private collector, along with the bills showing the waste dumped during the month and the total amount due the District at $5 per ton. The bills to the private haulers are sent out monthly.

MANAGEMENT IMPROVEMENTS

Based on a series of problems that arose and difficulties associated with that adjustment in 1974, I requested through the Mayor that Mr. Coppie's office provide a management team to look at the current system, make recommendations for improvement, primarily in the management area of the system.

That team was assembled with DES employees. They produced a report with several recommendations, 90 percent of which have been implemented to date.

Last November I asked Mr. Coppie to reassign that team to look over the implementation of those recommendations and to report to him and myself as to how well the system was working now.

A draft of the final report was reviewed in the early part of March and is in the process of finalization, then it will be transferred to Mr. Coppie and the Mayor.

Several system changes have been implemented, particularly on the control of the scale cards. One of the problems associated with the system was the inaccuracy of weights assigned to private hauler vehicles, particularly those vehicles that used detachable bodies. We were not at that time weighing all of those detachable bodies.

Since that time we have gone to weighing of all detachable dump bodies as well as the chassis.

One of the recommendations of the report was to move to an in-and-out weighing system, so we would have some accurate cross-checking of weights.

The new facility at Fort Totten will have in-and-out weighing facilities, as well as the facility at I–95 in Lorton.

A number of other management tasks were undertaken by that task force and have been implemented. I would say at this point that the system is accurately recording weights.

In some cases we still have low weights and we immediately check those; in cases showing no weight carried on the truck we are checking the type of vehicle as one method employed at the scale house for cross-checking.

We produce a 60-day delinquent and 90-day suspension list of those haulers who are in debt to the city. Copies are made available at the disposal sites to deny entrance to those haulers who are in debt to the city, based on the 90-day suspension list.

CONSTRUCTION OF BLUE PLAINS PROJECT

Senator CHILES. What is the current status of construction of the Blue Plains project? When will that facility be completed?

Mr. MCKINNEY. To date, about 60 percent of that facility has been completed. The final expansion program is anticipated to be completed in early 1980.

Senator CHILES. During the hearings on the 1976 budget, the subcommittee heard testimony regarding the water billing system operated by the Department of Environmental Services.

As described to the subcommittee, the management system in place does not provide timely information on the status of water bills sent out and the month-by-month collection rate was not known.

AUTOMATED INFORMATION SYSTEM

We are told that these problems were being remedied by the installation of a new automated information system.

Mr. MCKINNEY. We are still in the process of achieving that completely automated system. As I indicated in testimony in the early part of this year, one of the most serious problems we were having

was trying to become current on the backlog of bills and at the same time automating the system that was essentially a manual system.

Under mandate of the City Council and agreement of the Mayor, all water and sewer services rendered through October 1975 must be billed current by May 1976.

We are fast along on that project, as well as creating master records on all of the 120,000 accounts we have.

While we still manually can provide certain kinds of information, such as delinquency rate and number of people delinquent for this point of time or for a period of time in the past, we have not achieved a fully automated system and will not be able to do so until the end of this calendar year.

BACKLOG IN WATER BILLING

Senator CHILES. How big is your water billing backlog at the present time? How does that compare with January figures when you testified before this committee? In January you had a backlog of 3 months or of approximately 69,000 bills.

Mr. MCKINNEY. That is right. The number at the present time is roughly 5,000 less than that. But at that time we were backlogged in part of the city, and in those accounts that have the largest amount of revenue return, particularly the private accounts.

We now have billed all 16,000 private accounts. We will be current on Northwest County, which is 41,000 accounts, hopefully, by Tuesday of next week.

Again, as I mentioned, the mandate is to be current on the 120,000 accounts by May 1. Sitting before you today there are roughly 64,000 accounts yet to be billed between now and May 1.

Senator CHILES. Do you expect to have that done by May 1?

Mr. MCKINNEY. Again the mandate of the City Council is tied to revenues beyond June 30 of this year. The Mayor will certify that we will be current on May 1, in order that new rates would go into effect on July 1, 1976.

If we are not current at that time, the projected revenues into the 1977 budget are in question. It is our desire and certainly our intent to be current by May 1.

We have all but erased half of the backlog in terms of the 120,000 accounts. Again as I indicated, the programs designed for the other 64,000 accounts are in varying stages of progress now. I have every reason to believe that we will be current by May 1.

COLLECTION RATE OF WATER AND SEWER BILLINGS

Senator CHILES. Information supplied to the subcommittee subsequent to the 1976 hearings show an 89 percent collection rate from the period January through June of 1975 for water and sewer billings. This represented a shortfall of $1.4 million.

Are you satisfied with this rate of collection?

As you may recall, I think you told us you thought the collection rate was around 95 percent.

Mr. MCKINNEY. Again I think the 89 percent was not dealing accurately with the collection rate, but more with the difference between the projected revenues and actual revenues received at that point in time.

As you will recall, we were in a 3-month backlog at that point, particularly in the private accounts in Northwest County.

While the collection rate at that time might have shown a $1.4 million shortfall, an awful lot of those bills were rendered after May 1 with a due date of June 30. So much of that revenue was received in the new fiscal year after July 1, 1975.

Senator CHILES. With regard to that collection rate for the period of January to June of 1975, how many people were actually delinquent? How many people got notices for delinquent payments? How many people, if any, had their service disconnected?

Mr. MCKINNEY. From January through June of 1975, there were 9,045 delinquent accounts. During that period we mailed out 9,045 delinquent notices.

In terms of cutoff service, between the same period, January to June 1975, we sent out 7,806 cutoff notices. Actual cutoffs for non-payment equaled 1,139 during that period of time.

ADDITIONAL QUESTIONS

Senator CHILES. Mr. McKinney, would you please respond to a number of questions which we will submit to you for the record?

Mr. MCKINNEY. I would be happy to, Mr. Chairman

[The questions and answers follow:]

REQUEST FOR ECONOMY VEHICLES

Question 1. In view of the generally acknowledged need to reduce energy consumption and the City Council's concern for energy conservation, does the Fiscal Year 1977 budget include a request for economy vehicles rather than full size sedans or pickups? If so, please provide a list of such vehicles and how much fuel will be saved by using the economy vehicles.

Answer 1a. The FY 77 budget request contains four (4) vehicles for the Mobile Equipment Management Division. The vehicle request consists of the following:

Two utility trucks for emergency (road) calls and on-site mobile support; 1 wrecker (same); and 1 pickup (general purpose vehicle for hauling spare parts, supplies, etc).

The utility trucks and wreckers already incorporated the most economical configuration of engine displacement, gear ratio and other specifications to meet mission requirements. The pickup specifications call for the most economical American built vehicle which will meet mission requirements. The wrecker will be powered by a diesel engine.

All future specifications for heavy duty vehicles will require diesel powered engines instead of gasoline. Replacement of sedans and other administrative vehicles will be accomplished with compact vehicles and/or smaller engine displacement, consistent with mission requirements. Finally, our goal is a 10 percent overall fleet reduction.

1b. The Environmental Health Administration (EHA) has no vehicle purchases planned in fiscal year 1977 because of budgetary constraints. However, its obsolescent fleet is wasteful in fuel. It also contributes unnecessarily to air pollution and suffers frequent breakdowns. Based on the D.C. Department of General Services Motor Fleet Management standards 14 of our 32 vehicles are being driven beyond their normal life expectancy. In FY 77 this will increase to 18.

Sixty-six (66) of our personnel performing field and supervisory duties drive their privately owned vehicles of varying sizes and types.

In addition, EHA (three years ago) purchased two bicycles for use by personnel carrying out sampling and related field work in air and water pollution control.

This Administration has been one of the leading advocates of fuel and energy conservation because we recognize that the goals of energy conservation are fundamentally the same as those of environmental health—the reduction of adverse impacts on the health and welfare of the community.

In fact, we are studying the feasibility of encouraging our field inspection staff, especially those working in the Central Business District to use the Metro Subway System as a mode of transportation. This, if feasible, will obviate the necessity for use of privately-owned vehicles.

Previous experience indicates that regular use of busses tend to reduce work output (productivity) because of infrequent or irregular bus service.

1c. The FY 1977 Budget request of Water Resources Management Administration includes no sedans, four (4) rancheros and three (3) ½ ton pickup trucks. This Department has no historical data on "economy" vehicles except for four (4) Pintos that have been in service for about one year and do not show any significant gas savings to date. We would like to procure some of the above seven (7) units as "economy" units to determine—(1) actual gasoline savings compared to larger size vehicle performing the same mission, and (2) actual maintenance and repair costs compared to a larger size vehicle performing the same mission.

1d. The Solid Waste Management Administration did not request any Sedans in the 1977 Budget but did request nine (9) full size Pickup Trucks. The decision to procure full size Pickup Trucks rather than economy vehicles was based on the projected purchase price of each type, which would indicate that the purchase price for each is virtually the same.

Commuting in Government-Owned Vehicles

Question. During the second supplemental appropriations hearing for Fiscal Year 1974, you told this committee that 23 Department employees were driving back and forth from home to work with Government-owned vehicles. You indicated that these personnel need to be available for emergency situations and that having the personnel close to a two-way radio in the Government-owned car is critical in emergencies.

(1) How many employees by title were authorized such privileges for Fiscal Years 1975 and 1976? How many vehicles were used by these employees? How many miles to the employees' residences?

(2) How many emergencies, by date, did these employees respond to after their normal working hours for Fiscal Years 1975 and 1976 to date?

Answer. The following tables give the statistics in answer to your question:

Department of Environmental Services

Authorization	Fiscal Year		
	1974	1975	1976
Year around	23	11	9
Snow and ice (only)	34	22	9
Total	57	33	18

YEAR-ROUND AUTHORIZATION FISCAL YEAR 1976

Name	Position	Calls	Tag no.	Miles one way
	Director			
1. William C. McKinney 707 Delaware Ave., S.W. Washington, D.C.	Director, Department of Environmental Services GS 17/2 $37,800.	12	DC 2618	2
	Office of Executive Management			
2. Welty Lohr Route 2 Box 155 Waldorf, Maryland	Chief, Mobile Equipment Management Division GS 12/1 $19,386.	5	DC 1798	23
	Dec	12/75, 14th and 31st., 1/76, 20th. 2/76, 2nd. 3/76, 9th.		
	Water Resources Management Administration			
3. Harold M. Stearn 648 So. Greenbrier St. Arlington, Va.	Deputy Director, Water Resources Management GS 15/4 $34,441.	6	DC 2619	8
		9/75, 20, 26, 27, 28 12/75, 31, 2/76, 23		
4. Jack O. Steen 5515 Fisher Road Temple Hills, Maryland	General Foreman, Sewer Services WS 14/5 $21,216.	15	DC 2464	5
		9/75, 11, 12, 19, 20, 26, 27, 10/75, 6, 7, 11/75, 18, 19, 12/75, 31, 2/76, 10, 23, 24, and 26		
5. Carl R. Johnson 2623 Kennison Lane Bowie, Maryland	Chief, Water Services GS 14/2 $27,756.	5	DC 2620	17
		9/75, 26, 27, and 28 12/75, 29, 1/76, 11		
	Solid Waste Management Administration			
Herbert L. Tucker 1721 Highwood Pl., S.E. Washington, D.C.	Director, Solid Waste Management Administration GS 15/3 $33,397.	5	DC 1793	4
7. William B. Johnson 2520 36th. St., S.E. Washington, D.C.	Chief, Bureau of Solid Waste Collection GS 14/3 $28,651.	17	DC 1794	3
8. Richard F. Moreland 10000 Carnot Drive Cheltenham, Maryland	Acting Chief, Bureau of Solid Waste Disposal GS 13/2 $23,670	18	DC 2456	14
	Construction and Repair			
9. Duty Officer	C and R	22	Various	7
		1/76, 3, 10, 13, 15, 17, 24, 25, 2/76, 2, 7, 14, 17, 21, 24, 26, and 28, 3/76, 6, 9, 13, 16, 20, 25, and 27		

NOISE LEVEL IN DISTRICT OF COLUMBIA

Question. Noise Control. On page LA–2, it is stated that the Environmental Health Agency prepares and recommends environmental criteria and standards as well as rules, regulations and plans for the enforcement of noise. The fiscal year 1977 budget requested $46,000 for the noise control program.

Based on EPA standards, how does the noise level in Washington rank with other comparable cities? What does EHA plan to do under this program to reduce the noise level during this, our Bicentennial Year?

Answer. The Environmental Protection Agency has set forth recommended sound levels which it considers adequate to protect the public. It is currently beyond our present resources to ascertain the total noise character of the District of Columbia but we have identified the major sources of noise. They are motor vehicles and construction activities. We therefore believe that our problems are fundamentally the same

as those of other urban centers in the United States of similar size and economic and social character.

Increased resources would allow the following:

a. Sophisticated study of city noise.

b. Indepth study of motor vehicles with the D.C. Department of Transportation and the Metropolitan Police Department.

c. Study of CONCORDE noise impact upon the District.

d. Development of noise control strategies concentrating on major noise sources.

The comprehensive Noise Control Regulations when approved by the City Council will strengthen the Environmental Health Administration's quantitative (as opposed to qualitative) approach to noise because this ordinance will prohibit noises that exceed specific numerical levels, stated in decibels (dBa) for specific activities. These regulations will be vigorously enforced if the necessary equipment and manpower are provided during the Bicentennial Year.

Cooperation and coordination among appropriate D.C. agencies (i.e. Police, Transportation, Zoning) will be fundamental prerequisites for an effective program. We anticipate that the proposed aggressive noise control effort will be further enhanced by the broadening public recognition that much of the noise it has tolerated is unnecessary, undersirable and even detrimental in varying degrees to physical and mental health.

Water Billings Schedule

Question. Information provided to the subcommittee by DES indicates that as of May 1, 1976, water billings will be on schedule. Will this timetable be met?

Answer. Pursuant to the City Council mandate and the schedule established to meet this mandate, it appears at this time that the timetable will be met. All Commercial billings were mailed as of April 9, 1976. All meter readings are current and on schedule and key punching of all meter readings in the conversion to tape was completed as of April 15, 1976.

Question. What percentage of your billings are current?

Answer. Forty-seven percent (47 percent) of our billing is current and this represents approximately 56,000 accounts.

Question. What percentage are 30 days late and what percentage are 90 days late?

Answer. With respect to the City Council mandate that all bills be current as of May 1, 1976, 38 percent are considered 30 days late and 15 percent are considered 90 days late.

Question. How much revenue was due from noncurrent water billings during fiscal year 1976?

Answer. As of April 9, 1976, $15.4 million was billed. This includes current and noncurrent billings. $6.8 million represents noncurrent billing and $8.6 million represents current billing with due dates in April–May 1976.

Environmental Health School

Question. Environmental Health School. Although there is no budget specifically for the school, how can it be determined how much money was spent on it in fiscal year 1976?

Answer. The amount of money spent on the school for fiscal year 1976 can be determined by the number of classes conducted. Each student is required to attend one two-hour class. This class is taught by a GS–6 employee who is regularly assigned to environmental education activities within the Department.

Question. With such few pupils, is this school worth the effort?

Answer. The school was planned through the cooperative efforts of the Police Department, Department of Economic Development, the Office of the Corporation Counsel and with the support of the Chief Judge of the Superior Court. With a higher priority given to enforcement of anti-litter regulations, the school will be an effective alternative to fines. If referrals to the school are not increased this year, the activity will be discontinued.

Solid Waste Collection

Question a. What do you mean by "Service Reductions" and does this reflect a once-a-week household refuse collection instead of two?

b. During the fiscal year 1975 hearings you stated "that considerable time and effort have been devoted to the potential of once-a-week refuse collection in certain areas of the city." If a once-a-week collection of refuse is feasible what has been done in the past two years to implement once-a-week collection?

Answer a. Service reductions in solid wastes means reducing household refuse collections from twice weekly to once-a-week.

b. During the spring of 1974, several public hearings were held in Service Area No. 8 to discuss the feasibility of once-a-week collections and the issue at that time was favorably received. Nevertheless, implementation of the plan was never effected and as a result, twice weekly collections are still being provided throughout the city.

Crew Size

Question. In March, 1976, the Department implemented a new solid waste collection program wherein the crew size was reduced from four to three men and Wednesday's bulk collection was eliminated. The bulk is now collected on Thursdays and Fridays along with the regular refuse collection. The budget justification to the City Council stated that "Wednesdays will be used for 'productivity' based on a predetermined work schedule."

a. What do you mean by this statement?

b. Withe the Clean City Program cleaning 900 curb miles weekly, and with the excess workmen from the reduction of crew size cleaning streets and alleys, what kind of work will be done on Wednesdays?

c. In terms of hours worked per day, what goal are you setting for the Wednesday work schedule?

Answer. a. Productivity is a term used to define additional work to be performed by household refuse collectors over and above their principal assignment such as the performance of street and alley cleaning services.

b. Wednesdays will be utilized to collect any remaining refuse not collected on Tuesday and the cleaning of alleys in all Service Areas by the refuse collectors.

c. We have set a goal of seven (7) hours of work for the Wednesday work schedule. Although, I hasten to point out that the refuse collectors who perform this Wednesday "productivity" work are on the task-incentive system.

Conservation of Water Resources

Question. Does the Department of Environmental Services or the Washington Aqueduct have a program to encourage the conservation of water resources?

Answer. The Department of Environmental Services does not have a program to encourage public conservation of water resources. Studies have been made to develop costs of such programs. For example, a program to furnish flush tank inserts (quart-size polyethylene bottles) at a rate of three per household would cost approximately $140,000 for materials, plus distribution costs. If dye pills (for detecting flush tank leaks) were to be included, an additional $10,000 for materials would be required. Funds of this magnitude are not available for this purpose and fiscal constraints have prohibited the requests for additional funds for this program.

Plumbing Code Changes

Question. Are there any policy changes such as modifications in plumbing codes that could help to reduce the demand on water and sewer facilities?

Answer. Legislation is currently being considered by the City Council to amend the District of Columbia Plumbing Code. These amendments do include changes that will help reduce the demand on water and sewer facilities.

[Copy of considered legislation follows:]

A BILL

1–142

In the Council of the District of Columbia

Councilmember Jerry A. Moore, Jr. introduced the following bill which was referred to the Committee on Transportation & Environmental Affairs

To require the installation of water conservation devices or fixtures.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA,

That this act may be cited as the "Water Conservation Act of 1975".

Sec. 2. Water supply systems in all buildings in the District shall be designed so as to deliver water to all floors at a pressure of not more than 60 psi.

Sec. 3. In all new construction and in all repair and/or replacement of fixtures

or trim, only fixtures and trim not exceeding the following flow rates and/or water usage shall be installed. These rates are based on a pressure at the fixture of 40 to 50 psi.

Water closets, tank type (gal per flush)	3.5
Water closets, flushometer type (gal per flush)	3.5
Urinals, tank type (gal per flush)	3.0
Urinals, flushometer type (gal per flush)	3.0
Shower heads (gal/min)	3.0
Lavatory, sink faucets (gal/min)	4.0

Aerators shall be installed on all lavatory and sink faucets.

Sec. 4. Car washer installations shall be equipped with an approved water recycling system. This clause shall be retroactive and all existing car wash installations shall be equipped with such recycling devices within 60 days after the effective date of this act.

Sec. 5. Any water connected device or appliance requiring a continuous flow of 5 GPM or more and not previously equipped with an approved water recycling system shall be so equipped.

Sec. 6. This act shall take effect as provided in Section 602(c) of the District of Columbia Self-Government and Governmental Reorganization Act.

Water Supply Problems

Question. Representatives of the Council of Governments have testified before the Senate District Committee that the area faces critical water supply problems. Please submit supporting data for the statement by the Director of the Department of Environmental Services that there will be an adequate water supply this summer unless there is a 30 day drought.

Answer. Attached two (2) charts show the volume of Potomac River Flows for 1976 through March, 1975, 1966, 1930 and 36 year monthly average (1930–1965). The charts also show total municipal water withdrawn in the first three months of 1976 and all of 1975. Analysis of these charts show that if 1976 flows approximate 1975 or the 35 year average then there will be sufficient water available this coming summer with normal rainfall. However, if the rainfall is considerably below normal, water shortage could occur in late summer.

The U.S. Coast and Geodetic Survey Office has informed us that ground water tables are currently above average.

Waste Disposal Fee

Question. What portion of actual solid waste disposal costs to the city are covered by the present $5.00 per ton solid wase disposal fee? Is there any reason why the fee should not be increased?

Answer. The solid waste disposal fee of $5.00 per ton was established by the City Council in 1971. This fee was designed to be generally in line with dumping fees charged by surrounding jurisdictions. The Council desired to offset part of the cost of rendering this service. When the fee was levied, the disposal cost per ton was an estimated $15.16. In fiscal year 1975, the actual operating cost per ton, not including capital costs, was $12.74. The cost per ton dropped because the tonnage of waste disposed was higher than the original tonnage estimated in 1971, while operating costs increased at a lesser rate.

A proposal to increase the fee to $8.00 per ton with a $2.00 per load minimum fee is included in proposed amendments to the District's Solid Waste Regulations now being put in final form to present to the City Council.

NONDEPARTMENTAL WITNESSES

PUBLIC SCHOOL SYSTEM

STATEMENT OF CAROLE J. CAUSEMAKER, SCHOOL SOCIAL WORKER

Senator CHILES. The subcommittee will now hear from a public witness, Miss Causemaker, regarding the public schools.

The committee will hear from several additional public witnesses later this month or early next month.

Mr. Coppie, I had asked for Mr. Yeldell to be back here this afternoon.

Mr. COPPIE. He will be here at 3.

Senator CHILES. I want to specifically ask him about this situation in the Welfare Office. Is he going to return?

Mr. COPPIE. He will be here at 3 this afternoon.

Senator CHILES. 3 o'clock?

Mr. COPPIE. Yes, sir.

PREPARED STATEMENT

Senator CHILES. Miss Causemaker, I have a copy of your statement. I will submit it in full in the record.

[The statement follows:]

I am here today to remind you of the constitutional right of every citizen to an education. There are students in the District of Columbia who are not awarded this right.

The Public Schools in the District of Columbia suffer from what is common to most urban school systems. They are understaffed. There is a dearth of requisite and relevant programs to meet student needs. Many, if not most, of the buildings are in disrepair. Several facilities present safety hazards. Many are ill-equipped. Supplies are often times unavailable. Actual conditions in some situations should not, in all that is humane, be tolerated.

The major reason for all and any of these very real, unpleasant and unjust realities is insufficient funding or the lack of adequate monies. Whatever part of the reasons lie in mismanagement or ineffectiveness I do not defend, nor do I wish to examine. I believe firmly for the first time in the four years I have been employed in this school system that those problems can be corrected. The present Administration and Board of Education give every indication of being able to deal significantly with this problem area. They will not, however, be able to exercise their ability if, of course, they are forced to direct their energies toward making dollars stretch, rather than being about the business of making quality education a possibility in this city. It is quite easily grasped, I would hope, that if the Board and the Administration are required to spend their time deciding which educational programs, services and positions can be deleted with least detriment, they will not be free to work on thoughtful, organized, constructive, concrete, and concerted plans to deal with the real needs of students. This is imperative.

The present figure allotted the D.C. Schools for FY 1977 is $207 million. This is roughly 21% of the city budget. We have 7,000 teachers in D.C. and 130,054 stuents. Fairfax County, with 7,500 teachers and 137,000 students is requesting $283.5 million for the schools operating costs. The school officials are anticipating a $9 million deficit in that they may not receive what they ask for from the County Board of Supervisors. This will still leave them with $274.5 million. That is $67.5 million more than D.C. schools will be operating on though the number of students and teaching personnel is fairly comparable. Our Board of Education and Administration has asked for $218 million. If they were granted what they ask for that would still be $56.5 million less than Fairfax withstanding their expected $9 million cut. This simply tells me there is undue discrepancy. This is especially hard to accept when my personal philosophy is that per pupil expenditure should be greater in urban school systems than elsewhere. This philosophy is shared by many, I might add, in spite of what Christopher Jencks has said in his book, INEQUALITY. There is a complexity of problems in inner city schools that is very often a reflection of and even created by the larger society. It is time for responsibility to be recognized, accepted and actively dealt with. In this city and at this point in time it becomes most keenly your responsibility as government representatives to dramatically turn this sobering situation around. I will remind you here of the report to Congress, compiled by the Health, Education and Welfare Department's National Center for Educational Statistics. This report cited a 1975 poll by the National Opinion Research Center indicating that 50.3% of those polled believed too little money was being spent on schools.

"Despite dissatisfaction with education," the federal report stated, "the public remains committed to its support, as shown by the proportion who maintain we are spending too little on improving the education system."

Yet, most of the school systems surrounding Washington far exceed the D.C. monies appropriated for education. Alexandria, for example, allocates 45.6% of the city budget to their schools. Prince George County, allotting the least, 36.1%, to the schools last year is expected to receive at least $225.7 million of a proposed $417.5 million county operating budget for 1977. That is more than half of the total budget. Montgomery County is asking for $248.7 million and though a $12.2 million cut is threatened it is very unlikely

that it will be sustained. Interestingly, a spokesperson in Montgomery County's School System recently made the comment, "Cut the school system's lifeline...funds...and you participate in its decline".

In my experience, the schools in D.C. have never had the opportunity to excel. Education has been largely mediocre, if not poor, with only pockets of better than average opportunities. What will decline mean for us?

Ironically, this comes upon the heels of the potential for the very opposite to occur. Superintendent Vincent Reed is moving toward making excellency a probability. The effort underway to convert Gordon Junior High into a four year program is but one example. However, gentlemen, and I emphasize, this kind of action needs to be taken throughout the school system. Junior high schools do not work. Junior high schools are the beginning of the end for many a student's educational years. Sixth graders are far less capable of managing the adjustment than would be ninth graders. Considerable numbers are lost because they experience difficulty and the supports they require are not available. Because two of the schools I service are junior high schools I can speak from experience. I am only able to get to these schools one day a week. The only possible way to be effective in a junior high setting necessitates on the scene vigilance five days a week. In the absence of this possibility I continually, as do my co-workers, engage in crisis intervention. In graduate school a great deal of time was spent learning how to develop and implement preventive programs. Prevention would eliminate much of the need for crisis intervention. However, we have not come close to the time when such approaches might be realistically employed. Yet, herein lies a great deal of our value and it is not being utilized. Funds that would allow the addition of staff members to our department for this purpose would indicate hind-sight and fore-sight. More importantly, students might really begin to benefit in meaningful ways.

A number of school systems who may have tried junior highs now employ the concept of K-8 and 9-12, or the concept of, Primary: K-5, Middle: 6-8, and High: 9-12. Either of these concepts would be better than what the District now uses, yet, any realistic attempt at such conversion will require money. Actually, the entire primary program needs re-vamping. There must be standarization throughout the city with regard to these very important and basic first school experiences. In a system where so much mobility occurs throughout the city, youngsters are at a real disadvantage when they change schools at different points in the year and find no familiarity with texts and procedures at those early ages. Without funding this, too, will remain simply another dying hope of what might have been and what should, in all that is just, become reality.

In the past, when I have mentioned to other government representatives that D.C.'s school budget is meagre, comparably, I have been quickly reminded that large portions of the D.C. budget goes to Welfare, leaving less for the schools. I ask you, gentlemen, why is this? I understand that the mayor and the council are responsible for the present allocation. I see this, however, as less of a refusal to recognize education as a priority than having to cope with problems created for them by Congress in the past. And, worse, there appears to be little willingness on the part of Congress now to participate responsibly in correcting the errors in judgment of the past. There is an effort underway to mandate that city employees be residents of this city. Such foolishness would not be necessary if the schools in this city were strong and the housing not so reprehensible. When the D.C. City Council attempts ways to provide the revenue to improve the schools or housing situation such as the proposed commuter tax on suburbanites, there is clearly little support from Congress, particularly representatives from Virginia. I live in Maryland, but, I would be willing to pay a commuter tax in return for stronger schools in this city and better housing. The long range benefits to everyone in the area would more than justify this kind of action. The residents of this city should not have to continue

to pay for the sins and the mistakes of this country ad infinitem. Yet, they are asked to do it over and over again. No, I do not see Congress as very responsive to the District's problems and I am here to publicly ask that an honest, objective and renewed re-examination be undertaken.

The FY 1976 school budget was established at $200,749,600. That was with an $8,766,700 deficit. FY 77 school budget is set for $207,000,000. This is a mere $6,250,400 more than last year. This in all likelihood does not even begin to cover the expected increases from inflation alone. Where is the money for just and needed increments in teacher's salaries? But, more importantly, where is the monetary provision for the constant and on-going effort to improve educational programs and the continual updating of ways and means that any intelligent person would recognize as essential? It simply is not there.

There are things that can be done. It has already been cited that housing in this city is a tremendous problem. There is no reason why vocational or career development programs in this school system could not build houses every year serving many obvious purposes. That is, if it were not for the ever constant lack of funds. I have come to Washington from a school system where this is done very effectively. Each year the Vocational-Building Trades class constructs a house under carefully planned and supervised instruction. The house is put on the market, sold and the money put back into the building fund for the coming year. There is immeasurable value in an endeavor such as this which should be clearly discernible without articulation. This kind of endeavor, however, has never begun in this city because there has never been money for the initial outlay.

If, in fact, more attention is not given to the need for money in the school system then the District of Columbia had better be prepared to pump more and more money into the police department and correctional institutions. There is a direct correlation between the lack of adequate educational programs and availability of jobs, and increase in crime. I know. I work with students who stand before me with the potential to pursue a responsible way of life through education and employment, or a life of crime. In many instances, the freedom to make a choice is taken away from them. You can not live a responsible life in a vacuum. The <u>means</u> to allow you the option must be there. This is absent in the lives of literally hundreds and thousands of students in this city. Very recently I read where unemployment among teenagers and young adults was exceptionally high. I was appalled and angered to read that where it has reached 19.9% among whites, young blacks are unemployed at a rate of 42.8%. (Bureau of Labor Statistics). I have been further informed that this is conservative. The National Urban League estimates the rate for young blacks at between 50% and 60%, and more realistically, 25% for young whites. These figures are horrifying.

Most school systems forbid ratios of students to teachers that exceed 28-1, grades 1 through 6, and 22-1, grades 7 through 12. State accreditation standards and board policy enforce this practice. Yet, in inner city schools where the ratio of student to teacher should be even less, 22-1 and 18-1, it is not at all unusual to find a teacher with 35 and 40 students in classes. This will climb to 40 and 45 next school term with the anticipated Reduction-in-Force. Recently, I was in a teacher's classroom where she was responsible for 40 students in one class. She had 33 desks, 5 of which had no chairs, and 12 textbooks. Teachers should not be expected to deal with the multitude of problems that converge upon them in an inner city school without adequate assistance. The former situation I described should not exist and would not if there was adequate interest in the form of dollars and cents. Recently, the reading specialist's salary was lost to a particular school and two essential programs have been crippled because of it. I could cite literally hundreds of such examples just in the past four years of my experience. I understand the first Reduction-in-Force procedure began in 1972 because of beginning fiscal concerns. I am sure this is largely responsible for the very serious effects on instructional programs.

I would like to call your attention at this point to Public Law 94-142, 94th Congress, S. 6, November 29, 1975. This Act amends the Education of the Handicapped Act to provide educational assistance to all handicapped children and for other purposes. In the section, "Statement of Findings and Purpose", there are the following new subsections:

"(b) The Congress finds that

"(1) there are more than eight million handicapped children in the United States today:

"(2) the special educational needs of such children are not being fully met:

"(3) more than half of the handicapped children in the United States do not receive appropriate educational services which would enable them to have full equality of opportunity:

"(4) one million of the handicapped children in the United States are excluded entirely from the public school system and will not go through the educational process with their peers:

"(5) there are many handicapped children throughout the United States participating in regular school programs whose handicaps prevent them from having a successful educational experience because their handicaps are undetected:

"(6) because of the lack of adequate services within the public school system, families are often forced to find services outside the public school system, often at great distance from their residence and at their own expense:

"(7) developments in the training of teachers and in diagnostic and instructional procedures and methods have advanced to the point that, given appropriate funding, State and local educational agencies can and will provide effective special education and related services to meet the needs of handicapped children:

"(8) State and local educational agencies have a responsibility to provide education for all handicapped children, but present financial resources are inadequate to meet the special educational needs of handicapped children: and

"(9) it is in the national interest that the Federal Government assist State and local efforts to provide programs to meet the educational needs of handicapped children in order to assure equal protection of the law.

"(c) It is the purpose of this Act to assure that all handicapped children have available to them, within the time periods specified in section 612 (2) (B), a free appropriate public education which emphasizes special education and related services designed to meet their unique needs, to assure that the rights of handicapped children and their parents or guardians are protected, to assist States and localities to provide for the education of all handicapped children, and to assess and assure the effectiveness of efforts to educate handicapped children.".

The need to create programs within this school system is imperative and the only logical conclusion. Continued placement of students in private facilities with tuition grants is not addressing the problem and could end in fiscal bankruptcy. There are children in the schools in D.C. who require the special skills of well-trained special education teachers. A significant number of these children are simply not receiving this assistance. Many of these children

are bright, yet, they will never learn how to interpret printed symbols. The schools have failed and will continue to fail these students because adequate funding for the special kinds of programs necessary was and is not now available.

Now, gentlemen, faced with the briefly described inadequacy that currently exists regarding special education needs I wish further to call your attention to the section of 94-142 entitled, "Eligibility, Section 612:

"(B) a free appropriate public education will be available for all handicapped children between the ages of three and eighteen within the State not later than September 1, 1978, and for all handicapped children between the ages of three and twenty-one within the State not later than September 1, 1980...

In other words, needs in this area will increase, not decrease and our responsibilities will become even greater not lesser. For those of you who may not be aware of the Mills Decree, we, in the Public Schools of the District of Columbia, are already under court order to provide assessment, diagnosis and placement of children who are handicapped. This brings me to the very significant area of supportive services.

Instructional supportive services are most usually targeted for reductions in fiscal crisis in an effort to leave classrooms in tact. May I emphasize, gentlemen, that supportive services in an inner city school system are essential to and not an adjunct to instructional services. We are talking about every student's right to an education. There is a significant number of students whose right in this respect will be abused if supportive services are abolished. Public Law 94-142 clearly spells this out. Anyone who may have seen the program, "Sixty Minutes", on TV on January 18, 1976, wherein twenty minutes was given to learning problems children do have could not have been other than impressed with the need for early identification of these particular difficulties. This is one of many areas of responsibility we, in supportive services, address ourselves. The list of areas where our influence and expertise can and should be felt is almost endless. Now, ratios in supportive services are mind-boggling. There are 130,054 students in the District of Columbia Public Schools. There are 24 social workers, 40 psychologists, 55 speech therapists, 31 attendance officers, 3 psychometrists, and 2 hearing therapists.

For the past four years I have been working out of Penn-Branch Center in Southeast Region I. I might add that this is an area with highly concentrated and complex problems. It is also the region with the largest student population, 33,000 students. When I came here, I brought with me nine years of experience as a teacher and two years of experience as a high school social worker. I considered myself competent and effective in my position. Over the course of the four years I have been in this system I have been keenly aware of the circumstances that can render one ineffective, viz., understaffing. The ratio in our region is roughly 1 social worker for every 8500 students. The same would apply generally for psychologists, speech therapists and attendance officers with some variations. In that type of student to worker ratio you can give up in pure desperation or you can try to do your very best to provide whatever ser-

vice is humanly possible. With insurmountable odds at times I have been able to make the difference between a student getting or not getting what he/she needed in this school system. I have mobilized resources within the school system as well as without. I have used my educational background and social work training to do everything from tutor a student in a particularly difficult subject area, to get kids jobs, to improve student-teacher relationships, parent-child relationships, provide opportunities for greater self-awareness and acceptance by conducting group sessions with teen-agers and young adults, have been instrumental in arranging instructional opportunities centered on human sexuality which is a tremendously important area for junior and senior high students, and have conducted staff development programs. These are just some of the things supportive service personnel engage in and yet live with daily frustration because need is so great and staff spread so thin.

There is significant support from the hundreds of students, parents, administrators, teaching staffs, and outside agencies and resources with whom I have worked over the years. The only criticism I have ever heard is that I can not be in the schools more often than I am. Additional staff would allow this.

Social workers and psychologists are largely responsible for the carrying out of the Mills Decree stipulations already referred to in this statement. We are asked to act upon a referral within twenty days, a task bordering upon the humanly impossible in light of the shortage of staff. Yet, our staff will be further reduced. There has also been renewed focus on child abuse, the recent bill on the reporting of child abuse, and the need to develop programs to deal appropriately with this in the D.C. schools where it is a very serious problem as it is elsewhere. All of this, of course, will depend significantly upon whether there are sufficient numbers among us to take up this very important task.

Honorable gentlemen, I plead with you today to see the flesh and blood reality of what cutting this budget will mean. Education is still the key to the mainstream of American life. It seems, we are always equating education with jobs in this society. I think more emphasis needs to be given to the effect education has upon the quality of one's life. And, is not this dependent upon one's access to quality education?

The development of human potential, this country's greatest resource, should be this country's first priority. It should be this city's first priority. Right now it is not. Children's rights are being abused. Until there is effort and action that indicates an understanding of the responsibilities government officials have toward education in this city, children's rights will continue to be abused.

How can we talk about constitutional rights of all citizens to life, liberty and the pursuit of happiness when young people in this city are so short-changed in terms of life chances?

It saddens me to think we dare celebrate a bicentennial to the tune of millions of dollars which could climb to the billion dollar mark and more, easily, on a national scale, when we have not $11 million to grant the school officials in this city and thereby comply with their initial request. It becomes indeed a mockery and weighs heavily of contradiction. Recently, President Ford was quick to propose that $135 million be spent to innoculate every American against the flu in an effort to protect the physical well-being of citizens in this country. I would like to see that kind of quick response to insure the intellectual, mental, and emotional health of the young Americans in this city's school system.

For all of the progress and achievement this country has made and we can indeed be proud, I boldly state this can be readily cancelled out. So long as we continue to limit the rights of even one individual in this country, in this city, we abuse the Constitution of this great country. None of us is free until we all are free.

ADJUSTMENT IN SCHOOL ALLOCATIONS

Senator CHILES. If you would like to proceed and give us a brief statement, we would be delighted to hear from you.

Miss CAUSEMAKER. First of all, I guess I would like to say that I am representing literally hundreds of thousands of students and their parents and the administrators and teaching staffs and the schools throughout the city.

I am primarily here, hopefully, so that some adjustment can be made in the present allocation to the D.C. public schools, for many of the reasons that I have stated in my testimony.

I feel that there are many inequities in terms of education available to young persons in this city—in any inner city school. I don't think that the District of Columbia is peculiar to the many problems that are found in urban school systems.

As I have already stated here, I feel they are understaffed. There is a lack of prerequisite and relevant programs to meet student needs. Many of the buildings are in disrepair. Several facilities present safety hazards. Many are ill-equipped. Supplies are oftentimes unavailable.

I can cite many concrete examples of this. Just recently I happened to be at a particular school. What I discovered would be uncommon in a school system where the majority of the students were from upper or middle class families. But here in this city where so many of the students are from lower socioeconomic families, we expect the students to bring food for use in their home economic classes, and to bring money to pay for the frogs to dissect in their science classes.

There absolutely are occasions when teachers are expected to teach science classes without equipment, without even a Bunsen burner. I could go on and cite many examples of that.

I suppose what I would like to focus on more than anything else is why we in the District are expected to operate on a budget that is so much lower comparably to the surrounding school systems and yet where the educational needs perhaps are even greater.

As I understand it, $207 million is supposed to allow us in fiscal year 1977 to maintain present operations. Well, to maintain present operations is an injustice in this school system because it isn't adequate now. What we need is to improve in many areas and just to maintain what we are doing now is completely insufficient.

Senator CHILES. Where do you think additional money should be placed? I know you have covered some of these items in your statement. What is the most critical of the issues?

Miss CAUSEMAKER. Staffing. I really believe that we need more teachers—not less teachers. We need to reduce the number of students to teachers in the inner city schools.

Senator CHILES. Is there a current staffing ratio now that you are familiar with?

Miss CAUSEMAKER. I think that once we exceed 22 to 1 in the first grade through the sixth and 18 to 1 from 7 through 12, I think we are setting up an inhuman task for any teacher, and we are doing this particularly in the inner city.

The needs are so varied. I don't believe we can expect a teacher to deal with the multiple problems that converge upon him or her

in an inner city school, without the conditions that would allow that teacher to reach those students and take them on.

As I have stated in my testimony, it is not uncommon to go in a classroom of 35 and 40 students. Next year with the threatened reduction in force, that number will climb to 40, 45.

That is an impossible situation. It is impossible. I can see no future for the students in this city in terms of access to quality education if those kinds of conditions are allowed to exist. That is the teaching staff.

All right. In business in order to operate efficiently it needs to have the personnel in their clerical departments, right? A lot of our schools are missing clerk typists, administrative clerks. The principals and the assistant principals are doing a lot of the secretarial work because they don't have that personnel. They have been told that the positions are frozen because there isn't money to fill them.

That whole area, the department I work out of, Supportive Services, it is tremendously understaffed. If you have read my testimony, you get some idea of what understaffing can do to you in terms of being effective. You simply are at a tremendous disadvantage.

Senator CHILES. Do you think this is to the point where it is hurting efficiency?

Miss CAUSEMAKER. Well, there is no question about that.

I am not defending, as I said in my statement, what mismanagement or waste or inefficiency does exist in the public schools. I am not saying, in other words, that money is the complete answer.

But I am saying that unless we have money, additional money, the moneys that have been requested by the school officials, by next school terms, these matters will simply continue and be compounded in the area of inefficiency.

It is going to take money to do the things that need to be done in this school system. I am naive enough, I suppose, to believe still that education is the answer. I really do believe that.

Senator CHILES. The city appears to be under—not appears—is under a great deal of pressure with their overall budget, trying to hold the budget within the revenue that they anticipate. They have even figured some $56 million worth of new taxes—from a proposed commuter tax to go for pay raises and for the D.C. contribution to the subway system.

That tax I think is probably highly speculative as to whether it is going to pass during this year, if ever; but certainly whether it is going to pass during this year.

If the city gives you revenues or if revenues are raised, that money has to come from somewhere. You have to take it away from someplace or you have to raise additional taxes.

The city is required to operate on a balanced budget. There is some question in this subcommittee's mind whether right now the city isn't sort of juggling their figures to try to appear to have a balanced budget when in fact there is some deficit in there now.

Where would you anticipate money could come from? Do you know of any fat anyplace else in the budget, or do you know of any proposed revenue sources the city hasn't explored?

Miss CAUSEMAKER. I am aware of what you have just pointed out. I myself live in Maryland. I would be willing to pay a commuter

tax if it would ensure the strengthening of the schools in this city and improve the housing situation. I would be completely in agreement.

And there is a lot to be said for taxing persons at the source of their income. I know there is a lot of opposition, both with Maryland and Virginia; Congress persons. I understand that.

I just think that people have to be more able to think in terms of the long-run advantages and long-range benefit. I really think that in the long run this would be more advantageous to everyone in the area; if in fact that commuter tax is used for pay increases and Metrorail service, suburbanites will benefit from it.

It should not be so strongly opposed by them.

The other possibility would be a Federal payment, would it not?

Senator CHILES. That is a possibility. But Federal payment is pretty high right now. That is kind of like the commuter tax. There is a great deal of resistance to providing a higher Federal payment.

Miss CAUSEMAKER. But do you feel that Congress is really that responsive to the District? Actually when you consider the fact that 55 percent of the land is untaxable in the first place, I do think Federal payment would be in order.

Senator CHILES. Part of that 55 percent is not all Federal property. An awful lot of that is institutions and others not on the tax rolls.

The Federal payment now is about 27 percent of the budget. In addition to that, we have revenue sharing which is to the tune of about $25 million. We have Federal grants and contracts which are $350 million and the Federal payment is $282 million.

So when you add those totals up, you find that the Federal share of the District's budget is more than 50 percent which is coming from Federal funds.

Miss CAUSEMAKER. Well, I think it just really comes down to ordering priorities. There is money, you know, for what you want money for. I believe that until we have enough people in positions of authority, in leadership positions of government, who will recognize education as a priority——

Senator CHILES. Actually, of course, we are seeing a decline in the school population here. It was at 139,900 in 1973, and we are projecting 109,785 in 1981. So you have a pretty good scale, a sliding scale, a pretty good chart of the decrease in your school population.

So we have been questioning about space, and whether there is unutilized space and what should be done about that. You don't have the pressure that you had for many years here where that school population was increasing and increasing all the time. That is your first concern.

Miss CAUSEMAKER. I think it is questionable that it will continue to decrease to that extent by 1980, or whatever your quote is. I think that is highly questionable; especially at a point when we are talking about more persons moving back into the District.

If we strengthen the schools in this city, we will have more and more persons moving back into the District. The schools in this city and the housing in this city are two very important areas to keep people from moving back into the city. You wouldn't have to talk about commuter taxes or mandating employees to live in the city if we indeed had adequate housing and good strong schools in this city.

As far as the population continuing to decrease, I question that highly.

Second, in an inner city school, I am talking about now the next school term, there are 130,000 students in this city now. We must not decrease the teaching staff. If anything, we should add to it to get those class sizes down—because education will not improve in this city unless we do.

Sometimes I feel that, with great respect, I feel that persons in governmental positions or leadership positions of agencies and institutions do get removed from the nitty-gritty gut issues of day-to-day struggle out there.

I would invite anyone to accompany me through 1 day's work and then say to me, "No, your school system does not need a dime more." I mean that in all sincerity.

When you talk to people who have to go to law firms and insurance companies and beg No. 2 pencils out of the wastepaper cans so they can give tests to 85 kids in some dimly lit cafeteria and hope they come out all right for the poor conditions for testing, when I constantly am on a day-to-day basis confronted with people that have to work under conditions that are anything but humane, then I strongly feel that there is no responsiveness somewhere where it should be.

I am not making this up.

Senator CHILES. We thank you very much for your attention and for caring enough about it to come testify before us.

Miss CAUSEMAKER. My question is, will it in fact do any good?

You know, as I talked to many of the persons about the fact that I would come, interestingly enough they gave me their support. They hoped that it would make some difference.

But, you know, an awful lot of people don't think it will. There are a lot of people out there that are apathetic. I for one feel that you have the power to restore credibility to me and to all of those whom I am representing today in our system and in our government, and responsiveness to this great need would be one great way of restoring that credibility.

I would simply say that if not, I may feel that I may have to join the ranks of the apathetic. Might I say that apathy is not indifference. Apathy takes energy. It is a deliberate choice, a deliberate choosing, not to care, because caring costs too much.

Senator CHILES. Well, you are perhaps right in saying that I have the power to do something about this. I am not the only one that has that power. That power resides in the school board; from the school board to the Mayor, from the Mayor to the Council, and then ultimately the approval has to come through here.

If I was the entire budgeter of the funds here, that might be one thing. But there wouldn't be any home rule and there wouldn't be any provision for citizen participation; city participation starts from the people who elect the school board, elect the Mayor, elect the City Council.

Nobody in this District elects me. So when you start talking about our process, which you are talking about, and the democratic process, I am representing here in effect the United States taxpayer who is putting a share of this money in. That is the reason this budget is coming before us, because of that Federal payment.

So my responsibility or my representation certainly is to look at this thing, but it is a little different from what the school board's responsibility is. It is a little different from what the Mayor's responsibility is. And it is a little different from what the City Council's responsibility is.

So I would just hope you would feel, because you didn't get just exactly what you wanted from me, that you wouldn't turn on the whole system; because I am the last step up the ladder.

Where you ought to be talking perhaps is at the City Council.

Miss CAUSEMAKER. I have been there. That is why I am here today. I have been to the Mayor and City Council. You are our last hope.

Yes, you are. This is my understanding of it.

Senator CHILES. Let me just point out one other thing in the process. If everybody who didn't get their way in what they wanted, who didn't get their way in the judgment of where they thought priorities should be, if they should all turn apathetic, then everybody would be apathetic pretty quickly.

I vote here every day. I don't get my way every time; very seldom, in fact. It seems like I lose more than I win. But I don't give up because of that, because tomorrow is another day.

Miss CAUSEMAKER. I understand that.

Senator CHILES. I lick my wounds today and I will rise again tomorrow. Robert Burns said it better than I can.

Miss CAUSEMAKER. I could say that, too, if I didn't have to daily confront the human misery and suffering. You do not have to confront that on a daily basis.

Senator CHILES. I don't want to trade places with you. I like my job.

Miss CAUSEMAKER. You can pretend it is not out there.

Senator CHILES. I am not going to say I want to trade places with you. I don't.

Miss CAUSEMAKER. I am just saying it is easy to forget that it is out there. That is why we are continuing to have an increase in crime. And I think the day is coming when it may not be possible to get from here to your car without being mugged; because we have got to understand that unless we do something to provide the citizens of this school system with the opportunity of quality education and the opportunity for jobs, things will become grimmer—and they are already pretty grim.

Senator CHILES. Thank you for your appearance. I appreciate your attendance.

Miss CAUSEMAKER. You are welcome.

DISTRICT OF COLUMBIA

DEPARTMENT OF HUMAN RESOURCES

STATEMENT OF JOSEPH P. YELDELL, DIRECTOR, DEPARTMENT OF HUMAN RESOURCES

REMODELING OF OFFICES

Senator CHILES. Mr. Yeldell, I apologize for calling you back here when you were here yesterday. I noticed an article in the paper this morning regarding top officials in the Department of Human Resources who have spent $30,000 to furnish their offices, and the defense used by one official was that the District's money was not used. The money apparently came from the U.S. Department of Labor and was payment for work performed.

That concerned me tremendously for several reasons. First, the need for such an expenditure by the welfare agency or any agency is doubtful to me. I want to know something about that.

One official apparently spent $5,000 on one office alone for an oak-panel desk and credenza, chrome lamp, and amber-colored carpet.

Second, I am concerned about the apparent excuse being offered because these funds were from the U.S. Treasury and not from the District taxpayers, that the expenditures are somehow all right.

I wonder if you could give me any comment on this matter and do you think this was a justified expense. How many people were involved?

Mr. YELDELL. Let me say first of all that I am not sure that the quotes are the exact statements of the individual involved.

The person we are talking about is Miss Jacqueline Johnson, the Administrator of the Payment Assistance Administration.

I am sure her references to the source of funds was in response to whether or not District appropriated funds were used. In terms of being properly utilized, we are concerned about the proper use of all funds no matter the source. That is a practice we follow throughout the entire Department.

The source is inaccurate as to the actual utilization of these funds. The fund total was $100,000. A plan was put together for the utilization of those funds which indeed was forwarded to me for approval.

I think the actual cost of the entire remodeling was about $26,000. It involved an entire suite of offices, some six or seven different offices were involved, as well as the main conference room for the entire administration.

ALLOCATION OF FUNDS

The distribution of the entire $100,000, Senator, did include an allocation for remodeling of the executive suites. It also included $15,000 for the client waiting room on the first floor; $16,000 for

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microfilm equipment to enable the financial assistance program to do a better job; $19,000 for the construction of a mini-bank which is an innovative program that will take place in that building for the maximum utilization of our clients that we serve; and $10,000 to improve security of cashiers' cages at our decentralized centers. The remainder of about $12,000 has not yet been allocated.

As I looked at the entire allocation and recognized the fact that the outfitting of those suites had not really been done for quite some time, I approved the entire plan.

As to what was bought and how it was bought, I think in spite of the amount of $26,000, that this Administrator was the first to use a novel approach to purchasing the equipment and actually visited storerooms and bought them at substantially less than they normally sell for because they were all on display.

The remodeling of offices has occurred over the years in the District, and I guess in many other offices as well.

CONCERN OF EMPLOYEES

The problem at this point in time, as I read it, is that there was a lot of concern generated inside the building because the money was being spent on the top floor.

I think that if the timing had been in place where these other funds had been expended as well, that it probably would not have generated any reaction whatsoever.

The other things have been delayed because a health suite in the building must be moved to a new location before the remodeling on the first floor can take place.

Senator CHILES. Because the troops wouldn't have leaked if you had done something for them at the same time you were doing something on the top floor.

Mr. YELDELL. No. I don't think it was the troops per se.

There was nothing secretive about it. There were no leaks. There have been several attempts to make it appear there was something subversive about it.

I got a call and somebody said we should send some people to the warehouse on Saturday morning to check out some things. Again, that was the day that the furniture was being moved.

When the furniture was brought into the building, it was stored on the first floor until it could be moved on the elevators.

Indeed, in meeting with many elements of our staff, there was no secret of the fact they intended to bring in some new furniture to the top floor.

It is not an unusual occurrence, Senator. I think that the amount in relation to the ongoing budget would never have been spent but as it was a windfall that occurred for one time utilization, a total program of expenditure was put together and this is how the actual furniture and remodeling took place.

LAST REMODELING PERIOD

Senator CHILES. How long has it been since they have been remodeled?

Mr. YELDELL. Well over 10 years, sir.

Senator CHILES. Do you know whether anybody spent $5,000 on one office?

Mr. YELDELL. No. But I would be happy to supply the Senator and this committee a copy of exactly what was purchased and to which location it went.

[The information follows:]

FURNITURE

5 OFFICES AND CONFERENCE—9TH FLOOR, 500 FIRST STREET, NEW

Conference tables	5
Desks	2
Credenzas	6
Chairs	48
Secretary modular units	4
Chair mats	6
Bookcases	6
Side tables	5
Lamps	5
Upholstered furniture	9

NOTE: Carpeting was also installed in same area.

Senator CHILES. I think we would like to be supplied that.

I think under the circumstances I would like the staff to go over there and visit. I want to see what the situation looks like.

Mr. YELDELL. Happy to have your staff visit.

USE OF FEDERAL FUNDS

Senator CHILES. I am tremendously concerned with the statement that this wasn't District funds; this is just out of Federal funds and had to be spent on equipment anyway.

It seems to me there has got to be a lot of need in your Department for equipment other than somebody plushing up an office.

Mr. YELDELL. Senator, again, Miss Johnson is one of our most able administrators. I am sure that in the context of the interview, when the question was raised as to whether or not these are District funds within her budget Miss Johnson did not say that since the funds were Federal funds they had to be expended.

Miss Johnson is too able an administrator to take a lax attitude on the expenditure of funds.

Senator CHILES. I would just hope that Federal payment funds or grant funds or contract funds or any money that comes from the U.S. Government would be considered on the same kind of basis the District funds would be as far as anybody's trying to protect the utilization of those funds.

Mr. YELDELL. That is exactly the point. We heartily concur, Senator. Again I am sure that the response was more in reaction to a specific question of whether District appropriated funds were used rather than whether there is a lax attitude to properly account for Federal funds.

Miss Johnson is an able administrator. She would not make such a loose and wild statement. We certainly do not consider Federal funds with a lax attitude. They are part of our regular budget and planning consideration. We would certainly want the same considerations placed on the use of all funds, no matter the source.

TIMING OF REMODELING IN AUSTERE BUDGET PERIOD

Senator CHILES. Again, I can't think of anything that is worse publicity than the fact that we are talking about the strain that the city is under in this budget, the strain that you testified to that your department is under, and how that is affected when we see that somebody can equip and furnish some plush offices out of that strained budget.

Mr. YELDELL. I think the offices do look well. I think they do obviously look like a redecorating job.

However, I really think if it is being considered in isolation and so takes on one view. If it is considered in terms of its total perspective, it takes on another.

Senator CHILES. Perhaps it does. But I think part of the problem is when you are talking about a hold-the-line situation, when the city doesn't have enough money, they have to reduce personnel, and are not able to meet needs anywhere else, that sounds to me a bad time to start doing some refurbishing of top floor offices.

Mr. YELDELL. I think the timing obviously, Senator, does cause all of us concern. The money could not be used in any way for personnel. It just was not possible.

Senator CHILES. But are you now trying to tell me you didn't have other equipment needs?

Mr. YELDELL. Part of the money is allocated for equipment. That is what I am suggesting. If we had $26,000 and spent $26,000 for staffing, I would certainly have more concerns than we have now.

Out of the $100,000, they developed a program to cover the entire building. When you look at the total, the $26,000 takes on less significance. The point that you make, however, is the timing was bad in relationship to our trying to get some other things going. It makes things look bad. The practice, however, is not unique, not new. It certainly has occurred in offices perhaps all over the city.

Senator CHILES. I remember the old story of Defense and other agencies around town that feel they have to spend all of their money because if they didn't it would appear they had too much and they wouldn't get as much the next year. That happens in many areas of government, I think, because money is allocated and only can be used for equipment, for example. So the feeling is, let's go out and buy some because we can't use the money for anything else.

COMPLAINTS OF INADEQUATE SUPPLIES AND EQUIPMENT

But then it looks like employees in your department have complained of inadequate services, lack of supplies, typewriters that aren't working properly and that are old. So you are not without some needs for equipment.

Mr. YELDELL. That is accurate, Senator. I couldn't agree with you more.

As I said, I think that the attempt here was to deal with several situations at the same time. Certainly I don't want it to appear that Miss Johnson bought furniture or equipped the office in any unique fashion at all. It is something that has been done. I think, as you look at the total allocation of the money that was made available and where it was placed, it begins to speak well of the many positive features and the use of the money.

Employee complaints have been going on and many are based, frankly, on the fact there have been no promotions for 3 years. It really doesn't affect the office changes or anything of that nature. They are just upset because of the freeze situation. This undercurrent is everywhere in our department.

I don't come here to indicate that the timing was the best in the world. But certainly there was no intent to make light of the fact that these were Federal funds. There was no requirement to spend them at any fast pace. And the expenditure of these funds was part of a total program which addressed not only the needs on the top floor but the bottom floor and other equipment purchases, as well, for the entire department. So I think it was an attempt to do a balanced program.

Senator CHILES. Well, we want to look into it further. We are going to have some of our staff people over to see you.

[CLERKS NOTE: The Senator's staff visited the refurnished offices on April 15, 1976.]

SUBCOMMITTEE RECESS

Senator CHILES. We will hear from a number of additional public witnesses later this month or next month.

We will recess our hearings now until the call of the Chair.

[Whereupon, at 3:10 p.m., Friday, April 9, the subcommittee was recessed, to reconvene at the call of the Chair.]

DISTRICT OF COLUMBIA APPROPRIATIONS FOR FISCAL YEAR 1977

MONDAY, MAY 24, 1976

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 3:20 p.m., in room 1114, Everett McKinley Dirksen Office Building, Hon. Lawton M. Chiles (chairman) presiding.

Present: Senator Chiles.

NONDEPARTMENTAL WITNESSES

WASHINGTON TEACHERS' UNION

STATEMENTS OF:

WILLIAM SIMONS, WASHINGTON TEACHERS' UNION
CHARLES WAXTON, LEGISLATIVE ASSISTANT
MS. DOROTHY M. MAULTSBY, PROPOSED TAX INCREASES
MS. ELLYN W. SWANSON, LEAGUE OF WOMEN VOTERS

PREPARED STATEMENT

Senator CHILES. We will take some statements regarding the 1977 budget beginning with Mr. William Simons, Washington Teachers' Union.

Mr. SIMONS. Mr. Chairman, I am William Simons, president of the Washington Teachers' Union. I have a prepared statement which I will present for the record.

[The statement follows:]

Dear Mr. Chairman and Members:

Mr. Chairman and Members of the Subcommittee on District of Columbia Appropriations, the measure before you, the Fiscal Year 1977 Appropriations for the District of Columbia, has become a matter of growing concern. Employees of the District Government, as well as residents and businesses have become increasingly sensitive to the financial and operational obligations of this City. We of the Washington Teachers' Union, therefore, come as more than casually interested observers. We come in an effort to assist in the sorting out of priorities and the concomitant allocation of funds. Not the least of these priorities is that of local education. We will comment on that subject also.

First, however, I think it would be appropriate to take note of the manner in which the deliberations of this Committee have progressed. I say this with utmost candor, fully understanding that disagreement may occur from issue-to-issue as we together assess this question and its impact. Nevertheless, I regard it as a tribute to the leadership and the Committee that, here, discipline and objectivity prevail. Indeed, Mr. Chairman, I do not presume to argue with the requirement for the pursuit of administrative excellence, as that question is explored here. I believe that however difficult, it is worthy of our most strenuous efforts towards attainment.

Speaking for the teachers and education personnel of this City, Mr. Chairman, we are professionals keenly aware of the pathway over which we have come. We have sought to be a part of this City's and this Nation's educational aspirations. The investment of our resources, our time, and ourselves has always been a matter of pride and not solely of compensation. Where comparably trained individuals find greater rewards in more lucrative fields, ours, on any scale of comparison, must be regarded as an innermost desire to work with the constructive inquiry and curiosity of our youth. Therefore, where financial resources for the District of Columbia descends to program crippling levels, and where the needs of the poor and not so poor must be weighed against inflation-burdened higher budget costs, we must together take a serious look. This, we have tried to do, Mr. Chairman. It is appropriate that you and the Committee assess management performance and capability and the budget as you are doing. I look forward to your constructive critique and solutions.

For our part, we have looked to the data avilable for information on the construction of past budgets as the key to interpreting the current one. Budgets are at best complex and formidable documents and we have

great appreciation for the undertaking of those who deal with them. Then too, so much has been said in recent months regarding City finances, in a general sort of way, that we felt it necessary to look at past budget records to determine where the truth lies. In doing this, we do not lose sight of the impact of the Federal funds made available to the City. These respond to the overwhelming Federal presence with respect to space, services and proscription. While it is true that substantial funds flow from the U.S. Treasury to the local government, it may not be completely accurate to regard these allocations as complete giveaways, as some are prone to do. Moreover, along with these deliberations, I request that consideration be given to feasibility studies for the increased economic development of the District of Columbia. These studies should seek out ways and means by which the City's tax base may be expanded and enlarged. They should assess the role and presence of the Federal complex, not only with respect to its obvious economic impact, but also with respect to those imposed restraints implicit in the Federal-District of Columbia relationship.

Whether or not a locally based economy may be made viable within these constraints should be determined. If not, fiscal policies should either undergo appropriate changes or those constraints embedded in law must be altered or rescinded. Mr. Chairman, the turmoil unleashed by the Chairman of the Senate District of Columbia Committee has brought us face-to-face with some rather grim realities. And, I suspect that the citizens of Washington, D.C., those of the immediately surrounding areas and those of the Nation at-large, may be somewhat confused regarding the fiscal capacity of the District of Columbia.

Much has been said and much has been determined regarding the City's budgetary deficiencies, fiscal shortcomings and the direness of its future. But nothing, Mr. Chairman, has been done which responds to the problem. And, I do not regard the proposal for wholesale employee dismissals as the most imaginative idea, however necessary that may be. For as with the Nation, unemployment now must be perceived as the transfer of productive taxpayers to the rolls of nonproductive tax consumers.

Surely, there must be a better way of economic planning and management.

With respect to the matter of appropriations, the subject now before you, let me return to my earlier reference to data derived from earlier appropriations proceedings of the House of Representatives the counterpart of this Committee particularly interesting in this respect.

Page 2[1] of the "District of Columbia Appropriations for 1974," sets forth the "Comparative Statement of New Budget (Obligational) Authority for 1973" and the "Budget Estimates for 1974." There we find the following categories; 1.) Federal Funds, and 2.) District of Columbia Fund Operating Expenses. Each of these categories concludes with "grand totals." However, of particular interest is the presentation of subcategories, e.g., Federal Payment to the District of Columbia and Loans to the District of Columbia for Capital Outlay. They (totals) are, respectively, for the years shown:

	1973	%	1974	%
Federal Payment	$185,574,000	58.6	$194,083,000	44.8
Federal Loans	130,819,000	41.4	238,915,000	55.2
GRAND TOTAL	$316,393,000		$432,998,000	

Accordingly, a sizeable part of Federal monies allocated to the District of Columbia is in the form of loans payable at above the public sector interest rates. When weighed against District of Columbia Funds Operating Expenses, Loan Repayment plus Interest and Capital Outlay, the portrayal is as follows:

	1973	Grand Total D.C. Funds %	1974	Grand Total D.C. Funds %	Year to Year % Change
Grand Total District of Columbia Funds	$834,756,800		$991,224,000		18.7
Grand Total, new budget (obligational) authority, Federal Funds (loans-payments)	316,393,000	37.9	432,998,000	43.9	36.8
Total Federal payment to the District of Columbia	185,574,000	22.2 58.7[2]	194,083,000	19.6 [2]44.8	4.5
Total Federal loans to the District of Columbia	130,819,000	15.6 41.3[2]	238,915,000	21.4 [2]55.2	82.6
Repayment of Loans and Interest	28,144,800	3 9[2] 15.2[3]	39,633,000	9.1 [2] 3.9 [3] 20.4	

[1] Hearings Before a Subcommittee of the Committee on Appropriations, House of Representatives, Ninety-third Congress

[2] % of Total Federal Fund, Loans and Payments

[3] % of Total Federal Payment to the District of Columbia

By isolating funds provided by the Federal Government to the District of Columbia, it can be noted that they are sizeable. However, roughly a quarter of such funds is in the form of loans. Another alarming characteristic of this particular category of funds (loans) is the growth between the years 1972-1976. As shown, loans grew far in excess of other categories, particularly the unearmarked "Federal" payment. While total revenues grew 46%, loans grew an expansive 61.3%.

In other words, a household undertaking such a burden and confronted with absolute necessity for additional funds, among other things look to increased income or additional sources from which to expand income. Under present law, viable alternatives which have the effect of expanding the City's tax base are barred. Understandably, the Federal Government must look carefully to the manner in which national fiscal policy must be conducted. Nevertheless, adverse economic tremors coursing through the Nation's arteries cause near catastrophic crises in the cities. And, Washington, D.C. is no exception. The alternative of increasing local taxes -- income, property and sales -- has reached the levels of diminishing returns. And, in connection with the upward push in land and property values, eyes must turn to the large holdings of the Federal Government and those of tax exempt organizations. While the federal payment may or may not be adequate for these purposes, it seems to me, clearly, that explorations should be undertaken to improve the local economy.

The Senate District Committee hurriedly addressed what it deemed the dire fiscal problems of the City. Experts, authorities, and consultants on fiscal and management policies and procedures were called upon to focus on the ills. None offered any plan or study results treating with a restructuring of the local economy. Neither of our great newspapers with their dramatically capable investigative and research staffs, have emitted a whisper on this so glaring and fundamental inadequacy in this City.

Therefore, it is my desire that the record made here today show that this Committee is requested to lend its considerable influence toward such a goal. I am certain there must be a better way. I urge that the Federal sector and the City join hands to find it -- in the spirit of their traditional partnership.

Revenue tables for the City show the following with respect to totals and categories.***

	1972	% of all Revenues	1973	% of all Revenues	1974	% of all Revenues	1975	% of all Revenues	1976 *Estimated	% of all Revenues
Grand Total of Revenues	$1,072,952		$127,731.8		$1,255,739		$1,336,198		$1,564,689	
year-to-year —		19%		(1.7%)		6.4%		17.1%		45.8%
Total Federal Funds (Payments, Loans & Grants)	546,826	52	709,151	55 74.2%/1	653,792	52	736,527**	55	864,629	55
year-to-year —		25.5%		(8.4%)		12.7%		17.3%		53%
Federal Payment (Water, Sewer, Grants, etc.)	417,750	38 74%/1	526,403	41 74.2%/1	511,499	78.2%/1	530,945	72.1%/1	627,302	72.1%/1
year-to-year —		26%		(2.9%)		-3.8%		18.1%		50.1%
Federal Loan	147,076	13 26%/1	182,748	14 25.8%/1	142,293	21.7%/1	205,582	27.9%/1	237,327	27.4%/1
year-to-year —		24.1%		(28.4%)		44.4%		15.4%		61.3%
Federal Payment	173,654	16.1 30.7%/1	181,500	14.2 25.5%/1	187,450	14.9 28.6%/1	226,200	16.9 30.7%/1	254,000	16.2 /1 29.3%
year-to-year —		4.5%		3.2%		20.6%		12.2%		46.3%

*Estimated
**Includes Transitional Period Costs
***1977 Executive Budget for the District of Columbia (p. 26)
/1 % of Total Federal Funds

Whatever may be said regarding City management deficiencies, Iam persuaded that all of the corrections prescribed will not be adequate to meet the economic and financial needs so apparent. With so much of the locally generated income leaving the City between 4:00 and 6:00 P.M. daily, the steady out migration of numbers of the City's more able taxpayers, and with the resulting profit limitations placed upon the remaining business and employment sources, I fear the efficiencies sought, although necessary and desirable, are not in themselves the total solution.

Mr. Chairman, I now ask your attention to that portion of the budget referenced to the school system. In response to the Mayor's request, the school administration submitted a maintenance budget. Presumably, that term presupposed a "stand in place" financial posture taking account only of the effects of inflation. The submission of a budget request for $218 million wound up with a City Council approved $208 million, according to the record, the 1976 allotment began with $200,646.0, winding up with a base budget of $188,442.4 or 6% less. From this figure, the Public School Administration sought the $218 million (15.6%) to cover inflation implications and a $5 million payment to the Teacher Retirement System, a legal obligation. The reduction of the budget request to $208 million provides an increase of 10.3% (1976-1977) which is less than the inflation measurement for the past year alone. It also requires that the system meet its retirement fund obligations out of that amount which effectively reduced the total to approximately $204 million to a 8.2% level of increase.

The wrenching result, Mr. Chairman, has resulted in exploration of ways and means of operating the school system at less than the required level of spending. It is illusory to talk about maintaining (qualitative) levels of service delivery where inflated costs, past and present, remain uncompensated. Deliberations now underway include massive dismissal of education personnel or furloughing and school closing for an extended period. In any case, neither of these actions advance the task of education. Where the need is for more education rather than less, we risk serious impairment of the educational growth of students. This action of lessening educational emphasis through personnel reduction or school closings will not be in the best interest of those we serve. For youth, educational offerings must withstand competition for their attention and concentration with entertainment and less rewarding pursuits, even some which are adversely undesirable.

For those employees living daily with uncertainty of income, it is unseeming that such dislocations should occur in the face of widely reported economic recovery. And, if such dismissals occur, the victims will swell the unemployment compensation roster with little relief for the fiscally bound City.

It may serve little or no purpose to offer these observations on the occasion of this City's budget deliberations. Conceivably, the process is now so hardened that small likelihood exist that the budget before maybe substantially changed, particularly upward. Realizing this condition, my comments, seek to spell out the local conditions as I see them. Whatever differences which may exists among us, we understand the problem before us. Surely, we can agree that more income from an expanded tax base must be seriously regarded. I do not agree, however, that the education system or the employees should bear a disproportionate burden of the fiscal crises.

This reference brings me to the final point with a bit of recapitulation regarding our City's financial straits. Currently, the debate has begun regarding the strategies that will maintain qualitative levels of education. Among the arguments advanced are; 1.) closing the schools for an extended period, and 2.) furloughing of school personnel, and dismissal of several hundred employees of the school system. These propositions result from the City's inability to provide the school administration budget request of $218 million. This budget represented the response to the Mayor's change to send to him a "maintenance budget." That is a budget which will provide services at last year's level. Coming off of several freezes in prior years, inclusive of last year (1975), earlier budgets were themselves reduced, leaving the 1975 budget as not truly reflective of adequacy for operation of the schools. At the classroom level that meant inadequate supplies and equipment. In many instances, teachers dug into their own salaries or otherwise improvised at their own expenses. Notably, Mr. Chairman, these expenditures of course, are not tax deductible "business" expenses.

Mr. Chairman, the budget request for 1975 was $179,410.0. The allocation was $174,028.0. The budget request for 1976 was $205 million The allocation was $188 million. The maintenance budget request for 1977 was $218 million. The allocation now before you is $208 million. In other words, the rather routine reductions have necessitated cutbacks in maintenance, repairs to the equipment and not without an accumulating effect.

In 1975, the reduction was 3.1% ($179.0 to $174.0). In 1976, the reduction was 9% ($205.0 to $188.0), the City Council allocation of $208 million represents 10.6% over the 1976 allocation, but only 1.5% over the 1976 request ($205.0). It ($208.0) also, is 4.8% below the requested $218 million for 1977. Overall, the 1975-77 range (allocations to date) is 19.5% or an average of 6.5% for the three years. The Cost Price Index from January 1975 to January 1976, alone, rose 10%, seasonally adjusted for the one year period. Understandably, the City is pressed for funds. But, these repetitious school budget requests cuts have reached the point of near chaotic effect in terms of maintaining a level of adequacy in education.

Repeatedly, we get the response that the decline in pupil population enables the system to sustain these cuts. However, it should be noted that the correlation of declining pupil population is not proportionate to a constant level of school expenditures. Such an imprecise measurement does not accurately note course electives or the many and diverse educational objectives of individual students. And, its is well to remember that beyond curriculum requirements, the system is obligated to provide the options desired by the student.

And then, the records shows a decline in pupil population throughout the country. The District of Columbia is no exception. According to the National Center for Education Statistics, nationwide declining enrollements will not mean similar declines in educational expenditures. "The Condition of Education," p. 36, 1976 Edition; Part 3 - "Financing the Schools." That pupil population decline is shown to have began in 1974 (Ibid., pp. 58-59), and is projected for the years ahead. Nevertheless, budget expenditures rose for the years 1971 through 1975 (Ibid., p. 14), and are projected to grow through 1977-78-80 (Ibid., pp. 41-42 and 153). This expenditure growth is shown by states from 1969-1975 (Ibid., p. 154). According to this latter data referred to shows a national average per pupil of 54.5%. During the same period, the District of Columbia per pupil expenditure was 42.6%. This data as cited, in my opinion, supports the strong inference of the cumulative effect of the inability of these budgets to maintain pace with operation and capital costs.

Mr. Chairman, these observations are offered for the purpose of bringing another perspective to the issues before us. They are offered uncritically with full understanding of the beleaguered tax base and fiscal resources of this City. We, here, are not over abundantly endowed with industrial and labor intensive sources of employment. Our primarily service oriented economy under present conditions and imposed constraints is inadequate to provide the kind of tax base which is obviously required.

I submit that the time has come to look not only at what may be fiscal and administrative deficiencies, but, also at the mechanisms and the resources to ably govern this City.

Thank you, Mr. Chairman, and Members of this Subcommittee.

Respectfully submitted,

William H. Simons

William H. Simons
President

COMMENT ON FISCAL YEAR 1976 SUPPLEMENTAL BUDGET

Mr. SIMONS. With me is Mr. Charles Waxton, who is the legislative assistant.

I would like to make just one comment with respect to the fiscal year 1976 supplemental budget. That is this.

With the budget that is now before the committee, I just want to call your attention to the fact that it provides for a cost-of-living adjustment for the educational personnel.

However, that cost-of-living adjustment goes back to January 1, 1976, as opposed to the cost-of-living adjustment for all the other D.C. employees, including the police and firemen. It goes back to October 1, 1975. So it means again that the teachers who are supposed to have a very high place in the structure is again shortchanged.

FISCAL YEAR 1977 BUDGET REQUEST

Moving into the 1977 budget, which is under consideration of course, to find that the educational budget is some $12 million short of what was requested by the Board of Education, which means that the Board of Education is now in the process of trying to bring the spending into line with what is anticipated, $207 million for the educational budget. They are faced with making choices and bringing the budget into line, none of which bode well for the educational program for next year. We are talking about not ordering new textbooks, supplies, equipment, cutting down on substitute service, eliminating elementary school counselors, not purchasing trucks and other equipment needed to deliver supplies, and so on.

They are faced with some very hard choices that don't bode well.

Of course, the major problem not only with the educational budget, but with the entire city budget, is that of the question of revenue. I think that Congress needs to take a hard look at the situation here in Washington, D.C. and to provide or to make some changes necessary in order that this city can develop an economic base that is going to permit it to be able to provide the services that are necessary for the city.

We understand the property that is nontaxable. We also understand the restrictions that are placed on land use, the height limitations, for example, prohibiting the city from really developing the area that would provide a viable economic base.

I think the study done by the Board of Trade indicates that if the height restrictions were eliminated, that they have developed properties in and around the new metro stops, it would be generating taxable revenues in the neighborhood of $650 million. That certainly would go a long way in meeting the needs of the city.

Considering the residency requirements, one of the main thrusts of that is to generate additional revenue. If they brought all of the employees into the city; you are talking about generating an additional $25 million in taxable revenue. Of course, every $1 million is important.

Senator CHILES. How much additional is it going to cost the city for those people?

Mr. SIMONS. That is the point, you see.

Senator CHILES. We have an awful lot of people coming to Florida and it is our general feeling that it costs us money, certainly in the short run, and for a good period of time after those people come.

Maybe the people you will be getting here will be different than most of our people who are retired and come down to Florida not to spend money, but to conserve money. Maybe you will get more wage earners. But getting the people is a mixed blessing you might say, at best, sometimes.

Mr. SIMONS. Very definitely. Of course, I testified to the fact that there are a number of factors that have to be taken into consideration. First of all, we don't have adequate housing to take care of all of those people even if we wanted to do that.

RECIPROCAL TAX

Then, of course, another source of revenue has been kicked around, very controversial issue, is that of the reciprocal tax on persons who earn the income in the city, but of course live in outlying jurisdictions.

That, of course, would produce additional revenue. But I think that in the long run removing the restrictions that are placed on the city in terms of land use, I think, is going to be the answer to providing the funds that are needed in order to make this a viable city.

I think Washington, D.C. offers a unique situation in this respect since these restrictions have been placed on the city. We haven't been able to develop, whereas all of the other States and cities without these kinds of restrictions have about gone their limit in terms of developing an economic base.

So I would hope that in taking a look at D.C. 1977 budget, that the committee would begin to think about what it could do in terms of helping the city to generate the kind of revenue that is necessary in order to provide the services for the Capital of the Nation.

Senator CHILES. I am sure that as one Member of Congress I can not do that. Basically, our charge here in the Appropriations subcommittee, is different from the authorizing subcommittee. Senator Eagleton is the person that you ought to give that statement to. Any change to the Home Rule Charter or the other limitations and provisions would have to come out of that committee.

All we have to do is to say grace over the money that flows through. But we don't have the authority to authorize it.

Mr. SIMONS. That I understand, but as a member of the office, you do have a vote. Certainly, you also have friends within the body. Every vote helps. So that from that standpoint, I do think that you do have a role to play.

Senator CHILES. Have you done any studies or looked at some of the testimony that we had before our subcommittee on how much revenue is not picked up because the city doesn't collect all of the taxes that are due.

Mr. SIMONS. I have read some of it, not all of it.

NEED FOR ADDITIONAL PERSONNEL

Senator CHILES. A few more personnel in tax administration to collect more taxes would produce something like $300,000 for each additional person. I think the individual and all the services connected with him would be around $20,000 to $30,000.

It would be a plus factor of $300,000 for each person added. There is no request for the personnel. They are frozen.

Mr. SIMONS. Yes, we understand the freeze. We have some 700 positions in the educational budget that are frozen. You can imagine what that is doing to the program here.

Senator CHILES. It doesn't require any new legislation. It doesn't require any particular change. It is just not being collected.

Thank you for your statement.

LAMOND-RIGGS CITIZENS' ASSOCIATION

STATEMENT OF DOROTHY M. MAULTSBY, PRESIDENT, LAMOND-RIGGS CITIZENS' ASSOCIATION

PREPARED STATEMENT

Senator CHILES. Our next witness is Ms. Dorothy M. Maultsby, president of the Lamond-Riggs Citizens' Association.

Ms. MAULTSBY. Thank you, Mr. Chairman.

You already have a copy of my statement.

Senator CHILES. Yes, ma'am. Your statement will be included in the record in full.

[The statement follows:]

Mr. Chairman, Members of the SubCommittee:

On behalf of the Lamond-Riggs Citizens' Association and other District residents whom I represent here today, I wish to express our appreciation for your consideration of our concern for the status of operations of the D. C. Government in general and the FY 1977 Budget submission in particular. We sincerely wish that we, as taxpayers, and concerned citizens, could have communicated effectively with our own Executive and Legislative officials. Concerted effort was put forth to achieve that objective, as shown in attachments 1 through 4. We also wish to address the fact that our actions taken in regards to the affairs of the District Government should not be construed as an indictment of all employees of the District of Columbia. We feel the majority of D. C. Government employees are intelligent, efficient and capable of undertaking the necessary measures to correct our current organizational inadequacies. We also know that the utilization of talent, knowledge and expertise of employees in effectively and efficiently achieving any organizational goals is directly related to the depth and scope of the leadership ability entrusted with the proper use of such. In essence, the outcome of programmatic activities is reflective of the leadership heading those activities.

Time does not permit us to detail all of our concerns with respect to D. C. affairs. However, with reference to the D. C. FY-77 Budget submission, we wish to point to what we feel are gross inadequacies in arriving at budgetary figures, thus providing a budget [illegible]ge that is not reflective of sound, systematic budgetary [illegible]ss. I wish to catagorize a few concerns:

1. D. C. Budget preparation.

A review of the budget process, used by the Executive Branch in arriving at the D. C. Budget, appears to be void of sound budgetary techniques. The procedures appear to be void of the budgetary guidelines as set forth by the Office of Management and Budget, Circular A-11 Sections 24.1-24.2, Analysis and Justification of Programs. In reviewing portions of the D. C. FY-77 Budget there appeared to be little, if any, justification for personnel and operating expenses, not only for the FY76 operating level, but the FY 77 request as well. Generally, no data was reflected of analytical studies; performance indicators were absent or, in some instances, questionable; there appeared to be no sound justification for changes in operating levels even though some increases over a two year period exceeded 600%. Many increases skyrocketed beyond this percentage level. Let's take a look at the submission of the Department of Human Resources, as reflected in Justification for the FY 77 District of Columbia Budget, Volume IV. A review of the document in Executive Direction and Support reflected few if any program measures in major categories of operations. In instances where measures were reflected, there appeared to be no quantitative data with which to equate these measures. Therefore, the numbers and kinds of increases are not arrived at by sound budget procedures. Additionally, the measures, as stated in many areas, reflect generally the same level of services as provided in FY 1976. Yet, their request for increased personnel is up approximately 136 positions over the FY-76 allotment. The greatest categorical increases in the DHR FY-77 budget submission are in equipment to be capitalized, up 543% over FY-75; equipment not to be capitalized, up 243% over FY-75; supplies and materials, up 43.9% over FY-75; travel/transportation of things, up 118% over FY-75; rent, communications and utilities, up 163% over FY-75. In most categories, the percentage increases occurred between FY-75 and FY-76. Ironically, the request for authorized positions for FY-77 dropped 2.9% under FY-75. Positions requested over FY-75 level is +1.8%. (See attachment 5). The request for increases in personnel, as compared with the operating cost increases seemingly requires some explanation and some justification.

We are concerned that such increases were arrived at, not by the utilization of sound program-budgeting, but on the basis of "off the top of the head techniques". If such circumstances are allowed to stand, the questions arise, will D. C. General Hospital really benefit from the increases? Will the disgraceful situation at Forrest Haven be corrected? Will the services be more adequately rendered to other activities within that Department? or, would the organizational structure continue to reflect chaos, lack of management know-how, and, most of all, the unsanitary conditions, inadequate personal care and limited treatment rendered to helpless, innocent citizens, who over the years, have cried out for help. There must be some answers. The fact that an adequate budget is needed to properly implement the programs referred to above, cannot be denied. However, we cannot overlook the fact that the budget must reflect categorical needs, proper allocation of resources, and sound quantitative program measures of performance. What benefits were derived as a result of program activities? what benefits are expected if the requested budget level is approved? and what are alternatives to the proposed program budget packages? I reiterate, this was not reflective in the DHR Budget Submission. The only alternative then to a sound program-budget submission, is "back to the drawing board" with strict instructions to follow the guidelines as set forth by the Office of Management and Budget.

2. The second area of concern is the District of Columbia Government Revenue problem.

As has been reported, there are reportedly millions of dollars of uncollected taxes in the District of Columbia. To name a few--The Water fund ($1.7 million); Employee withholding ($1.3 million); Individual income tax ($6.0 million); Coin meters (amount unidentified); Newspaper stands (unidentified); Medicaid ($5.0 million). Not included are uncollected Real Estate taxes, withholding and corporate taxes. As reported by The Washington Post Newspaper on March 13, 1976, uncollected taxes for FY-75 had not been reported. If there are more than $13 million in uncollected taxes outstanding for 1974, then one can assume, with tax increases and perhaps growing backlogs that number might exceed that amount in 1975 by, let's assume, approximately 15% and another 15% in 1976. Therefore $13 million (1974) + $15 million (1975) + $17 million (1976) would present a cumulative total of approximately $45 million of identifiable uncollected revenue. The question becomes how much revenue is unidentified and uncollected? The fact that the Revenue package as contained in the FY 1977 budget request reflects increases of $118.6 million and $86.1 million as approved by the Mayor and City Council, respectfully, indicates insensitivity to the needs for the strict accountability of funds, the inability to establish a sound collection and control system for D. C. financial activities and the lack of concern for the economic status and livability of those individuals who must pick up the financial tab. The implementation of sound fiscal controls and effective accounting systems would eliminate such inefficient, haphazard fiscal practices, thus prevent, to a great degree, the constant infringement of the D. C. Government upon the pocketbooks of the D. C. working people. Again, we made recommendations to the Mayor of the District of Columbia which we felt would correct these actions, including a realignment of staff. As of this date, we have received no response. However, response from the Chairman, D. C. City Council, stated the reaffirmation of the view of the Council that the revenue package is the most equitable approach to take (see attachment 6). This view is not acceptable. We, therefore, requested, again, that action be taken (see attachments 7 and 8).

Further, the question then arises "how can the officials of the D. C. Government request additional taxes from hard-working residents when existing revenue is outstanding?" We, as citizens believe that the sound approach is to collect taxes that are outstanding, equate them with the overall fiscal needs of the D. C. Government and review the need for and extent of additional taxation of citizens of D. C. This has not been done. The proper accounting techniques have not been implemented thus we, as citizens, are again saddled with the results of D. C. Government inefficiency.

Other areas of concern for the preparation of the D. C. FY 77 Budget include the passage of items in the executive Budget for which the Council had inadequate statistics, program justification and other necessary data for the preparation of a sound balanced budget. In the final Council Report on the FY 77 Annual Budget, dated February 17, 1976, Issue and Analysis Statement, page 13, reflected the fact that critical issues necessary for arriving at budgetary decisions had not been addressed by the Executive Branch, but requested by the Legislative Branch. Those issues were further identified and requested in the FY 78 Executive Budget request. Ironically, of the 18 issues referred to, 14 were request for cost benefit analysis relating to D. C. program operations. Of particular interest, and in view of the skyrocketing increases requested by the DHR, is Item 2 - An analysis of the cost and benefit of providing expanded system of home care, adult foster care and other based services as alternative to institutional nursing care-----. The study should include an analysis of the Districts ulitization of federal reimbursements and other--- Payments for such services. Such request reflect the lace of implementation of OMB Guidelines in formulating the D. C. Budget.

What appears to be other poor budgetary procedures is the transfer of positions from the Office of Youth Opportunity Services to other agencies within the D. C. Government in the absence of sound justification and program financing. Again, upon what basis were needs established? What performance measures or program needs were used to place the positions and funds ($1.045.5 million) in various agencies. Could these services have been better rendered by existing staff with fewer resources? These are questions that are not apparent in the budget preparation.

Finally, under the Department of Economic Development, the Office of Licenses and Permits was appropriated $36.5 thousand of their FY 75 request in 1975, for the purchase of occupational and professional examinations. Following this action is the order of their budget request.

- $36.5 thousand appropriated FY 75
- $89.0 thousand spent FY 75
- $120.0 thousand requested FY 77
  ($31,000 over FY 75 because of inflation)
- Granted 13% increase by D. C. Council based on real rate of invlation or an increase of $63.5 thousand.
- Final budget figure $100.0 thousand or 94% increase over FY 75.

In short, inflation rate is not an acceptable justification for increasing a budget by 94%.

These are only a few items that are reflective of poor, unplanned, unorganized budget and program procedures. These actions are not reflective of the level of competence desired in the preparation and control of D. C. fiscal and programatic affairs. They are not reflective of the administrative and managerial capabilities

existing in the District of Columbia Government. They do however reflect a lack of planning, program accountability, fiscal control and total organizational responsibility.

We the citizens of the District, see the urgent need for a beginning. A beginning to meet the challenge of undertaking the affairs of our City in an organizationally sound manner. We reiterate this has not been done. Further, our request for input into a less than desirable organizational structure has been repeatedly denied by those to whom we look for efficiency and effectiveness in governmental affairs. It is within this framework that we, the taxpayers of the District of Columbia call upon you, our final source of recognition in this endeavor to use your influence to insure the establishment of proper organizational procedures and adequate fiscal controls in the District of Columbia. We must begin somewhere. Let us begin now before it is too late.

We specifically request that your Committee require these actions to be taken by the D. C. Government:

1. That the D. C. Government operate at the FY 76 spending level except in the case of unusual circumstances when deletion of services would severely hamper District operations. In these unusual cases the following information should be supplied by the activity requesting the increase.

    1. Detail justification for any activity where increases are requested. (See sample attachment 8).

    2. For position increases, provide the following:

        A. A workload analysis quantifying the need for the propose staffing (workload statistics, backlog data, workload measures, etc.)

        B. A full listing of all such units and their FY 76 staff by Grade, title and cost level as compared with the same in the Request for FY 76.

        C. Identification of any reallocation of staff or resources to meet priorities for which additional staff is requested.

    3. Utilize fully, the guides for preparation of plans and budget estimates as outlined in OMB Circular A-11 (revised June 16, 1975) in preparing FY 77 and future budget submissions.

    4. Completely install, in the next 6 months, a systematic program budgeting system throughout the D. C. Government.

    5. Immediately (within the transition quarter) identify uncollected taxes, outline a timetable for the collection of all outstanding revenue owed the District of Columbia Government, and collect those taxes.

    6. To immediately install a "Manpower" utilization survey or work measurement capability in the D. C. Government Agencies which will assist in arriving at work measurements, unit cost or estimates of staff time needed.

    7. An objective organizational review of the Department of Human Resources with a view toward dividing the organization into a managable organization.

8. A moratorium on all tax increases until visible efforts have been put forth to collect uncollected taxes.

9. The establishment and implementation of a reporting system that will equate goals and objectives with accomplishments, by department, and the issuance of such reports on a quarterly basis to Community residents.

We feel very strongly, that these organizational procedures will assist in correcting many of the managerial and administrative deficiencies that currently exist in our D. C. Government. There is no doubt that they can be achieved.

We feel we deserve these financial controls among other activities that we will continue to strive for in the interest of a more sound, economically stable District of Columbia.

Hopefully, you will find our approach to District Affairs an asset to good government in general and our D. C. Communities in particular.

Respectfully Submitted

Dorothy M. Maultsby

Dorothy M. Maultsby

ATTATCHMENT 1

Lamond-Riggs Citizens Association

Organized 1946

Washington 11, D.C.

March 7, 1976

Honorable Sterling Tucker, Chairman
D.C. City Council
The District Building
14th and E Streets, N.W.
Washington, D.C.

Dear Mr. Tucker:

Reference is made to our correspondence, of March 7, 1976, addressed to the Mayor, at which time, the Lamond-Riggs Citizens Association expressed it's concern for current D.C. Governmental operations. We wish to reiterate our concern and to inform every member of the District of Columbia City Council of such.

We are calling upon you and each member of the Council to veto the proposed FY 1977 Budget as submitted by the Executive Branch, and we further call for communication and cooperation, between the District of Columbia City Council, and the Executive Branch, in establishing a sound Budget package that is reflective of the utilization of proper and sound budgetory controls.

In our efforts to review, in it's entirety, the D.C. Budget as proposed, and it's comparison with prior year spending, we are requesting the following information.

1. A (FY-1977) D.C. Budget Summary, to include
   - A. FY 1976 Expenditure Level, by Department/Office.
   - B. Funding Level by Department/Office FY-1976.
   - C. Major Goals by Department/Office FY-1976.
   - D. Major Achievement of Goals by Department/Office, FY 1976.
   - E. Program Justification by activity, by Department Office (FY-1976)
   - F. Proposed Funding Level FY 1977 by Department/ Office.
   - G. Planned Goals and objectives with tentative time-frames by Department/Office FY-1977.
   - H. Proposed Programs and Alternatives by Department/Office, FY-1977.

I. Quantitative Data by Department/Office FY-1977 to include:

1. Sick Leave Usage
2. Annual Leave Usage
3. Training hours per employee
4. Training cost per employee

J. Projected Funding level by Department/Office FY-1978.

K. An identification of those programs in the FY-1977 budget that will be funded by proposed increased revenues.

We are in urgent need of this information by Friday, March 19, 1976. Your early response will be highly appreciated.

cc: Honorable Walter Washington

Sincerely,

Dorothy M. Maultsby
President, Lamond-Riggs
Citizens Association

ATTATCHMENT 2

March 7, 1976

The Honorable Walter Washington
Mayor For The District of Columbia
The District Building
14th and E Streets, N. W.
Washington, D. C. 20004

Dear Mayor Washington:

Members of LRCA, an organization of D. C. tax payers are dismayed, deeply concerned, and justifiably outraged after reading two articles appearing in the Washington Post on March 1, 1976. The first article, headlined "D.C. Loses Millions to Tax Cheats," revealed considerable information relating to problems of substantial losses (millions of dollars) of tax revenue each year as a result of failure to investigate tax cheating by businesses; conducting limited tax audits; and curtailing prosecution of tax violators.

The Director of City Revenue and Finance Department and other city officials are reported to have made a number of key disclosures including:

. Approximately 16,000 businesses failed to file various D. C. tax returns as of December 31, none of which have been investigated.

. 147 Businesses grossing one million dollars or more annually reported no taxable D. C. earnings in recent years.

. Huge amounts of revenue are lost annually by failure to conduct full-scale audits of hundreds of out-of-town corporations doing business in D. C.

. 93 Major U.S. corporations with offices in D. C. paid no income taxes.

. $203,000 in additional taxes were collected last year by assigning two auditors to out-of-town investigations for 13 weeks each with cost to the city of only $1,264 plus salaries.

. The city could gain approximately $2.50 in tax revenue for every $1.00 spent to investigate non-filers.

The second article, headlined "D.C. Residents Face Higher Taxes reveals planned increases in 1977 for auto registrations (which already are the highest in the area); increases in water and sewer charges (which will nearly double); and increases in personal income taxes. This, coming on the heels of the recent increased assessment for real estate, increased auto registration, as well as a devious increase in personal income tax (by reducing the amount of personal exemptions), with no commensurate improvement in services.

While we acknowledge the effects of inflation, and are willing to shoulder our share of tax responsibility, we cannot and will not continue to bear the brunt of exorbitant taxes and inefficient administration that permits the annual loss of millions of dollars of tax revenue.

The Lamond-Riggs Citizens Association held its regular Monthly Meeting on Monday, March 1, 1976, and again reiterated its concern for the economic status of the District of Columbia Government in general and the continuing spiralling taxes and other assessments being levied on the citizens of the District of Columbia, in particular.

We, as an organization, have in the past made known to you, and other District of Columbia elected officials our psotion relative to sound budgetary procedures, including sound accounting, financial and organizational systems, that will improve decisions concerning the allocation of resources. Further, we have stressed, many times, to our elected officials, the necessity for budgeting techniques that call for continuous re-examination of program results and for re-identifying and restructuring programs and objectives. Also, the establishment of mechanics for measuring the quality of District of Columbia operations, for the purpose of appraising organization leadership, has constantly been recommended by our organization.

We feel very sincerely that the "free for all" infringement of voluminous tax increases, out of proportion property assessments, and the unending attachment of all other forms of securities obtained by District of Columbia residents is a direct result of the absence of the systems referred to above. We further feel the survivability of those citizens who have struggled to maintain a standard of living, free of dependence upon the District of Columbia Government, is being threatened.

We submitted, to you, correspondence relative to the above issues, at which time we offered to meet with you to discuss how we feel the financial situation of the District could be corrected. As of this date, we have not received a reply.

SUCH NON-RESPONSE INDICATES THAT THE FOCUS OF THE DISTRICT OF COLUMBIA GOVERNMENT OPERATIONS IS DIRECTED TO THOSE OFFICIALS WHO ORGANIZE AND IMPLEMENT THESE OPERATIONS BUT NOT TO THOSE TAXPAYERS WHO MUST SHARE THE FINANCIAL BURDEN.

We wish to reiterate the fact that we resent and totally reject any proposal that will continue to drain our financial resources to the extent that we cannot maintain our well-being. We further resent the fact that no valid justification, based on sound organizational practices, have been published to substantiate such proposed increases. Further, it is the opinion of the members of Lamond-Riggs, that an indepth review, of organizational and financial practices of every department within the District of Columbia Government might negate the need for continuously pounding upon the pay checks and pocketbooks of hard working D. C. residents. The apparent need for such a review, with serious efforts in mind, can no longer be overlooked.

The dissatisfaction displayed, by the citizens of our community, concerning the tax increases and other operational aspects of the District of Columbia Government brings us to the point of demonstrating to the Executive Branch and our elected officials, our total dissatisfaction with what we view as the utilization of "unfinished business as usual" operational concepts. Within this framework the LRCA is organizing a "MARCH ON CITY HALL" to reiterate our opposition to higher taxes and other unnecessary assessments; our demand for sound, efficient and effective government operations; our call for the elimination of waste in government and our total rejection of those individuals who contribute daily to the demise of sound, productive program planning, implementation and accountability.

In the interim, we are requesting that the following actions be taken immediately:

1. Priorities be established within the City Finance and Revenue Department which will reflect the expeditious pursuance of those tax collections that would result in the greatest cost-benefit to the city.

2. Appropriate staff be made available to the Finance and Revenue Department and appropriately assigned to undertake the request referred to above.

3. Existing funds be made available to provide travel expenses, as required, to bring about the collection of revenue--again, keeping in mind the cost-benefit of such activity.

4. A moratorium be placed on the increase of taxes until the citizenry has been shown, by adequate documentation, that all taxable businesses and corporations have been assessed and evidence of payment or intention has been received.

5. The LRCA in particular, and the citizenry in general, by way of public pronouncement, be made aware of planned action in relation to this communication within sixty days.

The above requests are a partial list of emergencies that we deem necessary in promoting the sound economic status of this city. Others will be forthcoming in the very near future.

Attached is a partial list of District of Columbia residents who support us in our efforts. There is no doubt that the list will continue to grow as we present our concerns to the citizens of this city.

Hopefully, such efforts will steer our D. C. Government and its officials in a direction that will allow its taxpayers to live in an atmosphere absent of financial turmoil.

Sincerely,

Dorothy M. Maultsby

The Lamond-Riggs Citizens Association
Dorothy M. Maultsby, President

March 21, 1976

Honorable Walter E. Washington
Mayor For The District of Columbia
The District Building
14th and E Streets, N. W.
Washington, D. C. 20004

Dear Mayor Washington:

During our review of the District of Columbia Budget Operation, there are certain data that we need as community residents to make sound recommendations on the D. C. Budget format. In addition to data already requested, a most urgent need is a detailed listing of D. C. revenue sources and other financial contributions. Included in the request are the tax sources listed on the attached Revenue Chart. Also, a itemized listing of the property owned by the District Government, its commercial value and other relevant financial data is requested. A chart is also attached for that purpose.

We respectfully request that the information be forwarded to us by March 31, 1976.

Thank you for your cooperation.

Sincerely,

Dorothy M. Maultsby

Dorothy M. Maultsby
President, Lamond-Riggs
Citizens Association

DETAIL OF REVENUE SOURCES
(In Million of Dollars)

Itemized Sources of Revenue	Estimates* FY 1974 $	Actuals** FY 1974 $	Amount Out-standing $ FY1974	Estimates FY 1975 $	Actuals FY 1975 $	Amount Out-standing $ FY1975	Estimates FY 1976	Actuals*** FY 1976 $
Totals								

*Amount estimated from Historical Data
**Amount collected
***July 1, 1975 - March 19, 1976

Signature _____
D. C. Budget Representative

Date _____

IDENTIFICATION OF PROPERTIES OWNED

PROPERTY	COMMERCIAL VALUE	TAX RATE			TAXES COLLECTED			TAXES OUTSTANDING			PROJECTED TAX RATE	
		FY 1974	FY 1975	FY 1976	FY 1974	FY 1975	FY 1976	FY 1974	FY 1975	FY 1976	FY 1977	FY 1978
TOTALS												

Manager _____
Signature

Date _____

ATTATCHMENT 4

April 1, 1976

Honorable Walter E. Washington
Mayor for the District of Columbia
The District Building
Washington, D. C. 20004

Dear Mayor Washington:

Reference is made to our previous correspondence to you regarding our concern for the status of District of Columbia Program Activities. We indicated that an additional request relating to sound organizational activities would be forthcoming. Within that framework, residents of the Lamond-Riggs community along with other citizens from throughout the District of Columbia met and undertook several actions which appear to be necessary in the interest of efficient and effective organizational management. The actions are attached.

We are respectfully requesting your immediate action on the items as outlined. There is no doubt that their implementation will serve as an asset to the welfare of the citizens of the District in general and the total effectiveness of the Executive Branch in particular.

As stated previously, we are willing to meet with you to discuss our concerns and to assist you wherever possible in helping to make the District of Columbia Government effective in its services to its constituency.

Sincerely yours,

Dorothy M. Maultsby
President

March 25, 1976

Specific Demands made to the District of Columbia Government Appointed and Elected Officials for the Elimination and Eradication of Unsound Program Operations.

In addition to our call for a moratorium on all tax increases until the Executive Branch and the Legislative Branch can properly determine program needs, are the following demands:

1. The immediate installation of an Effective Programming-Budgeting System throughout the District of Columbia Government Departments.

2. The immediate identification and collection of all outstanding revenue owed to the District ofColumbia Government, including revenue for D.C. owned properties.

3. The immediate establishment of a highly qualified permanent Program Evaluation Team or Commission, outside the Municipal Planning Office, to review program effectiveness in accordance with program goals and objectives. The team should be composed of perhaps 12 to 15 individuals with three fourths of the evaluators coming from the community at large.

4. The retraction or disallowance of any contracts, including the collection of meter coins, that duplicate the work of any Branch or Division within the District of Columbia Government. Such retraction or disallowances include individual consultant contracts as well as contracts with Corporations and Agencies.

5. The immediate division of the Department of Human Resources into a manageable organization which can interject accountability and proper programatic procedures into the work of the divisions.

6. The immediate design and implementation of official organizational policies and legislation that allow for the dismissal of any legislator or appointed program official who reflects incompetence, inefficiency or lack of organizational ability; or whose moral, social or other conduct reflects negatively upon operations of the District of Columbia Government and the voting confidence of the citizens of the District of Columbia.

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7. Operation of D.C. Government programs at the FY 1976 spending level during FY 1977 with no increases for FY 1978 until sound quantative and qualitative justification can be made for such. The justification would include clarification and implementation of all the activities referred to above.

The above actions should be taken during the remainder of FY 1976 and continued through the transition quarter, July 1, 1976 - October 1, 1976. The impact of additional collected revenue should eliminate the need for any increase in revenue for FY 1976.

Since it has been publicly indicated that the following individuals are responsible for gross managerial inefficiency, a request for their removal from their current positions is made. They are as follows:

1. Mr. Joseph Yeldell, Director
   Department of Human Resources

2. Mr. Kenneth Back, Head
   Division of Finance and Revenue

3. Mr. William McKinney, Director,
   Department of Environmental Services

It is further requested that they be replaced by individuals who have demonstrated a high degree of competency.*

*Competency in management techniques including program planning, operation and control.

AGENCY (DHR)	Authorized Positions				Positions Filled				Personnel Benefits		
	Obligations FY1975	allotment FY1976	REQUEST FY1977	% change FY75	FY 1975 (obligations)	FY1976 (allotment)	Request FY1977	% up over FY 75	(Obligations) FY1976	(allotment) FY1976	(Request) FY1977
DHR (Total)	9527	8401	9251	-2.9	7859	7330	8000	+1.8	8,187.5	8,447.5	10,144.4
Exec Dir & Support	1342	1,173	1,277	-4.8	1072	968	1,104	+3.0	1,330.8	1,353.0	1,764.9
Pymt. Asst. Adm	771	709	732	-4.8	574	586	632	+10.1	467.4	549.8	684.5
Common Health & Hosp Adm	4,040	3,983	3,983	-1.4	3,474	3,276	3,448	-.7	3,883.9	3,939.5	4,554.5
Narcotic Trt. Adm	269	259	272	+1.1	200	213	240	+20.0	212.2	225.7	301.1
Social Rehab Adm	1716	1495	1511	-11.9	1424	1246	1304	-8.4	970.2	1,062.5	1,157.4
Mental Health Adm.	1389	1264	1476	+6.3	1115	1041	1272	+14.1	1,323.0	1,317.0	1,682.0

ATTACHMENT 5

Agency (OHR)	Travel/Transp. of Persons				Transp of Things				Rent, Communic. & Utilities			
	Obligations FY 1975	Allotment FY 1976	Request FY 1977	% I/D over FY 75	Obligations FY 1975	Allotment FY 1976	Request FY 1977	% I/D over 75	Obligations FY 1975	Allotment FY 1976	Request FY 1977	% I/D over 75
DHE (Total)	241.2	364.1 366.7	384.2	+59.3	50.8	55.7 49.7	111.1	+118	2,333.5	4,830.8	6,142.0	+16.
Exec. Dir. & Sup.	32.6	62.0	65.4	+100	6.3	21.8	70.6	+1083	1,117.5	1,047.2	1,337.9	-5.
Payment. Assist. Adm.	41.7	77.2	85.4	+98	5.0	22.0	16.0	+220	80.2	287.3	446.2	+45
Commun. Health & Hosp. Adm.	47.3	31.1	31.1	-34	16.2	6.7	6.7	-56	597.5	1,683.5	2,060.0	+24
Narc. Treatment Adm.	37.1	34.9	34.9	-5.4	3.5	2.0	2.0	-50	55.7	319.8	400.7	+61
Social Rehab Adm.	44.1	112.5	117.0	+167	14.5	—	6.9	-53	133.9	789.5	996.9	+64
Mental Health Adm.	38.4	46.4	50.4	+29	5.3	3.2	8.9	+80	48.7	703.5	900.3	+12

I/D = increase/decrease

AGENCY (DHR)	EQUIP TO BE CAPITALIZED				EQUIP. NOT TO BE CAPIT.				SUPPLIES & MATERIALS			
	(Obligations) FY1975	(allotment) FY1976	(REQUEST) FY1977	% UP OR DOWN 77/75	(Obligation) FY1975	(allotment) FY1976	REQUEST FY 1977	% UP OR DOWN 77/75	(Obligation) FY1975	(allotment) FY1976	(Request) FY1977	% UP OR DOWN 77 OVER FY1975
DHR (TOTAL)	521.9	3,115.1	3,358.9	+543	9.9	124.0	252.6	+243	10,936.9	12,953.9	15,742.7	+43.9
EXEC. DIR. & SUPPORT	328.1	511.2	739.4	+224	-	1.6	119.6	-	716.4	294.8	435.1	-39.2
Payment Assist. Admin	-	21.7	28.6	-	-	-	-	-	226.3	110.4	153.2	-32.3
Community Health & Hosp. Adm	247.5	2,040.1	1,860.1	+650	9.9	122.4	132.4	+220	7,051.7	8,288.9	9,607.7	+36.2
Narcotic Treatment Adm	1.7	19.0	19.0	+1018	-	-	-	-	353.3	816.1	266.4	-24.6
Social Rehab Admin	8.0	174.7	232.6	+2812			.1	-	782.8	1,673.2	2,168.4	+177.0
Mental Health. Adm	36.6	348.4	479.2	+1194	-	-	.5	-	1,806.4	2,370.5	3,111.4	+72.2

ATTATCHMENT 6

COUNCIL OF THE DISTRICT OF COLUMBIA

WASHINGTON. D. C. 20004

April 16, 1976

Mrs. Dorothy Maultsby
214 Oneida Street, N. E.
Washington, D. C. 20011

Dear Mrs. Maultsby:

Thank you for sending me the material which the Lamond-Riggs Citizens Association is distributing to other individuals and organizations regarding the FY '77 Revenue package.

I appreciate the Association's concern but, I want to reaffirm the view of the Council that the revenue package is the most equitable approach to take as we try to maintain the level of services required by the city.

However, let me also say that efforts are being made as well to identify and capture other resources such as a commuter tax and an increased Federal Payment.

Your continuing interest is appreciated.

Sincerely,

Sterling Tucker

STERLING TUCKER
Chairman

ATTATCHMENT 7

LAMOND - RIGGS CITIZENS' ASSOCIATION

May 13, 1976

Honorable Sterling Tucker
Chairman
D. C. City Council
The District of Columbia
Washington, D. C. 20004

Dear Mr. Tucker:

This will acknowledge receipt of your correspondence, dated April 16, 1976, concerning the Lamond-Riggs Citizens' Association's (LRCA) concern for the current D. C. revenue package.

Your response was brought to the attention of LRCA residents at our General Meeting on Monday, May 3rd. We are in accord with the efforts of District officials to pursue other resources, including commuter tax and an increased Federal Payment. Our position, relative to the Budget Submission for FY 1977, including the proposed revenue increases, has not changed. We, as taxpayers, responsible for underwriting the financial tab for the package are not convinced thatthe budget reflects sound program planning, implementation, evaluation and control.

Within this framework, we are again requesting you, as chairperson of the City Council, to arrange a meeting with the D. C. City Council, Committee on Finance and Revenue and Government Operations Committee together with LRCA Citizens, to discuss our concerns.

We are also suggesting that representatives from the Budget and Finance Division of the D. C. Government as well as representatives of the D. C. Office of Management and Budget attend. They will be made aware of our concerns for such a meeting.

Specific topics in which we are interested and which we are requesting to be included in the meeting agenda items are as follow:

1. Implementation of Management by Objectives, for all D. C. Program areas;

2. The installation and implementation of Zero-Base Budgeting in all program areas of the D. C. Government;

3. An interim measure for the collection of outstanding revenue owed to the District of Columbia Government; and

4. The establishment of a Program Evaluation Team or Commission to work with the D. C. City Council and the Executive Branch in establishing a sound organizational structure for the District of Columbia.

The items referred to above are only a few for which there is serious concern. However, if we begin to establish capabilities in these areas, the groundwork for additional organizational techniques will be sufficiently laid.

LRCA representatives will be available for such a meeting during the third or fourth week of May. Hopefully, you can complete the meeting arrangements by that time.

As our elected representative and as a concerned citizen, we look forward to your support of our efforts to enhance the overall efficiency of the D. C. Government.

Sincerely yours,

Dorothy M. Maultsby, President
214 Oneida Street N. E.
Washington, D. C. 20011

ATTATCHMENT 8

LAMOND - RIGGS CITIZENS' ASSOCIATION

May 13, 1976

Dear Mayor Washington:

Reference is made to our previous correspondence to you, wherein we expressed our deep concern for the current operation of D. C. Program Activities. Since that time, our Association has reiterated that concern and maintains the position that it took relative to those activities.

In our correspondence to you, we requested a meeting to discuss those issues which we feel are of great significance to the successful operation of District affairs. We are, again requesting such a meeting.

We feel, very strongly, that in order to organize, implement and monitor the fiscal affairs of our city Government, there must be effective communication among the Legislative and Executive Branches and citizens of the community. Within this framework, we have requested the Chairperson of the D. C. City Council to plan a meeting for the purpose of discussing such items. Correspondence to that effect is attached.

Hopefully, in the interest of the D. C. Government in general and deeply concerned citizens in particular, we can depend upon your cooperation and support.

Sincerely yours,

Dorothy M. Maultsby, President
214 Oneida Street N. E.
Washington, D. C. 20011

ADDITIONAL MATERIALS

March 18, 1976

TO : Civic/Citizens Organizations
Community Organizations

FROM : Coordinator, March Activities Committee

SUBJECT: Citizens Protest Against Tax Increases

The Lamond-Riggs Citizens Association has made known its opposition to additional tax increases and other charges as reflected in the District of Columbia FY 1977 Budget Proposal. Our rejection of the increases has been forwarded to the Mayor and members of the D. C. City Council. The basis of our objection is as follows:

1. The lack of sound organizational structure and budgetary procedures to determine actual budget needs for the District of Columbia.

2. Prior reassessments and current revenue requests have rendered many taxpayers incapable of maintaining a decent standard of living.

3. Uncollected taxes and inefficient administrative practices have contributed to the annual loss of millions of dollars to our city's operating Funds.

4. The basis upon which the request for additional revenues is made is questionable and unjustifiable.

5. The assessments upon D. C. residents are out of proportion with their economic ability to pay.

6. The survivability of citizens who struggle to maintain freedom from dependence upon the D. C. Government is being threatened.

In conjunction with our protest of higher taxes and administrative inefficiency we are planning a "March On City Hall" for Wednesday, April 14, 1976. We are in the process of outlining activities to be undertaken in that regard. Specific activities to be undertaken by the March Committee, include the complete formation of the Arrangements, Distribution and Publicity Committees. Other organizational activities will also be planned.

You are invited to join the Coordinating Committee in its effort to bring before our elected and appointed officials, our demand for high quality services in return for our financial investments in our City's operations. The next meeting will be held on Thursday Evening March 25, 1976, at the Christian Reformed Church, New Hampshire Avenue and Oneida Street, N. E. at 8:00 P. M. We hope you will attend. You are also requested to bring other interested citizens.

In the interim, each of you is requested to write, telephone or telegraph the Mayor and the D. C. City Council members expressing your opposition to the increases. We are recommending that no new programs or budget increases be allowed until the D. C. government establishes sound programming, budgeting and accounting techniques. To prevent increasing the tax burden for D. C. residents, D. C. officials, managers and administrators should operate during FY 1977 at the FY 1976 operating level. With proper administrative and programatic planning and control this can be accomplished.

We are also available for speaking engagements. If you wish us to appear before your Association or if you have additional questions please contact Mrs. Dorothy M. Maultsby at 214 Oneida Street, N. E. or LA6-5032, Mrs. Beatrice Barbour, 832-1516 or Mr. Horace Carpenter, LA6-1569.

Your support is urgently needed. Please join us for the Planning Meeting on Thursday, March 25, 1976.

Dorothy M. Maultsby

Dorothy M. Maultsby

April 1, 1976

Honorable James P. Lynn, Director
The Office of Management and Budget
Washington, D. C. 20503

Dear Mr. Lynn

The Lamond-Riggs Citizens Association, an active community organization consisting of approximately 4,000 families in the District of Columbia, respectfully request that you uphold the decision of the Council of the District of Columbia in its actions on the fiscal year 1976 Budget Amendment 11. We, as concerned citizens, have reviewed the actions of the Council and have found them justified. Further, we are of the opinion that properly executed operating budgets stem from very effective operating procedures and management systems. A review of prior organizational activities of the District of Columbia Government has not revealed, to the extend desirable, the uses of such procedures and systems. We have made known our concerns to the Mayor for the District of Columbia and the District of Columbia City Council.

Additionally, a current review of the FY 1977 District of Columbia Budget request appears to be in nonconformance with the Guidelines on Budgeting as contained in Office and Management Circulars A-11 and A-34, Section 24.1-24.2, Analysis and Justification of Programs and Section 36.1-36.3, Narrative Statements on Program and Performance.

Finally, a review of the Council of the District of Columbia Report, Fiscal Year 1977 Budget dated February 14, 1976, page 29, item 3, Office of Licenses and Permits reveals the fact that the Office's operations for FY 1975 might have been in conflict with the Antideficiency Act.

According to the Report, the Office of Licenses and Permits was appropriated $36.5 thousand of their FY 1975 request. They spent $89.0 thousand and have been allowed an increase to $100.0 thousand in the FY 1977 Budget Submission.

We are respectfully requesting that the FY 1977 District of Columbia Budget Submission be returned to the Executive Office and the Legislative Branch with strict instructions to follow the guidelines as set forth in OMB Circulars A-11 and A-34. We further request that both Branches of D. C. Government be instructed to operate at FY 1976 spending levels until the guidelines are adhered to.

Therefore, in the interest of sound program planning, budgeting and control, you will respond favorably to our request.

Sincerely yours,

Dorothy H. Maultsby
President

April 7, 1976

Mr. Mike Hall
Professional Staff Member
Senate Appropriations Committee
New Senate Office Building
Room 1223
Washington, D. C. 20510

Dear Mr. Hall:

This correspondence will confirm my telephone request to you on Tuesday, April 6th concerning my appearance before your Committee to address the District of Columbia FY 1977 Budget Submission.

I represent the Lamond-Riggs Citizens' Association, a community of approximately 4000 residents and hundreds of identifiable D. C. residents who are concerned with increased taxes and program management in the District of Columbia.

Your consideration of the request will be highly appreciated. If additional information is needed, I may be reached at 245-7130 (work) or 526-5032 (home).

Sincerely yours,

Dorothy M. Maultsby
President

March 26, 1976

Honorable Walter E. Fauntroy
Congressman For The District of Columbia
326 Cannon House Office Building
Washington, D. C. 20515

Dear Congressman Fauntroy:

Attached for your information and review are documents prepared by the citizens of the Lamond-Riggs Citizens Association relating to the District of Columbia Budget Request for FY 1977. The materials will reflect the fact that the citizens of the District of Columbia are voicing strong concerns over the manner in which the Budget figures were arrived. Of specific concern, is the rationale used for increasing revenue by $86.1 million.

Our concerns stem from the following:

1. There appears to be no sound program justification for reflecting the need for increased revenue.

2. The use of budgetary methods and techniques as outlined in OMB Circular A-11 dated June 1972 entitled Justification of Programs and Financing are not reflected in the package.

3. The true budgetary needs and status of the District of Columbia are questionable since millions of dollars in revenue are still outstanding.

4. The taxpayers and property owners are being overtaxed as a result of inefficient program planning, implementation, control and evaluation by our appointed and elected leaders.

We have reached the point of non-acceptance of such inefficiency and refuse to stand quiet in the face of such. The many excuses used to "place the blame" or "pass the buck", by both members of the Executive and Legislative Branch of the D. C. Government, for inefficient government operations are no longer tolerable. The fact is the hard working taxpayers and property owners

With this in mind, we respectfully request time to appear before your Committee to explain our position on the Budget. I am sure you will detect, from our testimony, the true sense of dissatisfaction with the current budget and program operation of the District of Columbia Government.

Your consideration of our request will be greatly appreciated.

Sincerely yours,

Dorothy M. Maultsby
President

April 1, 1976

The President
The White House
Washington, D.C. 20025

Dear Mr. President:

The Lamond-Riggs Citizens Association, an active community organization consisting of approximately 4,000 families in the District of Columbia, respectfully request that you uphold the decision of the Council of the District of Columbia in its actions on the fiscal year 1976 Budget Amendment 11. We, as concerned citizens, have reviewed the actions of the Council and have found them justified. Further, we are of the opinion that properly executed operating budgets stem from very effective operating procedures and management systems. A review of prior organizational activities of the District of Columbia Government has not revealed, to the extent desirable, the uses of such procedures and systems. We have made known our concerns to the Mayor for the District of Columbia and the District of Columbia City Council.

Therefore, in the interest of sound program planning, budgeting and control, you will respond favorably to our request.

Sincerely yours,

Dorothy W. Maultsby
President

The Lamond-Riggs Citizens Association (LRCA), long known for its activism in D.C. affairs that have adverse effects on community and other city residents, has initiated plans for a'March On City Hall'in protest of inefficient administration; the reported increase in taxes for FY 1977; and failure of city government to collect tax revenues, amounting to millions of dollars, from various businesses and corporations doing business in the District.

LRCA is inviting community organizations throughout the city, as well as individual residents, to join in this protest which will take place on Wednesday, April 14.

The next planning meeting is scheduled to be held on Thursday, March 25 at the Christian Reform Church at New Hampshire Ave. and Oneida St., N.E. at 7:30 p.m. In order to assure broad-base community involvement, representatives of community organizations and other interested parties are urged to attend.

In addition, LRCA is asking residents to affix their signatures to petitions being circulated around the city to evidence their dissatisfaction with the continuing, inadequately justified increase in taxes.

Among the actions LRCA is requesting D.C. officials to take is a moratorium on all tax increases affecting homeowners and other individual residents until citizens have been provided evidence of improved administrative procedures, and tax revenues have been collected from individuals, businesses, and corporations that are liable and/or delinquent.

All residents concerned with the economic stability of this city, efficient management, and the welfare of its citizens should join this protest in voicing their concern.

For additional information, you may contact Dorothy M. Maultsby*, March Coordinator, 526-5032 or Committee Member, Beatrice A. Barbour at 832-1516.

*President, Lamond-Riggs Citizens Association

April 7, 1976
214 Oneida Street N. E.
Washington, D. C. 20011

Honorable William H. Natcher
Chairman, House SubCommittee on D. C.
Appropriations
Capitol Building, Room 302
Washington, D. C. 20515

Dear Mr. Natcher:

The citizens of Lamond-Riggs, a community of 4,000 residents, have expressed concern for the FY 1977 Revenue Package as submitted for review and approval by the District of Columbia Government. Other citizens throughout the City have expressed the same concern. The many questions raised regarding the package have been submitted to the D. C. Executive and Legislative Branches. We, as of this writing have not received the desired response. As taxpayers, designated to assume the financial burden for the increase in revenue, we feel we deserve more recognition.

With this in mind, we respectfully request time to appear before your Committee to explain our position on the Budget.

Your consideration of our request will be greatly appreciated.

Sincerely yours,

Dorothy M. Maultsby
President

April 7, 1976
214 Oneida Street N. E.
Washington, D. C. 20011

Honorable Charles Diggs
Chairman, House Subcommittee
D. C. Affairs
Capitol Building
Washington, D. C. 20515

Dear Mr. Diggs:

The citizens of Lamond-Riggs, a community of 4,000 residents, have expressed concern for the FY 1977 Revenue Package as submitted for review and approval by the District of Columbia Government. Other citizens throughout the City have expressed the same concern. The many questions raised regarding the package have been submitted to the D. C. Executive and Legislative Branches. We, as of this writing, have not received the desired response. As taxpayers, designated to assume the financial burden for the increase in revenue, we feel we deserve more recognition.

We have brought our concerns to the attention of Congressman Fauntroy. We received a very encouraging response from him. We are sure we will receive his continued support.

We respectfully request your assistance in affording us the opportunity to be heard at whatever level the District of Columbia Budget package appears. We are very concerned that we express our thoughts on the D. C. Revenue Package. Hopefully taxpayers' views will be heard prior to final approval.

Thank you for your consideration.

Sincerely yours,

Dorothy M. Maultsby
President

Lamond-Riggs Citizens Association

Organized 1948

Washington 11, D.C.

March 31, 1976

Dear Mr. Dixon:

This will confirm my conversation with Ms. Chappelle of your staff on Monday, March 29, 1976 concerning the Lamond-Riggs Citizens Association's invitation to you to speak at our Citizens Association meeting on Monday, April 5, 1976 at the LaSalle Elementary School, Riggs Road and Madison Street, N. E. at 8:00 P. M. Other invited speakers are Mr. William Spaulding, Councilman and Mrs. Gladys Mack, Deputy Director, Budget and Management Systems, D. C. Government. The focus of the Civic meeting will be the status of the D. C. Budget.

As you are aware, the Lamond-Riggs Citizens Association opposes the $86.1 million increase in revenue as stipulated in the FY 1977 Budget. You have received copies of correspondence that reflect our opposition. We are now requesting your support for our position. Further, as our elected representative, we're sure you would not condone over-taxing citizens for the inefficient and ineffective program management, undertaken by District of Columbia officials and program managers.

Attached is a list of demands made by citizens from throughout the District of Columbia, to the Executive and Legislative Branches of the D. C. Government. We are requesting your response to these demands and particularly your support or them. Additionally, we see the urgent need for our Committee to sit with members of the D. C. City Council to discuss our concerns. We are requesting that you arrange such meeting.

Finally, we request your participation in our Protest March in Opposition to tax increases on April 14, 1976 You will be given additional information when plans are complete.

We respectfully request your response to the attached demands by April 7, 1976.

Sincerely,

Dorothy Maultsby

Dorothy M. Maultsby
President, Lamond-Riggs
Citizens Association

69-502 O - 76 - 56

Congress of the United States
House of Representatives
Washington, D.C. 20515

April 2, 1976

Dear Ms. Maultsby:

I have received the materials which you have forwarded to me in the matter of the operation and the underlying consideration of the District of Columbia Budget. I share both your concern and your distress over the policy presumptions that give rise to these resultant methodologies. This has prompted me, as you know, to openly voice my concern and to explore through my Subcommittee on Government Operations the kinds of acceptable public policy that should be promoted in the District of Columbia Executive Departments.

Some of these policies will be evident upon the conclusion of the preliminary and full audits of city finances as will, of course, the full scope of the obligations and receivables in both current and accrued bases.

To the extent that these revelations mandate changes in existing personnel, and departmental organizations, you may be assured that I will pursue them with the help of the City Council. Naturally, you can understand that I do not wish to pre-judge any persons who may have designated responsibilities without fully understanding both the problem and the efforts which they may (or may not) have taken to resolve them. I will not, however, hesitate to recommend changes upon determining that changes are necessary.

I appreciate the full effort which you and the members of your association have expended in preparing these documents and in arriving at your suggestions. I intend to make them a part of the record in those proceedings where it is both appropriate and proper.

With kindest, personal regards, I am

Sincerely yours,

Walter E. Fauntroy

WALTER E. FAUNTROY
Member of Congress

SUMMARY OF STATEMENT

Ms. MAULTSBY. I would like to pass on to you just a sample of the support that we have throughout the city, taken not only the increases in the District of Columbia, but the total operational aspect of the government in general.

I would like to take my few minutes to not necessarily read my statement, but to point out various aspects in the statement that I think are very important. First of all, in the first paragraph, we have indicated as an organization that we tried very hard to communicate with our elected and appointed officials of the District of Columbia, prior to coming before you.

Our attachments will reflect this. It will reflect to what extent. We did so with the full knowledge that we had members of our organization who were capable of undertaking any aspect of the District of Columbia budget with which they had problems. We were not extended that courtesy and, there again, additional and recent correspondence will reflect such.

Senator CHILES. With this number of people on the petitions, I would think you ought to be able to get some elected officials' attention.

Ms. MAULTSBY. We will, hopefully, Mr. Chairman. We do not intend to stop until we are responded to. We feel that we are owed that as people who have put these people into office. I think with our constant effort, that we can bring to the forefront the fact that they are elected by us and that they need to hear our concerns.

There is another thing that we wish to bring out to you. That is the fact that we know that the majority of the employees of the District of Columbia government are competent and capable and that they can undertake any aspect of the operation to which they are assigned.

We feel that, however, as we indicated, we know that the utilization of talent, knowledge and expertise of employees, and effectively and efficiently achieving those goals is directly related to the leadership that is charged with the implementation of those goals.

As we said, in essence, the outcome of program activities is directly related to the leadership. This is where we have our problem.

OMB REGULATIONS NOT USED

I would like to just pass on a couple of things. Our concern is that there are specific regulations by which, unless some changes have been made, by which the District of Columbia government is supposed to follow as set forth by the Office of Management and Budget in arriving at budget figures for the District of Columbia. I maintain that this was not done.

I have brought this to the attention of the District officials. I know that the document was not used by the proper committee or I feel it was not used because when I testified, I made reference to it. I was asked by a council member to please let me make a copy, which means they have not used it.

If regulations are set forth by agencies to be used which have been studied and have been reviewed and in some cases, even probably piloted prior to printing by OMB, then it means that these

documents to be used were not used. It is evident that they were not used. This is our concern, that the budget was arrived at by haphazard measures.

We chose to show the seriousness of our budget submission; the Department of Human Resources. We pointed to the increases over 2 years. As I indicated in my statement, much of the increase, as much as 600 percent, have gone from fiscal year 1975 to fiscal year 1976, but we over a period of 2 years show that the trend was just beyond anything that any good budget office would put up with.

This is very serious. We are not saying that the funds that are requested are not needed. We don't know. We also feel that those persons who prepared those budgets do not know. We looked very seriously at the presentation by the Department of Human Resources and if you go back to A–11 and A–34, we will find that there must be justification. There are alternatives to program measures. These were not done.

In that portion of the budget, there were many instances, and I looked particularly at Forest Haven, which has come up this morning, and the program measures are scanty. There is nothing by which to measure whether or not your outputs coincide with the amount of money that you are asking for.

I say again, we are not saying that the money is not needed. Everybody knows that Forest Haven needs money and the disgraceful situation at D.C. General Hospital needs to be corrected. Other human facilities that are provided for our people in the District of Columbia are necessary, but we are saying to what extent are they necessary. How much is needed? Where should the money go? Are the allocations being properly undertaken? Just to what extent do we need that?

When you look at a 500-percent increase over a period of years and you look at what we have seen on television about Forest Haven and what we know that happens over at D.C. General Hospital, then we know, too, that that money is not being used properly and it stems back to the leadership and it requires some explanation and justification.

We feel that the techniques arrived at for the most part are off-the-head measures, are communicated with the people in the District of Columbia government. I said, How did you get these figures? Well, they tell us to put $10,000 in and we have to put it in. I can understand that if they are going to have the kind of system that has been going on in the District of Columbia government.

People need their jobs. So you say put $10,000 in; so they put it in. You and I know that is not sound budgeting. I know it is a constant rip-off to the citizens of the District of Columbia, and like myself and thousands of others who must pick up the tab.

VENDING MACHINES

The second area of concern, as we have pointed out as the revenue problem, these are just ones that have been listed in the newspapers. I would like to point out one item that I do not have a figure for, but we have vending machines, I guess you would call them, vending machines in the District of Columbia for putting papers on street corners where you pay your 15 cents to get the paper.

We have asked as to how many machines are on the street. We have not been able to get that. Only the collection, I think the charge is $2, as I am told, and only one $2 was paid last year, according to reports. That $2 was paid by a church over on Connecticut Avenue. That was, I am sure, out of honesty.

So that means that we have all of these machines on the street, $2, we don't know how many we have and we are not collecting it. That is one thing that we do not have figures on. But this is serious. The Washington Post, the Star would not give that information.

The Office of—Mr. Back heads it—Finance and Revenue, they are responsible for this. Two dollars, which is utterly ridiculous. I tried to make some comparison between the lack of collection of taxes and I have tried to, I guess you would call it pro rata kind of things over the years of those that are identifiable. This doesn't mean we discuss the taxes that we don't know that are outstanding.

If we would do that, they have asked that our taxes be raised to $86.1 million, or 118, depending upon which one asks, the Mayor or the legislative branch. If they would collect these taxes, I am not saying we would not have to be taxed as citizens, but I am saying that the taxes could certainly be lowered. This was not done.

I also indicated to you that in communication between the legislative branch and the executive branch, that there were 18 items that were questionable. The City Council stated that we do not have the necessary data at which to arrive at a sound budget.

Of those 18 items, they talked about cost-benefit analysis and we go back to A–11 and A–34, and inherent in that legislation by OMB is the fact that we must justify this.

This was not done.

OFFICE OF LICENSING AND PERMITS

A couple of others I would like to point to. We go to the Department of Economic Development, where the Office of Licensing and Permits were given $36,000 to spend. The Council states in the courts that they legitimately spend $89,000. I don't know. It seems to me that unless they went back to the Office of Management and Budget and requested that money, if it were allocated in the budget, they were in direct conflict with the Anti-Inflation Act. But nevertheless, they came back and asked for more money. So no justification, the council decides, we will give them money on the basis of inflation.

So we take 12 percent and raise that with no justification as to how are you going to spend it, what are you going to spend it for? You know as well as I that that is not a sound technique for arriving at a proper budget for not only the District of Columbia, but for any government as well, just to take the inflation figure and say here the money is because it all comes back to us.

Those are the items that we would like to point out to you. We have stated previously in our correspondence and we will continue to state that it is due to government inefficiency and we are before you today as citizens of the District of Columbia as our really last resort to ask you to do something about it. We are sincere. We need your help. We have asked several things to be taken on page 5 and also we are sincere.

Senator CHILES. Thank you for your testimony. We will look into this vending machine situation. That is very interesting. I would like to find out how many we have, why they aren't collecting. We will look into the rest of your statement, too. Thank you.

LEAGUE OF WOMEN VOTERS

PREPARED STATEMENT

Senator CHILES. Our final public witness, in regard to the 1977 budget is Mrs. Ellyn Swanson, League of Women Voters. We have her statement. We will put that in the record.

[The statement follows:]

The League of Women Voters of the District of Columbia appreciates this opportunity to appear before you to comment on the D.C. budget for FY 1977, as e nacted by the D.C. City Council. Attached for your information are our comments on Mayor Washington's budget as it was originally presented to the Council. With few exceptions, our statements continue to be valid for the budget, as finally enacted by the Council. Rather than repeat our Council testimony, we would like to discuss some broader aspects of District expenditures and revenue and to elaborate on one point based on our further studies since January.

We are pleased to observe that the newly elected Council has worked long and hard to help the executive branch restrain expenditures. It actually cut by several millions of dollars the Mayor's FY 76 and FY 77 budget requests. But we are mindful, as you are, that many expenditures are irreducible: some are due to inflation; some represent increases in programs beyond the District's control - such as the police added by Presidential request or salary increases granted by Congress after the balanced budget was presented to Congress; and the addition of long-needed programs, such as special and higher education, Metro, an expanded Board of Election and Ethics, and an elected City Council and its staff.

Budget items which cry out for attention and remedy are the present pension plans for teachers, police, firemen and judges. These systems, established by Congress, are not actually sound and the League recommends Federal participation with the District in designing and funding alternative systems.

We note that neither the expenditures nor the accompanying revenue package contain sufficient funds for Metro operation or for pay increases anticipated in October. The Mayor proposed the levying of a reciprocal income tax as a means of producing the needed revenues. The D.C. League has long supported the right of the District to apply its income tax laws to all income earned within its borders.

One reason the founding fathers placed the District under exclusive Congressional jurisdiction was so that the seat of the national government would not be unduly influenced by any one state and so that the rewards generated by the District's growth would not accrue unduly to any particular state. Congress has allowed not one but two states, Maryland and Virginia, to gain financially at the expense of the D.C. taxpayers (who have only Congressmen from other states to protect them!). The growth of the District, of the U.S. Government and of Congress itself has brought tremendous gains to both Maryland and Virginia. In addition to

the highly visible tax-producing skyscrapers and other businesses that can be seen from the beltway, Maryland and Virginia are allowed, with Congressional approval, to add to their state revenues the income tax on more than 60% of all income earned in D.C. Maryland and Virginia are now taking approximately 200 million dollars away from D.C. revenue through income taxes on their residents' earnings in D.C.! Why do Congressmen from the 48 other states permit this indirect subsidy to Maryland and Virginia? With the demands and pressures to which Congressmen are always subject, perhaps they are unaware of the injustice this restriction does to District taxpayers or, indeed, to their own constituents whose taxes contribute to the Federal Payment. We urge each Congressman to re-examine the Congressional restriction on our non-resident income tax. Would your state tolerate another state's taxing the income earned within your borders without a reciprocity agreement? Why should you impose this on the District? We look to you to help us right this wrong!

The District sorely needs the concerned assistance of every member of Congress. As long as Congress denies full Congressional representation to the District's three quarters of a million residents, the awesome responsibility for justice for District residents remains exclusively with members of this Committee and the entire Congress.

In amplification of our comments to the Council on the Problems of the Aging, we strongly support the decision of the City Council to continue to offer medical care for the medically needy under the provisions of the Medicaid program but we are unable to state with confidence that the budget for FY 1977 as passed by the Council appropriates sufficient funds to operate the full Medicaid program as presently constituted. The data provided to the League by the Council suggest that the Council's justification for its cut in the Mayor's request, while perhaps valid in some respects, fails to consider the substantial increase of reasonable costs of skilled nursing care as mandated by the Social Security Act effective July 1, 1976; or to recognize anticipated growth in the caseload and increasing costs of benefits. Further, the Council proposes to save $2 million by imposing a requirement of prior authorization for non-emergency surgery which the League believes to be an administratively costly, inefficient, and unsound practice. On the other hand, we have been unable to obtain data from the executive branch to

sustantiate its claim that to continue the program at its present level would cost approximately $10 million more than the Council appropriated.

The executive branch wishes to provide medical care to these low-income people through the District's publicly operated clinics and hospitals at an estimated added cost of just under $7 million. The expenditures for the medically needy in FY 1975 were $30 million which involved $15 million of D.C. appropriated funds. Thus, under the executive's plan, the District would save $8 million of D.C. funds while losing $15 million in Federal matching funds and would be able to apply the money saved to the increasing costs of vendor payments for assistance recipients.

Who are medically needy? They are families with children, and aged, blind, and disabled adults whose incomes are slightly above the level of the recipients of public assistance and SSI. If forced to pay for their own medical care without resort to Medicaid, these persons would have to reduce their incomes below the assistance standard.

It is the position of the League that the discontinuance of the medically needy part of the Medicaid program is a backward step that would inevitably result in reduced scope and quality of medical services. It would adversely affect our most self-reliant people who are struggling along on minimal incomes in a valiant attempt to stay off the public assistance rolls--these are the lowest income working poor and the eligible people who are too proud to ask for public assistance.

The League of Women Voters of the District of Columbia believes that savings can be made in the operation of the Medicaid program. Ways in which savings seem possible in FY 1977 are: (1) removal from acute care hospitals of patients requiring less expensive care to skilled nursing homes or intermediate care facilities; (2) aggressive action to improve, extend, or initiate professional standards review; (3) assuring that fee schedules for D.C-operated medical institutions and clinics are maintained at the reasonable cost of such services; (4) assuring that D.C. medical institutions meet Federal requirements for Medicaid payments; and (5) initiating and expanding services designed to help persons avoid expensive institutionalization (foster care, day care, homemaker service, home delivered meals, etc).

The Medicaid program operated by the D.C. government is conceptually a sound program (if properly administered) because it provides a broad range of medical services to the eligible group and its eligibility standards for the medically needy are well below the upper limits prescribed by the Federal government. The League supports the program's continuation without modification of benefits or eligibility and we respectfully remind the Congress that there are other sources of revenue that could be tapped to release funds to keep the program going at the same level. These include: (1) a reciprocal income tax; (2) Federal participation in the costs of pensions; and (3) an increase in the Federal payment.

If measures suggested above are not considered as feasible means of balancing appropriations against expenditures, then the League favors reducing the scope of medical benefits. While it is desirable to provide a broad range of services, it seems more desirable to cut out or reduce some benefits rather than to eliminate the medically needy entirely. Under the Federal law it is possible to eliminate certain benefits and to limit the scope of specific services.

Thank you for the opportunity to present our views.

WASHINGTON TECHNICAL INSTITUTE

REPORT ON AIRPLANE USE

Senator CHILES. The House has already denied the necessary language to operate the airplanes of the Washington Technical Institute. This matter came up during our 1977 hearings in April. I will insert in the record a report the subcommittee received from the Mayor.

[The statement follows:]

WASHINGTON TECHNICAL INSTITUTE
4200 CONNECTICUT AVENUE, N.W., WASHINGTON, D.C. 20008 (202) 629-7307

April 8, 1976

Honorable Walter E. Washington
Mayor
District of Columbia
14th and E Streets, N.W.
Washington, D.C. 20004

Dear Mayor Washington:

Pursuant to your request for an official response to Senator Lawton Chiles' letter of April 5, 1976, I am writing to indicate the following:

1) Consistent with the urgings of the Subcommittee, all aircrafts presently in use by the Aerospace Technology Department of the Institute have been grounded pending final action on the District's FY 1976 appropriation request.

2) The two additional items expressed by the Chairman will be developed and submitted to your office in time for a timely transmittal to the Subcommittee by April 20.

It is my hope that the issues raised by the Subcommittee can be expeditiously resolved as we continue to develop a qualitative, comprehensive postsecondary educational capability for the District of Columbia.

Sincerely,

C. L. Dennard

Cleveland L. Dennard
President

April 21, 1976

Dear Mayor Washington:

The following information is submitted pursuant to the request in correspondence, dated 5 April 1976, from the Chairman of the District of Columbia Subcommittee on Appropriations. The Subcommittee urged that the following three steps be taken:

1. All aircraft be grounded until the Congress specifically authorized the maintenance and operation of aircraft in accordance with 31 U.S.C. 638 (a) and (b).

2. In connection with the final consideration of the 1976 budget, please submit to the Subcommittee by April 20th, a study that evaluates the cost-benefits of WTI providing a flight training program. This study should address the alternative of having students, enrolled in WTI's basic and advanced ground flight training program, enter solo flying programs offered by private and commercial firms in the metropolitan area.

3. In WTI's fiscal year 1977 appropriation request and henceforth, submit a schedule showing:

   — The number, type, intended use and estimated costs to purchase or acquire aircraft (including costs associated with obtaining surplus aircraft) during the fiscal year.

   — The number, type and condition (airworthy or not) of aircraft in inventory.

   — Operating and maintenance costs associated with flying each aircraft, such as, expenditures for fuel, parts, maintenance, landing and parking fees, etc.

Question 1

In accordance with the Subcommittee's urging, we wish to inform you that Step 1 has been completed. All operational aircraft in use by the Washington Technical Institute's Aerospace Department have been grounded as of the effective date of 6 April. Although no planes have been flown since 9 February 1976, the grounding will remain in effect until such time as specific appropriations authorization has been granted. A request is presently pending before the Subcommittee as a part of the Fiscal Year 1976 appropriation request.

Question 2

I The cost analysis of offering a Flight Training curriculum through the Aerospace Division of the Washington Technical Institute is based on a standard forty-five student class utilizing three Cessna flight training aircraft - two single engine Cessna 172's and one Cessna 182.

The aircraft cost, including avionic equipment for penetrating the terminal control area, is estimated in April 1976 dollars at $84,000. Such educational equipment for flight training is amortized over a five (5) year period at an annual per capita cost of $16,800.00. Distributing the cost of owned aircraft in the Institute's inventory over the forty-five member class produces a student per capital cost of $374.00 plus ten (10) dollars per hour per forty clock hours of instruction in preparation for soloing and private pilot licensure. The ten (10) dollar per flight hour cost includes six (6) dollars for fuel, two (2) dollars for gasoline, two (2) dollars for maintenance, exclusive of landing fees one (1) to five (5) dollars that the Institute is exempted from paying.

The aggregate cost per capita for acquisition of aircraft is $374.00. Assuming a twenty percent depreciation per year for the five year period, a zero value would be expected for the aircraft. In reality, the aircraft would have a net disposal value of approximately fifty percent at the end of the five year period retail and a forty percent value wholesale. Using a cash flow analysis approach to costing out the acquisition alone, the true net per capita cost at the fifty percent level after disposal would equal $187.00 per capita.

II Operational cost of the flight training curriculum is geared to the forty clock hours of instruction for attaining private pilot licensure. Fifty percent of the instructional time in flight requires cockpit experience for each student. Flight instructors are regular Aerospace faculty members with the ability to teach basic and advanced ground flight training as well as pilotage. The fuel, oil, maintenance cost ranges from $10.00 to $12.00 maximum per flight hour in the single engine craft anticipated in the Institute's program. These figures take into account the normal operating cost of an engine's operating life between major overhauls of 2,000 hours.

Insurance normally is coverage for the flight instructor through the Aircraft Owners and Pilots Association with AVEMCO as the underwriter. A one million dollar liability policy per accident divided in a range of $50,000 per seat is the type of coverage now used by our flight instructors for themselves and students. The District Government, as a self insuring political subdivision, does not carry insurance. The AVEMCO underwriting provides basic coverage for District employees and students through the AOPA arrangement.

III Basic and advanced ground flight training cost per student would equate the same as for a student enrolled in a Business Management or Animal Science major since only tuition is involved on the student's part. The per capita cost of instruction is based on the planned Institute-wide program of instruction for the total enrollment.

To add the cost of a student proceeding from an Institute offered basic and advanced ground flight training program to a private operation conducting the pilot training for licensure would require using comparative data from similar flight schools in the several states and territories. According to our research of the FAA Directory, 140-2J Certificated Pilot Schools, there does not exist a single certificated pilot training school within the District of Columbia. Three companies so listed are certified by the FAA's District Office, but are located externally. The Terminal Control Area within the D. C. metropolitan region does not have a certificated pilot training school. Three of the six certificated pilot schools located within a forty mile radius of Washington National Airport comparative cost data is attached. The per student cost for private pilot training would exceed by 80 to 200 percent the cost of the Institute acquiring, amortizing, maintaining and operating a comparable program.

Moreover, a self contained aviation education program that includes aviation maintenance technology, aviation administration (including airport management), flight training and air traffic produces economies of scale from the multiple use of trained faculty with operable skills in three of the four areas.

Based on our findings, a private sector contractual arrangement for non-ground flight training does not appear to be economically feasible. Such a program is designed to lead to licensure over a forty hour in-air instructional period.

Of the 2,303 flight/ground schools in the United States, only 230 actually conduct pilot training, the remainder are primarily oriented to ground school instruction. Less than fifteen percent of the 2,000 ground flight schools are conducted by colleges and universities. All of the certificated flight/ground schools are located within thirty-four states, the District of Columbia, and Puerto Rico.

The enormous number of certified schools nationally do not represent an educational resource for the Institute's program neither for scheduling of instruction, maintenance of equipment, nor for procuring on a joint basis of federally surplused and periodic purchasing of equipment.

IV Flying clubs, as operated in the area, are private clubs with requirements for member affiliation fees ranging from $100.00 - $250.00 and monthly dues of $25.00 - $50.00. A sliding scale of aircraft rental fees per instructional hour enables members to solo:

Solo	Dual	Total
$12.00 - $14.00	$10.00	$22.00 - $24.00

Question 3

1977 Appropriation Request. The number, type and intended use and estimated costs associated with obtaining aircraft are outlined in Exhibit 3b. An inventory of aircraft equipment currently available for aerospace instruction is shown on Exhibit 3a. Operating and maintenance costs associated with flying each aircraft are indicated on Exhibit 3b.

It is my hope that this statement is responsive to the concerns of the Committee. I believe that a qualitative program of aviation education is a real possibility with the addition of the flight training activity. General aviation serves in excess of 114,000 private airplanes at Washington National Airport annually, exclusive of commercial airline service. Graduates of the Institute and, subsequently, of the University of the District of Columbia should be able to guarantee the manpower productivity levels to retain aviation as a viable area of the city's economy.

Sincerely,

C. L. Dennard

Cleveland L. Dennard
President

Exhibit 2a

PRIVATE/COMMERCIAL FIRM RATES
METROPOLITAN WASHINGTON, D.C. AREA

Training and Aircraft Type	Woodbridge, Virginia		Beacon, Clinton, Maryland		Colgan, Manassas, Va.	
	Per hr.	Approx. Total	Per hr.	Approx. Total	Per Hr.	Approx. Total
Single Engine					#150	
Solo	$18.00	$360.00	$18.00	$360.00	$21.00	$420.00
Dual	29.00	580.00	26.00	520.00	31.00	620.00
		$940.00		$880.00		$1,040.00
					#172	
Solo					$26.00	$ 520.00
Dual					36.00	720.00
						$1,140.00
Multi-Engine						
Solo	$80.00	$1,600.00	-	-	-	-
Dual	94.00	1,880.00	-	-	-	-
		$3,480.00				

*Totals based on 40 hour minimum averages per student

Exhibit 2b

COMPARATIVE FLIGHT CURRICULA AND COST DATA

Flight Curricula / Institution Names and Locations	Own Aircraft Private Contract	Category Offerings Per Hour																Total Cost
		Private Pilot			Commercial				Instrument		Flgt. Instructor			Multi Engine		Ground School		
		Dual	Solo	Check Ride	Solo	Dual Invst.	Dual Complex	Dual Comm. Check Ride	Dual	Check Ride	Dual	Dual Complex	Check Ride	Dual	Check Ride			
Arizona State Temple, Arizona		$ 480	240	50	$1600	320	350	875 50	$ 320	50	$ 375	175	50	$1008	50			
Subtotal		35 hrs.-$770			190 hrs-$3195				10 hrs - $370		20 hrs.-$600			14 hrs. - $1055				$5,943.00
Belleville Area College Cohokia, Illinois																		
Subtotal		35hrs.-$684			169hrs.-$1116				52 hrs.-$478		74 hrs.-$931			→				$4,379.00
Burnside - OTT ** Aviation Training Center (Miami Area)																		
Subtotal		1 hr. - $505.50			→				→		1 hr. - $199			→		1 hr. - $379		1 hr. $1,083.50
Embry Riddle Daytona Beach, Florida																		
Subtotal		45 hrs.-$885			128 hrs.-$3009				20 Hrs.-$823		25 hrs. -$673			10 hrs.-$965				
Metropolitan State College Denver, Colorado																		
Subtotal		35 hrs.-$850			105 hrs.-$1775				34 hrs.-$500		40 hrs.-$630			25 hrs.-$765				$3,000
Washington Technical Institute Washington, D. C.																		
Subtotal		40 hrs.-$400			20 hrs.-$2100				10 hrs.-$100		20 hrs.-$200			14 hrs.-$280				$1,280
		* Estimated minimum for 40 hours.																*Hourly
		** Private-Contracts with Miami-Dade (cc) (info totals per hr)																
		††† Submitting DATA																

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Exhibit 3a

WTI AIRCRAFT INVENTORY
as of March 15, 1976

Six (6) Aircraft in Inventory	OPERABLE	INOPERABLE	FLYABLE AND CERTIFICATED
Six surplus aircraft are currently utilized in the Aerospace Program. One operational and five with single systems operational, i.e., hydraulics, avionics for maintenance training.	1 Beech C 45 (Ramp)	1 Piper Agricultural Aircraft	1 Aeronca 7AC
	1 Grumman Ov-1A (Ramp)	1 Piper Tri-Pacer	1 Cessna 182
	1 Aeronca 7AC (fly)	1 Beech C45	1 Cessna 310
	1 Cessna 182 (fly)	2 Taylor Crafts	
	1 Cessna 310 (fly)	(These were not included in responses)	
	1 Bell Helicopter H19 (Ramp)		

Exhibit 3b

Fiscal Year 1977 Appropriations Request

(a) Acquisition of Aircraft

Type	Number	Cost $	Utilization
Cessna 172 (single-engine)	2@ 24,000	48,000	Student pilot training and orientation flights for aviation administration students.
Cessna 182	1@ 36,000	36,000	
	Total	$84,000*	

* Costs include avionics needed for penetration of Terminal Control Areas.

(b) Aircraft Inventory (Exhibit 3a)

(c) Operating and maintenance costs for aircraft are generated by student fees, as follows:

Type	Fuel	Oil	Main.	Total	Fees Landing/Parking
2 - #172s	$6.00 per hr.	$2.00	$2.00	$10.00	$1 - $5
2- #182s	8.00 per hr.	$2.00	$2.00	$14.00	Tax Exempt
1 - #310	21.00 per hr.			$21.00	WTI does not pay.

It is estimated that the cost to accommodate 45 students would amount to approximately $84,000 to purchase two single-engine aircraft, such as Cessna 172, capable for penetration of terminal control areas (TCA).

Exhibit 3c

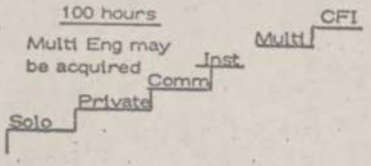
WASHINGTON TECHNICAL INSTITUTE

(Approximate total hours required per catalog)

FLIGHT TRAINING*

Course No.	Type	Credit Hours	Dual	Ground	Flight Simulation	Solo	Min. Total
109	Flight Simulation	2	-	-			
115	Basic Ground	4	-	30	10	-	FAA Cert.
121	Introductory (Solo)	1	10	30	10	-	16
122	Private Pilot (Basic)	3	FAA Cert.	30	10		FAA Cert.
231 ASEL	Single Engine Intermediate I (Commercial)	3	15	30	10	40	100
232 ASEL	Intermediate II (Single Engine)	(3)	15	30	10	40	100
242 AMEL	(Commercial) Multi-Engine	1		30	10		10-15

WTI basic rate is designed for $10.00/hr. solo or dual (Inst'r. Regular Faculty) Single Engine and $20.00/hr. multi-engine. This presumes also aircraft ownership as capital equipment and maintenance and repair performed in-house.



STATEMENT OF GEORGE FRAIN, SECRETARY, BUSINESSMEN AFFECTED SEVERELY BY THE YEARLY ACTION PLANS, INC. (BASYAP)

PREPARED STATEMENT

Senator CHILES. Our next public witness will be Mr. George Frain, who has some general comments about the District budget.

Mr. Frain, we will print your full statement in the record, without the many attachments, and we will now hear your summary.

[The statement follows:]

STATEMENT OF GEORGE FRAIN, SECRETARY, BASYAP—BUSINESSMEN AFFECTED SEVERELY BY THE YEARLY ACTION PLANS, INC., ON THE FISCAL YEAR 1977 D.C. BUDGET BEFORE THE D.C. APPROPRIATIONS SUBCOMMITTEE

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

First, let me introduce myself. I am George Frain, I am a citizen of the District of Columbia, where I have lived since 1942. I am a retired Congressional aide credited by the Congress with basic work in establishing the Kennedy Center for the Performing Arts (See *Congressional Record*, July 28, 1971, pages E8438–9).

BASYAP for which I testify today is a multi-racial organization of small businessmen both owners and tenants. It is a non-profit corporation duly organized under the laws of the District of Columbia and duly registered with the D.C. Superintendent of Corporations. BASYAP was established in 1970.

Our membership has been decimated in recent years by the actions of the D.C. Redevelopment Land Agency, the city's urban renewal agency. Nearly 2,000 small business firms left the city or went out of business altogether in the ten years from 1957 to 1967 according to the 1974 report of the Blue Ribbon Advisory Commission established by the D.C. City Council. At present BASYAP's membership is down to approximately 100 business firms.

Hundreds of other small firms have been displaced since 1967 by urban renewal, zoning and rezoning, public acquisitions of various sorts, etc.

The small businessman and woman are becoming an endangered species. Small businessmen were told of the problems of raising capital at a meeting held by SBA in Washington the week of May 12, 1976—something they were already familiar with—and there was a quarter page advertisement by Jeno F. Paulucci in the *Washington Star* May 10 saying that the wolf and baby seals receive more protection from the threat of extinction. 500 top corporations control approximately 83 percent of the marketplace leaving millions of other businessmen to battle those same giants for the remaining 17 percent of the marketplace and the working capital.

While thousands of small businessmen have been displaced by urban renewal from the District of Columbia, or forced out of business by RLA, not a single big business has been touched. Not a single big business was forced out of business at the subway stops by urban renewal, although small businesses were. This is unfair.

1. VITAL POLICE OFFICE AND OTHER OFFICES DELETED ILLEGALLY BY D.C. CITY COUNCIL

It recently came to my attention that the fiscal year 1977 D.C. Budget contains a most deplorable step, the deletion of the vital Office of the General Counsel in the Metropolitan Police Department. This was done illegally, it appears.

Other similar steps were taken by the D.C. City Council. In the case of the Metropolitan Police Department some $150,000 to $200,000 needed to carry on the work of the Office of General Counsel was deleted. Four attorneys and two secretaries will be transferred elsewhere, out of the Office of General Counsel.

The Police Department's Office of General Counsel was established in 1970 by the Congress following (1) a strong push from the While House and the President based on a recommendation of the President's Crime Commission, and (2) Congressional appropriations approved and recommended and provided by the Congress and the appropriations subcommittees on the District of Columbia.

We submit herewith a 9-page legal opinion by Louis P. Robbins, the Acting Corporation Counsel, D.C., dated March 2, 1976 which shows just how far-ranging these illegal actions by the D.C. City Counsel were.

The legal opinion is addressed to Mr. Comer S. Coppie, D.C. Director of the Office Budget and Management Systems in the Office of Mayor Walter Washington. I quote

from it and call your attention to the first page where you will find this summary of the illegal actions taken by the D.C. City Council—

1. The Council lacks authority to reorganize agencies of the executive branch through the budget process.
2. The Council report which directs the transfer of certain programs, positions and funds among agencies has no legal effect.
3. Although such reorganization directives have no validity a Mayoral veto seems indicated since funding allocations were made in the "Budget Act" to carry out the attempted reorganizations.
4. The 35,000 limitation on number of employees would have an uneven impact on the Executive Branch and is not applicable to either the Schools or the courts.
5. The Council prohibition on the use of appropriated funds for public affairs officers, public relations officers and community services officers is legally objectionable because it infringes on powers granted the Mayor under the Home Rule Act. Additionally, the Council action is invalid because it abolishes positions and such action can only be accomplished by a legislative act, as distinguished from the "Budget Act."

Under the City Council's "Budget Act", only a junior attorney would be left in the Metropolitan Police Department and he would be attached to the Office of the Chief of Police.

There seems to be little or no rhyme or reason in what the City Council has done. It does not have the support of the President, or of a Presidential Commission, or of the Congress, as the establishment of the Police Department's Office of General Counsel did in 1970.

With criminals roaming the streets of Washington, D.C., due in part to the failure of the Bail Reform Act to protect citizens—as the Congress intended—this is not the time to destroy the vital Office of the General Counsel in the Metropolitan Police Department.

I urge you to take steps not to fund these illegal city council actions, and make an immediate investigation to determine how extensive the City Council's illegal actions are in the fiscal year 1977 D.C. Budget and delete them.

2. THE D.C. LAW REVISION COMMISSION BUDGET SHOULD BE REDUCED BY ONE-HALF

Congressman Gilbert Gude wrote Chairman Patricia Harris of the D.C. Law Revision Commission on February 24, 1976 and asked the Commission to take up reform of the Bail Reform Act on a top priority basis.

Congressman Gude, who is ranking minority member of the House District of Columbia Committee, explained his action in writing to Ms. Harris by saying that: "Too often for our community to tolerate, defendants who are awaiting trial for one serious crime are released into the community and the results are additional serious crimes—murders, muggings and assaults. We must now move to strike the balance in favor of law-abiding citizens." This quote by Rep. Gude was published in the *Washington Star* on March 5, 1976. It is a *fine* statement.

I have now obtained from the D.C. Law Revision Commission a copy of the reply of its Chairman, Ms. Harris, to Rep. Gude's letter. Writing under date of April 29, 1976 Ms. Harris stated that—

> At a special meeting on March 29, the District of Columbia Law Revision Commission discussed the requests it has received that it give priority to revision of the D.C. Bail Reform Act. At that time it was concluded that it will not be possible to undertake research on the Bail Reform Act at this time, and the Commission has asked me to share with you the concerns that led to this decision.

Significantly, Chairman Ms. Harris, a leading Democrat active in national Democratic Party politics, has written to me saying: "The Congress of the United States has authority to review and revise the Bail Reform Act if the Congress believes that there is an emergency that requires immediate action."

Congressman James R. Mann, Chairman of the Judiciary Subcommittee of the House Committee on the District of Columbia, has introduced a Bill, H.R. 13403, to amend the Bail Reform Act to keep career criminals in jail. *It must be adopted.*

Carl T. Rowan, the well-known journalist, recently wrote in his syndicated column published in the *Washington Star*, April 23, 1976 that—

> The 44 judges of the District of Columbia's Superior Court recently adopted regulations authorizing the immediate jailing, without bond, of convicts on probation who are charged with serious new crimes.
>
> It's about time, I say. And I wish courts in every urban area in America would do the same.

It is well known that recidivists, or repeaters, account for a huge amount of the serious crime in America. Almost a quarter of the people on probation in the District of Columbia last year were arrested on new charges.

It is just plain stupid to let someone on probation continue to roam free if he is accused anew of crimes like murder, rape, robbery, felonious assault, narcotics peddling.

It doesn't make good sense to continue large appropriations for the D.C. Law Revision Commission if it flatly refuses to undertake research on the Bail Reform Act—when such reform is desperately needed to protect D.C. citizens from criminals. I urge you to cut its budget by half.

3. THE FISCAL YEAR 1977 D.C. BUDGET IS TO BIG, CUTS SHOULD BE MADE IN THE RLA AND THE MUNICIPAL PLANNING OFFICE

Some months ago Bryson Rash, editorialist for NBC's WRC-TV-4, expressed the feeling that is shared by many people that, and I quote:

"The D.C. budget is too big and must be trimmed, despite all the work done by the Mayor and his staff.

"For starters we would suggest the number of employees of the District government be cut drastically from the ceiling of 36,700 proposed by the Mayor.

"Every program now in existence must be re-examined for cutbacks or elimination. This is difficult because each has a constituency and access to the City Council.

"We are not proposing a meat axe approach, rather skillful surgery with a sharp scalpel.

"We are aware of the enormous problems facing the city government—spiraling social service costs, security, health, education and all the others. But the hard fact is that there has to be a limit on spending lest the economic base of the city that supports the programs withers and dies."

The GAO has been studying the RLA's performance on 14th Street and it shows the RLA has been a total disaster there. The RLA has also been a disaster everywhere else in the city but the GOA hasn't gone into that.

Let me give you an example of the extent of the RLA disaster—and the city's disaster—which the GAO study didn't report and the GAO's recommended remedies won't cure. By the way, RLA has 500 employees.

The *Washington Post* (July 3, 1975) reported in the attached news article that in 28-years the RLA had spent $750 million, had completed a total of 8,564 housing units "including 2,236 for families with low and moderate incomes, of which 900 are in areas devastated by the 1968 riots."

That is less than 100 units a year of housing for low-income slumdwellers—an amazing and shocking failure when you recall that urban renewal was adopted by the Congress to provide decent, safe, and sanitary housing for slumdwellers.

This is a failure of society, a failure which the Congress in 28-years did nothing more than appropriate more funds for without, apparently, ever looking at the record of failure.

Fortune Magazine (March 1975), in a long article on Washington, D.C., said that Washington, the Nation's Capital, "is a city of marble built on a foundation of sand . . . the salient fact about the city beyond the federal enclave is that to a disheartening extent it shares the urban ills afflicting other large U.S. cities. . . . in some respects, indeed, Washington is one of the sickest cities of all. Outside of the well-groomed federal area that tourists come to see, many of the streets are filthy and in need of repair. Some of the riot corridors—the streets burned and looted in the riots that followed the assassination of Martin Luther King seven years ago—are still desolate wastelands."

What do the people in the riot corridors say? Here is what Al Corbin, the executive Vice-Chairman of the 14th Street Businessmen's Association representing over 100 businesses in the 14th Street area told the Housing and Community Development Committee of the D.C. City Council on May 7, 1976 at a hearing on a HUD block grant application for $42,000,000—

. . . if you were to ride through the 14th Street corridor, you will only see vacant lots, no new development and businesses being forced to close. Four years ago, there were approximately 16 corner type grocery stores in the 14th Street area. Now there are only 6. This is the type of "economic non-development" this CD-2 Application would continue to foster.

Supporting this plea was the Rev. David Eaton, the well-known pastor of All Souls Unitarian Church at 16th and Harvard Streets NW who testified on behalf of 22 ministers of all faiths with inner city churches in the area.

There are some things that could be done. On February 18, 1976 the full D.C. City Council heard citizens from all over the city testify against urban renewal and eminent domain which would be extended citywide by a bill introduced by City Council Chairman Sterling Tucker, giving the RLA as the horrible example of why such programs should not be continued and should not be extended citywide.

The citizens called for—

(1) A Massachusetts-type Housing Finance Agency. It was pointed out that the Massachusetts HFA had built in 5 years from 1969 to 1975 with only 60 employees 28,000 housing units, 34 percent of which, or over 9,000, were for low-income families who had been living in slums. Compare that with RLA's sorry record. RLA should be reduced to 60 employees—it would produce more housing.

(2) a Municipal Bank, as sponsored by City Council Member Nadine Winters, which would be used for municipal deposits and could help end red-lining.

In this connection I find completely unacceptable the GAO study of 14th Street which recommends on page 28 that "The Department should explore with HUD and banking and housing interests in the private sector the possibility of obtaining additional Federal or private financial assistance for 14th Street area owner-rehabilitation activities." It hasn't worked to date to end the red-lining, but a Municipal Bank could and would.

A third step which should be adopted is a plan which has worked for 3 years in Norfolk, Va. and Portland, Oregon. A city agency borrows money for the program from local banks and savings-and-loan institutions at an interest rate of 5.5 percent. It then lends the money to qualified homeowners at a rate of 6.5 percent. The interest rate on conventional home-improvement loans currently is about 10 percent.

The loan money—all of it from local institutions, none from Federal or state-government sources—is controlled by the city agency. The 1 percent rate of interest it earns pays administrative expenses and provides a financial cushion against default. So far, none of the borrowers has defaulted. Becuase the loan money is borrowed by the city "in the public interest", income to the banks from the loans is exempt from Federal taxation. For that reason, the banks are able to provide the loans at low interest rates.

The *National Observer* (May 15, 1976) reports Robert Ames, a vice president of the First National Bank of Oregon as saying that: "there is a spillover effect. Other homeowners, including those who can afford to borrow at the higher normal rates, are inspired to renovate their houses also."

4. MUNICIPAL PLANNING IS DESIGNED TO KEEP THE CITY FROM BECOMING SELF-SUFFICIENT

If the RLA is an economic disaster area, municipal planning is only less so because its budget isn't as large.

The city's major growth industry is planning. There is the National Capital Planning Commission, the Municipal Planning Agency, the Pennsylvania Avenue Development Corporation, the RLA, and so on and so on. D.C. probably has more planners than any other city in the Nation—and is the least successful.

The Municipal Planning Office is under Ben W. Gilbert, a former city editor of the *Washington Post*, without prior training as a planner.

It charged into the West End area recently, and changed this large employment center—one of the city's largest with 4,000 employees from light industrial to Commercial Residential zoning. The results were predicted by critics and citizens.

Capitol Cadillac Co. with 150 employees, many of them well-paid Black mechanics, is moving out of the city after 40 years. It has been paying over $1,000,000 in taxes, and those will be lost to the city.

The Goodwill Industries at 1218 New Hampshire Avenue is leaving the city. It has provided employment for 300 handicapped workers, and it has provided clothing, household equipment and other necessaries to thousands of low-income families. The city needs Goodwill Industries and Capitol Cadillac Co. Others will leave soon.

Now, the Municipal Planning Office is charging into the Buzzards Point area of the city—and other businesses will be kicked out of the city taking their taxes and jobs.

A blue-ribbon City Council Advisory Commission reported that between 1957 and 1967 some 2,000 small businesses were kicked out of the city.

Thousands of other small businesses have been kicked out, or are being kicked out. Not a single big business has been touched.

The small businessmen at the subway stops, 132 of them, are being forced out by an RLA displacement program. RLA promised to take the property of the small businessmen, sell it at a profit and use the profits to rebuild the inner city areas.

If the RLA now sells this property to developers at a loss the small businessmen should be given the first opportunity to buy back their properties at the lower price. I would urge your Committee to require this fair treatment by the city of the small businessmen bought out and displaced at the subway stops, against their will. They fought for six years to stay where they are.

The *Washington Star* (March 28, 1976) reported that Joseph B. Danzansky, head of the Metropolitan Washington Board of Trade testified before the Senate D.C. Committee the city has no formal structure to attract new businesses or to encourage existing ones to stay. This is true. See attached *Star* news article, March 28, 1976.

Senator Edmund S. Muskie, chairman of the Senate Budget Committee, and other Senators, have sponsored legislation to require a "zero-based" review, or total reassessment of every single Federal program every four years.

The *Washington Post* (April 27, 1976) said editorially in support of the "sunset law" for bureaucracies that:

> One reason for all the congressional interest in the "sunset" concept is that most other methods of congressional oversight of the executive branch do not work very well. The appropriations process is an inadequate tool for comprehensive evaluation of agencies' performance. Unless deadlines are imposed or great public pressure is brought to bear, authorizing committees seldom bestir themselves to consider structural changes in programs and agencies. Oversight panels tend to function in a scattershot way, directing their attention at programs that become generally controversial or particularly irksome to powerful congressmen . . . All in all, some kind of federal "sunset" plan could have considerable benefits both for the taxpayers and for the government.

Clearly, the Appropriations Committees of Congress weren't doing their job when RLA was given $750 million and produced only 2,236 housing units for families with low and moderate incomes.

Now that RLA has become part of the City's Department of Housing and Community Development and this clearly under the oversight and other functions of the Senate and House D.C. Appropriations Subcommittees—it is time that you made some very hard decisions which will protect the taxpayers and the public, something that is long overdue and hasn't been attempted to date.

The GAO study is a most inadequate step in obtaining a comprehensive evaluation of the performance of the RLA, its recommendations even if adopted would not force the changes needed.

Much more is required if the needed changes are to be adopted. I hope your Subcommittee is up to the task.

At present the city's policies are determined in urban renewal etc. by the Board of Trade and Downtown Progress. Downtown Progress—made up of the 100 big businesses—is the citizen participation vehicle for urban renewal. It manages to protect all of its big business members, and displace the hundreds of small businesses. This is completely unfair, and we request you to stop this charade. The Council of Governments recently opposed a Board of Trade plan to advise COG and by-pass other groups. It is time your Subcommittee protected the rest of the community and the small business segment—or what remains after urban renewal and other displacement which has been guided since 1962 by Big Business for its own selfish interests.

[The Washington Star, Thursday, May 13, 1976]

PROPOSED COG PANEL HITS SNAG

A proposal by the Metropolitan Washington Board of Trade to form an advisory committee on economic matters to the Metropolitan Washington Council of Governments has run into unexpected opposition.

COG objected to having chamber of commerce advice without also having input from other segments of the community, such as unions. The original idea was backed by the Rev. Jerry A. Moore of the District, who said he felt such a committee would help attract development to the area.

COG didn't reject the suggestion entirely, agreeing to send it back to the Board of Trade and the COG staff for further study. The Board of Trade had said the committee would address such issues an unemployment, lack of adequate housing and the mounting costs of welfare programs.

STATEMENT HIGHLIGHTED

Mr. FRAIN. Mr. Chairman, it is good to be before a Floridian. I spent a great many years in South Carolina and sort of feel like a neighbor of yours.

Some months ago, Bryson Rash of NBC–TV said that the 1977 budget was too big and ought to be trimmed. He suggested a scalpel rather than a meat axe approach. He said the hard fact is that there has to be a limit on spending, lest the economic base of the city withers and dies.

It is this sort of point of view that I try to go into some of these things. One of the things I did want to say about Glenn Dale is it seems to me that property should not be given to Prince George's County. It is an extremely valuable resource. I think it ought to be appraised at the fair market value and offered at that price.

I think, in view of the economics of the city, we can't afford to give away property—I think we suffer a great loss. I think that that is something that the committee should be taking into consideration.

We think that RLA—I know that the GAO has come up with a study of RLA and the 14th Street area. I don't think their recommendation is going to change things one bit. I know Senator Muskie has a new sunset law. If any agency in this city qualifies to be phased out, it is RLA.

EXTENSION OF URBAN RENEWAL OPPOSED

At a hearing on February 16 before the City Council, the citizens overwhelmingly opposed an extension of urban renewal, citywise, in the use of eminent domain. What they suggested was a municipal bank.

That idea was put forward by City Councilwoman Nadine Winters. It was also proposed and it would end redlining. A second proposal was a Massachusetts-type financing agency. The RLA has spent $750 million in the 28-year period and according to a statement in the Washington Post, quoting John Guenther of RLA, he said that they had built 2,236 low-income housing units.

RLA is the local urban renewal agency. If anything that it was supposed to be doing, it was supposed to be building low-income housing instead of which it built over 6,000 units of housing for the affluent and 2,236 for low-income families. Congressman Fauntroy has said we have a housing shortage here, that 8,000 families of low- and moderate-income need housing.

In 5 years, in Massachusetts, with a housing finance agency that was set up there, they built 28,000 units and 38 percent of which were for low- and moderate-income housing, low- and moderate-income families, which is over 10,000 units in 5 years, with only 60 employees; and RLA has 500.

So it seems to me that Congress itself should not go on as it has over a 28-year period to keep on funding something that is demonstrably ridiculous as an urban renewal agency using urban renewal law, urban renewal funds which were designed to re-house slum dwellers and do that.

It is like the mountain laboring and bringing forth a mouse. This is a perfect example of it. I think it is ridiculous.

I know the Washington Post said the other day it was very hard for appropriation agencies to really get at an agency. But I think that it is time that something was done about RLA.

I think there are alternatives and your committee ought to be looking at them and so should Mr. Natcher's committee.

CONFLICT OF INTEREST CHARGE

Four Washington-based civic groups who are opposed to the Eisenhower Center—something Mr. Natcher is concerned with—have filed a conflict of interest charge with the Board of Elections and Ethics.

I want to say that I completely support the appropriation of funds for the Board of Elections and Ethics. I want to submit for the record the conflict of interest charges.

Also in discussions with your staff, I was told that your subcommittee never takes sides between the Mayor and the City Council. We urge full funding of the District of Columbia Police Department, but the 1977 District of Columbia budget would put your subcommittee on the side of the City Council against Mayor Washington who has been concerned about the reorganization of the District of Columbia government by the Budget Act instead of legislative action which is illegal.

I include as part of my statement a 9-page opinion by the Corporation Counsel on this.

We are particularly concerned among other things, because the budget would drop the Office of General Counsel in the Metropolitan Police Department.

We think it is a terrible mistake. We also suggest that the budget request of the District of Columbia Law Revision Commission be cut because the mandate of the Congress was that it modernize laws, do research on basic things, that Congressman Gude has today introduced legislation——

Senator CHILES. If all of this is in your statement, I am really going to have to ask you to kind of speed up. The 5-minute rule is going to prohibit us from hearing the other witnesses.

Mr. FRAIN. Have I exceeded my 5 minutes?

Senator CHILES. Yes, sir, you are about 8 now.

Mr. FRAIN. I do want to say that I don't think the Eisenhower Center is something, I think the trouble with that is, the real problem with the Eisenhower Center, is that unlike any other Presidential memorial in this city, it was, the whole cost, $165 million, was put on District of Columbia citizens.

It was completely unfair. What they should do is put the thing on Government land and pay for it like all the other Presidential memorials have been paid for.

I worked on three as congressional aide for 20 years.

I worked on the JFK Memorial Center. I worked on the FDR Rose Garden. I worked on the James Madison Memorial which is now the Library of Congress building.

It is simply ridiculous to have the citizens of the District of Columbia faced with trying to meet a $1 billion loan by the Congress and faced with funding of $1.8 billion and in a financial bind, second only to that of New York City, to be going, to be faced with a cost of building a——

Senator CHILES. Part of that I think you have to say depends on what the memorials are going to be used for. There is no way to use the LBJ Rose Garden for a convention center.

Mr. FRAIN. There is no difference really, Senator, between a convention center and an art center, a cultural center like the Performing Arts Center. There isn't one bit of difference.

This thing started on the Hill. It started with Ken Gray and with Joel Broyhill, people who are no longer on the Hill.

The whole cost was placed on the District citizens. There were no hearings before the City Council. There were no hearings downtown at all. They held hearings before the Senate, the House and Senate Public Works Committee.

It was a congressional thing, just like the District of Columbia Stadium which has also been unloaded on the District citizens and like the Metro which is being unloaded without any input. The whole thing originates in the Congress.

If the Congress wants to originate these things, then they ought to pay for them. Thank you very much.

SUBCOMMITTEE RECESS

Senator CHILES. That will conclude our hearing.

[Whereupon, at 3:45 p.m., Monday, May 24, the subcommittee was recessed, to reconvene at the call of the Chair.]

Material Submitted Subsequent to Conclusion of Hearings

[CLERK'S NOTE.—By direction of the Chairman, the following additional statement was received from Mr. Frain and has been made part of the record:]

NEW TYPE FUNCTIONAL MEMORIAL

Mr. FRAIN. Nowadays, Senator Chiles, the Federal Government is providing a new type of functional memorial. It is not going in so much for statues, for men on horseback no matter how distinguished.

For example, the new approach is exemplified in the President John F. Kennedy Memorial Center for the Performing Arts which serves the citizens of this entire region and visitors to this great city from this Nation and overseas.

Another example is the third Library of Congress building which was named by the Congress as the president James Madison Library.

Yet another example is the second Library of Congress building named the President Thomas Jefferson Library.

The President Eisenhower Memorial Convention Center is in this new tradition of functional memorials, it would serve this region, but it would also serve meetings, conventions, and functions held by citizens drawn from all quarters.

District citizens and the District of Columbia government did not originate the Eisenhower Memorial, they should, however, have the right to vote on it, and this was made clear by Chairman William H. Natcher and agreed to by Mayor Washington in an exchange between them at the fiscal year 1975 D.C. budget hearing on April 29, 1974.

DISTRICT OF COLUMBIA APPROPRIATIONS FOR FISCAL YEAR 1977

THURSDAY, JUNE 24, 1976

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 2 p.m., in room S–146, the Capitol, Hon. Lawton M. Chiles, Jr. (chairman) presiding.

Present: Senators Chiles, Hollings and Mathias.

NONDEPARTMENTAL WITNESSES

SURSUM CORDA PROJECT

STATEMENT OF EUGENE L. STEWART, SURSUM CORDA, INC.

ACCOMPANIED BY:

REV. MSGR. RALPH J. KUEHNER, ARCHDIOCESE OF WASHINGTON

CHIEF DEPUTY OWEN W. DAVIS, PRESIDENT, METROPOLITAN POLICE BOYS' CLUB

EDWARD NESBITT, EXECUTIVE DIRECTOR, CENTER CITY COMMUNITY CORP. (4 C's)

MRS. MURICE P. JEFFERIES, STAFF ASSISTANT, CENTER CITY COMMUNITY CORP.; CHAIRPERSON, SURSUM CORDA NEIGHBORHOOD CENTER COUNCIL; RESIDENT OF SURSUM CORDA

MS. BRIGID QUINN, IN BEHALF OF COUNCILMAN JOHN A. WILSON, MEMBER OF CITY COUNCIL, WARD 2

OPENING REMARKS OF SENATOR CHILES

Senator CHILES. During the subcommittee markup on the fiscal year 1976 budget, the funding needs for the Sursum Corda project was brought to the committee's attention. While it was late in the process to consider the item along with the fiscal year 1976 budget, the subcommittee decided to gather more information on this project in time for consideration with the fiscal year 1977 budget.

In addition to hearing testimony on the Sursum Corda project, we will also hear from the city on supplements made to the fiscal year 1977 operating budget subsequent to our hearings on the fiscal year 1977 budget in April.

We will begin our proceedings by hearing from Eugene Stewart.

OPENING STATEMENT BY SENATOR HOLLINGS

Senator Hollings, do you have any opening statement?

Senator HOLLINGS. Mr. Chairman, I want to thank you in particular and the entire subcommittee for giving us a chance to be here. I know it is a little out of the ordinary, but Sursum Corda and its representatives are out of the ordinary. On that basis, I wanted to present Mr. Stewart to you. He, in turn, will introduce his colleagues.

I had the pleasure of meeting Mr. Stewart some 15 to 16 years ago when we were working on the textile problem. I was then Governor and a coordinator and at the request of Senator Kennedy first, and then later President Kennedy, when he had become President, I was the coordinator of the industry.

There was some leach the other way, the House and everything else. The President got quite outraged. We discharged two counsel who we were working with at the particular time. Mr. Ed O'Neil, of Monsanto, was sort of the dean of the group. You are very familiar with him and his folks down there at Pensacola, Fla. He said, "I have got a young lawyer that you can trust." That was Mr. Eugene Stewart. He then was serving as the coordinator with the industry, with labor, gaining the confidence of us as governors who were interested in that particular problem, and the President himself.

When I later became a Senator, I realized the great work that Mr. Stewart was continuing to do purely voluntarily. In the mid- to late-sixties was enlisting the active support of concerned individuals to refurbish a rundown section of the inner city of Washington into a showpiece called Sursum Corda. He not only has his heart in the right place, he also puts his actions behind his desires and dedication.

Pursuing that even further, Sursum Corda, Inc., completed in 1969 a wonderful housing area for about 250 families; in a larger community of more than 10,000 folks in the inner city when everybody was talking about what can you do with Washington burning and all.

The architects Mr. Stewart, as a lawyer, and in his capacity as president of Sursum Corda, Inc., and all the rest were volunteering without cost, their time and their leadership to try to help all of us within the District.

Immediately pursuant to the completion of the housing was the development of the all purpose Sursum Corda neighborhood center to pull the neighborhood together. It has received contributions and commitments for construction funds throughout the past 2 or 3 years, in the planning stage, from the church, the Boys' Club of the Metropolitan Police, and will receive operating support from the very many groups that were interested in running programs in it.

At this particular point we bring the plans for and status of the center to the attention of the District Appropriations Subcommittee. Let's say we get thrown out the door and nothing happens. Then we lose $1½ million on a $3 million project and all the efforts, the hopes, and what have you that go along with it.

With that, I appreciate the chance to present Mr. Stewart, and answer any questions that the chairman has.

Mr. Stewart, you are familiar with these folks. As the chairman requested, I would like you to go on and introduce them.

Thank you very much.

Senator CHILES. Mr. Stewart, we would be happy if you would introduce the other members of your group.

INTRODUCTION OF ASSOCIATES

Mr. STEWART. Thank you very much, Mr. Chairman. On my right is Rev. Msgr. Ralph J. Kuehner, representing his Eminence, Cardinal Baum, the Archbishop of Washington. On my right is Deputy Chief of Police, retired, Owen W. Davis, who is here in his capacity as President of the Metropolitan Police Boys' Club.

To Chief Davis' left is Mr. Edward Nesbitt, the executive director of the Center City Community Corp., an organization supported by the United Planning Organization, entity of the District of Columbia government, with responsibility for activating the community involvement in this area of the city.

Next to Mr. Nesbitt is Mrs. Murice Jefferies, chairperson of the Sursum Corda Neighborhood Center Council, a constituent body representing all dwelling units, schools and other city institutions in the Northwest No. 1 urban renewal project area, which is the area to be benefited by the center.

Next, for Councilman John Wilson, who has been hospitalized, is his aide, Ms. Brigid Quinn, who will also make a statement.

Senator CHILES. I understand you have a statement to make as do other members of your panel. To facilitate our hearing, of course, if we could keep those as short as you can.

STATEMENT OF EUGENE L. STEWART

Mr. STEWART. We shall, Mr. Chairman. If I may, I might ask that I cover the subject briefly and refer to the involvement of these other organizations. They will then quite briefly state their position so we may allow time for questioning.

Mr. Chairman, the District of Columbia Northwest No. 1 urban renewal project area was the first urban renewal area in the city and as I understand it, in the country in which the underprivileged families whose dwellings were removed and taken by the urban renewal were given absolute first priority to move into the new housing that would take its place.

The urban renewal plan, as you may understand and appreciate, was financed with Federal funds. The urban renewal plan contemplated not only priority to disadvantaged persons who had been prior residents of this area, one of the most deprived areas of the inner city of Washington, but a community center which would provide community services for the new community to be formed in decent housing.

In time, four nonprofit corporations created housing under the various Federal programs for federally insured mortgages. So that whereas in the early 1960's when this was one of the most desolate areas from the housing point of view, today it is one of the most modern and hopeful areas in the inner city.

The priorities that were extended to the prior residents were seized upon by them and thus it is that the population as a whole consists of underprivileged, low-income families.

We began working with Sursum Corda, as one of the developers of housing in the area, on the funding and planning for the community center in 1969 when, with the other projects, we submitted a request to the Ford Foundation for funds to help us carry out the planning.

We have submitted three separate applications in cooperation with the District of Columbia Government, to the Department of Housing and Urban Development for a neighborhood facilities grant. Under the provisions of the National Housing Act, section 703, the city may apply for a neighborhood facilities grant on behalf of a nonprofit corporation which will carry out this construction.

Thus, Sursum Corda and the District of Columbia entered into a contract which gives the District control over the center when built, which places the responsibility on Sursum Corda to develop the plans, build the center and to operate it.

The contract provides that for 20 years the city will maintain its control over the center and the city has chosen to require that a neighborhood center council be established to develop the policy for the center. That council is headed by Mrs. Jefferies.

The application to HUD on three separate occasions was made by the city itself. Under the law, HUD has the right to grant, to make a grant for impacted neighborhoods such as this, equal to 75 percent of the cost, which currently in this case would be $1.7 million.

However, because of the manner in which this program was funded, the manner in which the administrations, during the times material to this, froze the funds, it was not possible to secure the normal type of full funding. At length, the Federal Government approved and made a grant of $300,000 instead of the $1.7 million. So it was necessary for us to make up the difference of $1.4 million.

We have accomplished this in substantial degree by two grants from the city itself, emphasizing their belief in the project, at $250,000, a model cities grant; and a $436,000 commitment out of the community development block grant funds for fiscal year 1975.

We turned to the community organizations which understand the need for the center. The Archdiocese of Washington has its own set of financial difficulties, but has made a commitment of $200,000 to be applied toward this; and the Metropolitan Boys' Club, which is now under the presidency of Chief Davis, has committed $100,000. The Boys' Club is considering an additional $80,000 grant which has not yet been decided.

We have engaged in three separate fund raising drives and together these drives have produced $117,500. So all together, up to this time we have raised approximately $1,510,000 in cash, grants, or commitments in the form of pledges.

It has taken us, Mr. Chairman, from 1968 until this date to make that amount of progress. It has been an unceasing activity. No other organization has chosen to exercise the leadership role in regard to the center needed by this community.

The city itself now, in the literature that it has submitted to your subcommittee, appears to be taking the position that its present judgment is notwithstanding the record that it deserves a low priority.

Thus, had we made a submission to the District of Columbia for further financing out of District funds, it seems very probable on the basis of the written record submitted by the District that that request would have been given a low priority.

Why is the center needed and why is it urgent? Northwest No. 1 is a natural landlocked, geographical island located in the heart of the inner city of Washington with more than 10,000 persons, mostly low income. Of this population, 4,000 to 5,000 are youths. This was once the center of the high-crime narcotic region of the city.

In the interest of the youth, and of the elderly, it is essential that we bring the people off the streets into the center and involve them in constructive programs.

Therefore, the center is designed, Mr. Chairman, to provide first an ideal base for a Metropolitan Police Boys' Club. In that area, there is a club of 4,000 youths with no permanent home.

It is also large enough and well-designed enough to be the host to many program activities. For example, the Cooperative Extension Service of Federal City College, the D.C. Youth Orchestra, the National Children's Choir, as examples, have pledged to put their programs into the center at their own expense and with their own manpower.

Now to come to the point. Each year that passes, each month that passes without construction being put under contract, involves an escalation in construction costs of about 1 percent. That is roughly about $28,000 a month.

Each year that passes without the center means that many of our young people, for want of meaningful, constructive programs to engage their aptitudes and interests in a very constructive way, will get into difficulty and become part of the statistics of crime, vandalism, and juvenile delinquency in the city.

The programs for the elderly in the center will enrich the lives of the elderly, of whom we have a quite higher proportion in that area of the city.

It is a Federal enclave, created with Federal funds, a promise made on the basis of that program to the poor families who are principally its tenants. We have taken the responsibility to create the center and to supply the energy and the professionalism on a nonpaid, voluntary basis to bring the center into being. I am informed that we are the only such group anywhere in the city accepting this responsibility.

The city itself has chosen not to place a recreation center or community center with city funds in the neighborhood and their suggestion is that the residents would be able on a part-time, limited basis to enjoy some of the programs at the Dunbar School and the Walker Jones Service Center. This is simply an erroneous suggestion, as a matter of fact.

Thus, because of Senator Hollings' deep interest in Sursum Corda, one of the major housing projects in northwest Washington and my opportunity to discuss the matter with him, the idea of the Hollings amendment, which is before you eventuated.

The idea is simply this: If the committee and the Congress would approve making available to the District the balance of the funds needed so that construction could commence, $900,000, the Sursum Corda would continue its fund raising activities and commit itself to repay that money to the District of Columbia over a reasonable period of time, which we judge should be 20 years, but could be as short as 10 years.

We have demonstrated, Mr. Chairman, our responsibility in that neighborhood and to the city. As the founder of the first low income housing project in that part of the city, Sursum Corda as developers over a 10-year period have contributed nearly $400,000 to continuing the program and keeping Sursum Corda viable.

We have demonstrated by the funds we have raised here our commitment and the ability to secure these funds. Therefore, we respectfully, earnestly request that you favorably consider the Hollings amendment.

I would like to introduce Monsignor Keuhner, who will confirm the interest of the Archdiocese of Washington.

Senator CHILES. This is probably a good time to break. I have to go vote. Monsignor, we will continue shortly.

Monsignor KUEHNER. Thank you.

[Brief recess.]

Senator CHILES. Monsignor?

STATEMENT OF MONSIGNOR RUEHNER

Monsignor KUEHNER. Thank you for this opportunity. I am here at the request of Cardinal Baum. The cardinal has kept himself informed of Sursum Corda since he has been here in the last 3 years.

He sees this as a very valuable community project which brings some very important service to an area of the city that needs it and especially sees the need for services for the youth and the elderly.

The cardinal has knowledge of it mainly because of two of our parishes in that area which are very much involved in the community. The cardinal has kept informed, has talked with the pastors, and they both strongly support the need of this community project in the area, and of the services that it would provide to the residents of the area.

Despite the fact Mr. Stewart said we are having our own financial problems, the archdiocese has committed $200,000 to this project.

Mr. STEWART. Thank you, Monsignor.

Mr. Chairman, if I may, next we are privileged to have retired deputy chief of police Owen Davis, who is here as president of the Boys' Club.

Senator CHILES. Chief, we are glad to have you.

STATEMENT OF OWEN DAVIS

Mr. Davis. I am glad to be here, Mr. Chairman.

The Boys' Club of the Metropolitan Police is a service organization serving over 22,000 boys throughout the city. We have 10 clubs. One of our most important clubs is located in this area, has been located in this area for the past 40 years.

Incidentally, when I was with the Police Department, I spent 25 years in this area. At that time, before the advent of urban renewal, it was one of the highest crime areas in the city.

The Boys' Club saw fit to set up a club in that area. Very recently, due to highway construction, the abandoned building which we were using was torn down. We are now located in the basement of the Perry Elementary School at First Street and New York Avenue NW. We have to pick up custodial fees, which amount to something like $15,000 a year.

Very early in the planning of Sursum Corda, we saw an opportunity to occupy a facility that was highly suitable for our programs. The board of the Boys' Club very readily committed $100,000 to the construction, fully anticipating that, once we occupied the building, we would bear a reasonable share of the cost of operating it.

We have over 4,000 youngsters registered in our club in that area. The Boys' Club has had a significant effect on the juvenile delinquency in that area over the past 40 years, and, hopefully, it will in the future.

Once this club is completed, we will pull out of the operation at the Perry School and the whole activity in the area will be located in the Sursum Corda Center. Incidentally, I would like to mention that although we committed definitely $100,000, we have undertaken active consideration of another $80,000 commitment. That hasn't been made yet.

We think that there is a very definite need, irregardless of what the Department of Recreation is doing, there is a very definite need for this facility in that it will actually cost the city less money to operate than a double program because the Boys' Club will bring its own personnel in there and I understand the other agencies who are tenants of the building will do the same.

I feel and the board feels that we can have or expose the youngsters in this area to a full range of Boys' Club programs from this facility. I would also think that we could be a great deal more flexible in our programming.

Incidentally, the Boys' Club, operating in other areas throughout the city, have never had the opportunity to operate out of a recreation facility. We use school buildings, yes; like any other community organization; but we have never operated any of the programs and certainly, the Sursum Corda Center will afford us this opportunity.

We heartily support the need for this facility and hope that you will give it your active participation.

Mr. STEWART. Mr. Edward Nesbitt, executive director of the Center Community Corporation.

Mr. Nesbitt?

STATEMENT OF EDWARD NESBITT

Mr. NESBITT. Mr. Chairman, my name is Edward Nesbitt, executive director, Center City Community Corporation, and I am here in behalf of the Sursum Corda Community Center.

Center City Community Corporation is a community owned and operated agency whose board of directors is composed of community residents of near northwest Washington. The boundaries include the Northwest One urban renewal area which is the site of the neighborhood center.

A part of our mission is to work with individuals, families, groups, and other agencies in the planning of services and facilities for the area. To this end, we have been working with the residents in planning this center with Sursum Corda, Inc., the center's sponsoring group.

We would like the record to be clear on how we view the relationship between the community and Sursum Corda. Sursum Corda has been the one group that has worked with the Neighborhood Center

Council on every phase of planning for the center. We are convinced that its intentions are just like ours, to provide services to the people in the area.

This agency has membership on both the Neighborhood Center Council and the Neighborhood Center Resource Development Committee and will continue to work for better things for the community. The center's plans are completed and approved and all that is needed is the necessary funding.

As shown in documents, it is truly a community project in that community agencies have agreed to being housed in this facility and have committed funds as well. Residents have indicated their strong support to the extent that they sponsored a parade and pageant as a fund raiser which netted aproximately $1,000. That fund-raising effort was supported by all segments of the community.

We certainly recognize the heavy fiscal burden facing the city government and we respect its right to assign priorities to projects. We do feel, however, that the assigning of a low priority to this project whose need was supported by the past director of recreation, members of the Boys' Club, and the community was in error.

There is an urgent need for the center now. We are continuously reminded that other recreation facilities are located in the area, with special emphasis on schools. Prominently mentioned were Walker-Jones Elementary School and Dunbar Senior High School.

The Walker-Jones' addition provides only minimal space because it was designed to provide administrative office space and rooms for social programs. It has been completed for more than a year, and to date, none of these programs are available.

Dunbar will provide excellent facilities. However, the use of the pool, gymnasium, and outdoor facilities must be planned around the activities conducted by the school. Two other schools, Terrell Junior High and Perry-Simmons Elementary, are mentioned as sites which plan to have community recreational facilities.

Terrell will have a playground only if Perry-Simmons is demolished and you, this Committee, just deleted the new Perry-Simmons from the budget. The fragmentation of existing programs, it seems to me, ought to be justification to build a center. The last projects completed in the southeast area are complete plants designed to serve a wide area. No such facility exists in the near northwest.

Center City is well aware of the large number of children, youth, and senior citizens not adequately served by existing programs. Two programs for children and youth, and one for senior citizens are operated by our agency to help meet the needs as described by the participants. These programs are conducted in less than ideal circumstances.

Mr. Chairman, and members of the committee, Center City recognizes the difficulty of this decision by the District and by you, but we hope you will consider the long-range effect of a center that has the commitment of Sursum Corda, Inc., the community, and other agencies which provide services.

Center City thanks you for this opportunity to speak to you on this important matter on behalf of the community.

Senator CHILES. Thank you, sir.

Mr. STEWART. Mr. Chairman, Mrs. Murice Jefferies is not only the Chairperson of the Sursum Corda Neighborhood Center Council, she is a resident of Sursum Corda, a member of its board of directors.

Mrs. Jefferies?

STATEMENT OF MURICE P. JEFFERIES

Mrs. JEFFERIES. Mr. Chairman, my name is Murice Jefferies and I am chairperson of the Sursum Corda Neighborhood Center Council.

For the past 5 years, I have been working with concerned citizens from all over the Northwest One urban renewal project area who feel as I do that we desperately need a facility such as the Sursum Corda Neighborhood Center.

In February, we held an areawide fund raising event involving children from the six major housing projects and six schools in the immediate neighborhood of the proposed center.

Parents in Golden Rule and Temple Courts housing communities in Northwest One were eager to cooperate because neither of these high-rise complexes had any recreational facilities for the more than 600 children who live in them. On rainy days, the kids simply play in the halls.

In Tyler House, a 14-year old boy was killed while he and several friends were playing in an elevator. In Sursum Corda, at this moment, the same small room is being shared by a day care program, a beautification committee, a majorette group, several youth clubs, and a large summer recreation program in an attempt to provide wholesome activities for the more than 700 kids who live there. This room can only comfortably hold 50 people.

Activities must be staggered in order to allow all the children a chance to come in out of the sun. Rainy day activities, of course, are seriously limited by the lack of space.

The teenagers of the Northwest One area are also affected by the lack of adequate recreational facilities. For the past year, the Center City Community Corporation has attempted to run a teen center in part of the same warehouse in which its own offices are located.

The large room in which we had hoped to conduct sports, crafts, and studio art turned out to be poorly ventilated and impossible to supervise. During the summer, temperatures rose to over 90 degrees on a regular basis and in the winter, it was unbearably cold.

Most of the light fixtures were not functional. Several times pipes broke and flooded our supply storage and large pieces of tag board walls and ceilings are missing. The cost of renovating this room far exceeds the budget of our Teen Council, or the Center City Community Corporation's youth component.

Yet, it is the only place in the area where the teenagers can put on a dance without having to pay high janitorial fees and security fees. There are several other programs in the surrounding community which are also trying to meet recreational, social and cultural needs of our people. These programs operate in scattered sites with inadequate facilities and shoestring budgets.

For example, the No. 2 Police Boys' Club operates out of the old Perry-Simmons School. This building is many years old and plans

have been made for its replacement in the near future. The Boys' Club had seriously hoped to move their program into the Sursum Corda Neighborhood Center and to assume part of the responsibility for staffing and operating it.

Of the pools in our immediate area, neither one approaches sufficient standard size. Dunbar pool is a tiny, indoor facility and is off limits to many younger children who must cross New York Avenue. This is a dangerous proposition even for adults.

The second pool is located at Tyler House. It is a small, outdoor pool intended primarily for the use of the Tyler House residents. In the past, the management has generously allowed other neighborhood children to use their pool during certain hours.

This placed an incredible strain on the pool filtering system, and it was closed entirely for several weeks last summer and has not opened as yet this summer. Even when it was functioning, it was consistently overcrowded for the children to do any serious swimming.

A private facility such as Tyler House should not be asked, nor is it designed to meet the recreational needs of the hundreds of children who live in our area.

No facility in or around our community addresses itself to the adults and senior citizens. There is no recreational space for a large meeting or culture enrichment program where people from all over the developments can come together as neighbors.

The Sursum Corda Neighborhood Center Council whose members represent area residents, youth, citizens associations, schools, churches, civic organizations, and others are convinced of the need for this facility for our community.

For these reasons, I have come before you today to ask for your support of the Sursum Corda Neighborhood Center. A center such as this is essential if the true spirit of the community is to grow among the residents of this area. Without that spirit, no effort to solve the serious urban problems we face can be successful.

Thank you.

Senator CHILES. Thank you, ma'am.

Mr. STEWART. Mr. Chairman, for Councilman John Wilson is his administrative assistant, Ms. Brigid Quinn.

Ms. QUINN. Here are some copies for you all. This project, Sursum Corda Neighborhood Center, is very close to John's heart. He is really saddened he can't be here today; but he is in the hospital in traction. He has a back problem. I am going to read his statement in the first person.

STATEMENT OF JOHN WILSON

"Mr. Chairman and members of the subcommittee, my name is John Wilson, and I represent ward 2 on the Council of the District of Columbia. I want to thank you for this opportunity to speak on behalf of the much needed funding for completion of the Sursum Corda Neighborhood Center.

"Before I outline my support for this project, and ask for yours, I would like to assure you that I am fully cognizant of the unusual nature of this request and the reaction of the District Budget Office to this approach.

"I am also aware, however, of the city government's support for this project, support concretely evidenced by a commitment of over $700,000 to the Sursum Corda Neighborhood Center.

"As you may be aware, the proposed Sursum Corda Neighborhood Center is to be located in what is known as the Northwest One urban renewal project area. This is a residential area of more than 10,000 low- to moderate-income people, over half of whom are youth, living in nonprofit and public housing units. Northwest One is bounded by New York Avenue, Massachusetts Avenue, North Capitol Street and Third Street.

"Before you conjure up a picture of the residents of this area and their problems and attitudes, based on the facts I just mentioned—facts, I grant, which might lead one to envision this area as inner city, ghetto, with all the attendant problems of joblessness, crime and apathy—I would like to make a very important point.

"Of the 90,000 people I represent in Ward 2, the residents of Northwest One exhibit the deepest community interest and activism, and display equally impressive knowledge and involvement in this city's politics. Just to put that in perspective, ward 2 also includes Foggy Bottom and Dupont Circle, as well as portions of Capitol Hill.

"This community, however, cannot continue to work against the odds created by its present makeup. The simple fact is that they need the Sursum Corda Neighborhood Center. They need this center not only for the facility itself and the diversity of programs it will offer, but as evidence of their years of struggle to make Northwest One a community and as an incentive to continue with the building of their community.

"As I mentioned earlier, I am aware of the District Budget Office's objections to a congressional appropriation as a method of obtaining the funding necessary to complete the center.

"In two memoranda from Comer Coppie, special assistant to the Mayor, to Warren Kane and Mike Hall, both members of this subcommittee staff, dated April 28 and June 11, 1976, respectively, Mr. Coppie raised a number of objections against coming to you with this request. Testimony of others today will speak more specifically to these objections, but I would like to touch on some briefly.

"In the April 28 memorandum, Mr. Coppie refers to four public facilities in the area that, in his estimation, could easily duplicate any of the functions to be provided by the Sursum Corda Neighborhood Center.

"The first two of these, Walker-Jones addition and the Dunbar Senior High replacement, are schools and, therefore, have their own, readymade constituents who would naturally have priority in the use of these facilities. While Walker-Jones is an elementary school, serving the immediate area, Dunbar Senior High School draws its students from throughout the city.

"The latter two facilities—Terrell Junior High School playground expansion and Perry-Simmons replacement school—are both now out of the question because of recent actions on the part of this subcommittee and its counterpart on the House side, cutting out the funds for the Perry-Simmons replacement school.

"The expansion of Terrell Junior High School's playground was dependent on the replacement school, since the expansion was to have occurred on the grounds of the present Perry-Simmons school.

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"I think it is also important to point out here that the Sursum Corda Neighborhood Center is designed to be much more than a recreation facility—a point seemingly overlooked in Mr. Coppie's memorandum of April 28.

"In Mr. Coppie's memorandum of June 11, 1976, he makes the point that the city originally agreed to extend support to the development of the Sursum Corda Neighborhood Center by processing the original Neighborhood Facilities Grants because they 'considered the approach unique in that Sursum Corda, Inc. committed itself to raising the local matching funds for the grant.'

"It is now being insinuated that if Congress agrees to appropriate the additional funds needed to complete the center, the city will be strapped with repayment, because Sursum Corda, Inc. will be unable to raise the money.

"One of the conditions of this appropriation is that Sursum Corda, Inc. will continue with its fund raising activities on behalf of the center.

"I would like to take this opportunity to state my complete confidence in any commitment made by Sursum Corda, Inc. in this regard. I base this confidence on proven ground—the commitment of time, money and concern Sursum Corda, Inc. has given to the Sursum Corda Housing Development since its inception in 1966.

"Sursum Corda, Inc. has been responsible for privately raising over $200,000 in the 12-month period ending in April of this year, for support of programs and services to the Sursam Corda housing development. In addition, Sursum Corda, Inc. has raised approximately $400,000 from nongovernment sources toward the Sursum Corda Neighborhood Center and is responsible for government commitments of over $1.01 million for the center.

"Sursum Corda, Inc. is no fly-by-night organization, in business to make a quick buck in the name of urban renewal.

"In conclusion, there is no doubt in my mind that there is a dire need for the Sursum Corda Neighborhood Center. As the individual elected by the residents of Northwest One to represent their interests, it would be a travesty of my responsibilities to allow any avenue of potential funding for the completion of the Sursum Corda Neighborhood Center to go unexplored.

"I am, therefore, asking you, Mr. Chairman, and the members of the subcommittee, on behalf of the some 10,000 residents of Northwest One, to give your support to the Hollings amendment so that the residents of Northwest One, in cooperation with Sursum Corda, Inc., can continue with the important work of building and maintaining their community.

"Thank you."

Senator CHILES. Thank you.

Mr. Stewart, if the city loaned Sursum Corda $900,000 to construct the facility, could Sursum Corda pay it back? How would they raise the revenue to pay it back?

Mr. STEWART. They would pay it back, Mr. Chairman, without doubt, if we were afforded a reasonable period of time such as 20 years. We have been raising in the funding of the center all of the expenses, which have been met outside of the funds gained, and separately to support the housing, on the average of in excess of $100,000 a year.

It would be readily manageable for us to raise a lesser amount, $45,000 a year, if we could make the repayment stand over 20 years. Even if that were not feasible, the requirement was to repay it in 10 years, we have been raising and applying to the neighborhoods needs more than $90,000 a year. We would shift our priorities and concentrate those efforts on the neighborhood center.

Senator CHILES. Excuse me.

(Brief recess.)

Senator CHILES. Mr. Stewart, where will the necessary funds come from for the equipment to operate the facility? Did Sursum Corda also request funds from the city for equipment for the recreation center?

Mr. STEWART. Not in those terms, Mr. Chairman. The concept of the center is that the program agencies which will make available program personnel for delivery to the residents out of the center will, of course, pay their own payroll costs or their own operating costs and as Chief Davis indicated in regard to the Boys' Club, will make a contribution to the operating cost of the center.

We estimate that the annual operating cost will be $180,000.

We anticipate that all but about approximately $50,000 of this will be obtainable by contribution from the program agencies and the coordinated participation in the use of the center by many agencies means that the charge for each will be comparatively small.

We are continuing to apply to foundations, many of whom favor operating grants and at the present time we have an informal commitment from one donor to underwrite as an example the annual operating cost of the arts and crafts center in the neighborhood center.

We have a very high level of confidence that we will be able to manage the operating expenses without asking the city to do any more than give the Department of Recreation, as it indicated it desires to as the tenant of the center along with the Boys' Club, funds sufficient to pay only its fair share of the operating expenses.

Senator MATHIAS. You say informal commitment. I assume that this commitment, however informal, that you have confidence in.

Mr. STEWART. Yes, that is correct.

Senator MATHIAS. Confidence on the basis of the ability of the donor only not to have good motivation but to actually produce the cash when it is needed?

Mr. STEWART. Yes, sir. In this particular case, Senator, the donor was ready to make a capital contribution, but in view of the nature of the memorial the donor desired to create, it was my suggestion that they consider instead an annual operating grant. They indicated they will do so and work out the details at a later stage.

We have also received an operating grant from the Scholl Foundation for the city arts and crafts program.

In regard to the cost of equipment, we retained a professional to assist us in scoping out the equipment needs of the center through extensive consultation with the Department of Recreation and the Boys' Club.

Up through this fall equipment will cost $392,000. It is our understanding that the Hollings amendment includes as a separate line item $392,000 for the cost of the equipment also to be repaid by Sursum Corda over the period of time that you would judge to be appropriate.

If the term of the loan is 20 years, and we are loaned of the $900,000, we would not have difficulty in paying $60,000 approximately per year, which is far less than we are raising and contributing annually to Sursum Corda now. So we don't perceive that as a difficulty on the terms that I have described, Mr. Chairman.

Senator CHILES. Construction has not begun yet?

Mr. STEWART. No. We are not permitted to make a construction contract until all the funds required to cover the construction costs are committed or pledged. That is the reason for the urgency of the $900,000 that the committee is now being asked to consider by Senator Hollings.

Senator CHILES. During the period of time that the city assisted Sursum Corda to obtain the Federal grants, was there any understanding that no direct aid in District funds would be available and that Sursum Corda would raise the matching funds?

Mr. STEWART. I think it would be fair to say that there was an understanding, or it came close to that, Mr. Chairman. I have correspondence which I am going to submit for the record signed by Mayor Washington in which the city requested the Federal funds and indicated that additional measures would be taken to secure the balance.

We indicated quite clearly to the District of Columbia Government at the time they asked for $463,000 out of the community development bloc grant funds for fiscal year 1975 that we would be responsible for the balance, no question.

We tried earnestly to deliver on the balance and still intend, under the amendment, to be responsible for the balance. What we are asking for at the moment is a loan of the balance so that the project can go under construction, so that we can stop this inflation at 1 percent a month, and deliver the center to meet the human needs that are required, while we remain committed to pay back that money to the city.

So in the end, under the Hollings amendment, we will be in good faith on that commitment.

Senator CHILES. What we really have, Mr. Stewart, is basically that you all went to the city originally and sought the city's help in getting these grant funds and community development bloc grants, feeling at that time that you were going to be able to raise the matching funds. That was the understanding at that time, right? And it just hasn't been possible for Sursum Corda to raise the matching funds and therefore you are coming back to the city for more funds. Is that correct?

Mr. STEWART. Senator, from what I have said thus far, I would agree that your characterization is fair. But in the interest of time, I am not going to go into details. It was the city through the District of Columbia Redevelopment Land Agency, at that time the Joint Federal City Agency, that came to Sursum Corda and asked us if we would accept the responsibility of developing, planning, funding and operating the neighborhood center that was designated for Northwest Number One.

At first we did it by applying to the Ford Foundation in 1968 for a planning grant. When that did not come through and the other projects were busy building projects, we carried on a loan, but we

carried on under contract with the District of Columbia Government, a mutuality of obligation in which we were asked by the city to accept the responsibility for planning, building and operating the center in exchange for the city's assistance under contract with us by applying for a neighborhood facilities grant from HUD.

But the city itself, in recognition of the need for the center and the unique role of Sursum Corda as a private group willing to carry the leadership role on something that is in the public interest, communitywide, first made a model cities grant of $250,000 and at the time, Mr. James Threatt, Director of Model Cities, stated in writing that, if additional funds were needed, we could return the following year to Model Cities for grant consideration. Other events have dissolved the Model Cities Program.

Then the city made the further grant of $463,000. It cannot be the case therefore that the city's understanding was that it would act solely as the applicant for the neighborhood facilities grant and that such would be the extent of its help because they have given us additional help.

I think there is no question that the city is telling you in good faith and we honor their understanding that they did expect us to be self-sufficient in raising the balance of the money. We will be in time. That is the crux of the problem.

We want to interrupt that excruciatingly long period of time to raise the money under the circumstances I have described.

But I don't believe that we are breaching faith in any way with the city for the reasons I have explained.

Senator CHILES. Mr. Stewart, I will tell you the problem I have had with this and I have told Senator Hollings. That is that we sit as the subcommittee on D.C. appropriations, I feel, as an additional check. We are now trying to grant home rule to the District. Therefore, while, I am sure we have the power to do certain things, I see my obligation and the obligation of the committee as primarily looking at what the city proposes and trying to determine if that is sound, is it wise and is the Federal payment that we contribute toward the city's revenues being used wisely?

For us to begin to initiate projects which the Council and the Mayor have not made a part of their budget request, I am not sure is consistent with the concept of home rule.

I wish the Councilman was here because I would like to have his views on this. But it seems to me that if this committee becomes the initiator or the Congress does, of projects that have not been asked for by the city in their priorities, then I am not sure whether we have home rule any longer or whether we are serving sort of as a Super City Council, rather than where I now see us serving as sort of the watchdog or the check, especially over the Federal funds that we are now providing as part of the Federal payment to the city.

It sounds to me like you have a very good project. I think I would be persuaded to vote for it, were I a member of the City Council. But I don't know where I find myself in my role now sitting as the chairman of this subcommittee.

Senator MATHIAS. Mr. Chairman, you state the case very lucidly, and in a logical way. It is very hard to argue philosophically against

the position you take. I don't want to create any false hopes on this subject.

I do think that there are some areas where the Federal Government has a relationship to the District—without designating any single project or any individuals—might be called loose ends, things that were begun before home rule or in which commitments were made before home rule, in one way or another left pending or hanging, that are going to have to be tidied up sooner or later.

Even if we tended to apply the philosophy and principles which you stated and which I say are pretty hard to argue, we have to look at the ongoing problems that have bridged the period, the transition period.

As I understand it, this has been pending over that period of time.

I would like to look into that a little bit further.

There is only one question that has already been touched on, but I would like to have some reassurance on. The archdiocese has done a tremendous job in the problems of the city generally, housing, neighborhood problems.

The general support for this project has been restated but what sort of priority has the archdiocese put on this in terms of other social needs in the community?

Monsignor KUEHNER. In fact, it has put a very high priority on it because most all of our agencies, like the social development, has had to take a cut in budget with the cardinal maintaining the original commitment of $200,000 on this project.

Most everyone also, of course all have been cut, but he feels that this is a chance for a community to really develop into a community. It is not enough to just have the housing, but really you need something to bring that community together.

There isn't really anything there right now. So he is maintaining that level of commitment despite the pressures of everybody else.

Senator MATHIAS. I must tell you that I have perhaps greater sympathy than I would have had if we had had this hearing last week because I have been holding juvenile delinquency hearings in the Judiciary Committee. We had a bunch of kids who have been in very serious trouble. One of them I asked, "What might have kept you out of trouble?"

He said if they had kept the playgrounds open at night, just that simple problem. It is a powerful argument.

Mr. STEWART. That is the quintessence of it, Senator Mathias. We have 4,000 youths in our neighborhood. We must bring them off the street and instruct them so they can develop their extraordinary talents and abilities in a constructive way.

This center will provide every kind of program, whether it is athletics, fine arts or music, nutrition. It will all be there. It will be the pied piper of that neighborhood, bringing the children off the streets.

Senator MATHIAS. You don't have to keep very many kids out of trouble before you pay for it. But I don't want to, again, arouse any false hopes here. It is a difficult job.

Senator CHILES. We thank you for your testimony. We thank all of you.

Mr. STEWART. Thank you, Mr. Chairman. May I ask, and I haven't had the time to identify it, except to say there is an editorial in the Washington Post in strong support of the center. It gives the details.

Then I have a series of letters signed by Mayor Washington, which state in a variety of ways the strong support for the center.

Senator MATHIAS. What is the date of the earliest?

Mr. STEWART. The earliest date is July 26, 1973. The latest date of the letters from the Mayor is December 31, 1974.

From his director of planning, I include an important letter from Mr. Joseph Cole, who was director of the Department of Recreation, commending the center, acknowledging the participation of the Department of Planning in scoping it out, stressing its need.

He attests without question to the very definite and positive need for the construction of their center and so on.

Then I submit important letters from the Department of Housing and Urban Development in connection with the grant, which they made of neighborhood facilities funds. The last sentence of one letter states, "This facility is badly needed in Northwest No. 1. We are anxious to provide every assistance to make it a reality."

Also submitted is the neighborhood facilities grant provision, title 42, section 3103, subsection C, of which states that no grant should be made—they made the grant—unless the Secretary determines the project will provide a neighborhood facility necessary for carrying out the program, and so on.

Finally, Mr. Chairman, I submit an updated handwritten list of the moneys that we have raised. I extend to you my appreciation on behalf of our entire group, also correspondence from Mayor Washington and others, Mr. Chairman.

Senator CHILES. We thank you.

Thank you all.

[The information follows:]

FUNDS RAISED

Contributions received prior to July 1, 1975			$22,500
Private contributions received from July 1975 to date	$25,000		
Anonymous pledge for A/C Room (J. E. Marilley Room)	25,000		
Raskob Foundation (Grant $15,000—Loan $30,000)	45,000		
Total		95,000	
Total private contributions, pledges to date		117,500	
Police Boys' Club	100,000		
Archdiocese of Washington	200,000		
Total private organization pledges and contributions	300,000		
	$300,000		
	250,000		
	463,000		
Federal, District Governments	1,013,000		
			$117,500
			300,000
			1,013,000
Total pledges and contributions to date			1,430,500
Pending boys' club grant			80,000
			1,510,500

The Washington Post SUNDAY, NOVEMBER 23, 1975

Sursum Corda Neighborhood Center

THERE ARE NOW about 10,000 people living in what the bureaucrats call the Northwest No. 1 Urban Renewal Project Area. It is located in the center of the inner city, between New York and Massachusetts Avenues along North Capitol Street. Most of the residents—half of them children—require some kind of public assistance and live in new public housing and highrise urban renewal projects. The most attractive and livable of these projects is really not a "project" at all, but a compact little village of about 1,100 residents, called "Sursum Corda." It was the idea of Georgetown University students who worked as volunteers, tutoring children in the wretched slums that have now been replaced by new housing. In time the students, helped by the Rev. John Haughey, S.J., got Gonzaga High School, St. Aloysius Catholic Church and the Convent of Notre Dame, interested in launching a development corporation which built the new village. "Sursum Corda," translated from the Latin, means "Lift up your hearts," and is a phrase taken from an old Latin Mass.

Sursum Corda consists of three-story townhouses of distinct and handsome design, clustered around walkways and small plazas. Their architects, Arnold M. Kronstadt and his associates worked closely with people in the neighborhood to meet their needs. The village houses people of different income groups, including some public housing tenants, large and small families and elderly citizens. The houses, however, do not show these differences. They are all designed for livability. By saving on some conventional items, such as expensive wood floors and closets in every room, Sursum Corda's builders were able to provide conveniences the residents consider more important, such as air conditioning and garbage disposals. As an experiment in housing, the place has proven so successful and popular that the whole area is becoming known as the "Sursum Corda Neighborhood."

As yet, however, it lacks the most important qualities of a neighborhood, of a real community. The urban renewal projects were built with a single-minded preoccupation with housing and little planning, let alone money for a place where the young might gather and where people would find recreation and stimulation. After years of planning on the part of residents and officials, a program and design for such a center has now been worked out. The program includes arts and crafts workshops in carpentry, photography, and such for all ages; drama and music, athletic activities; a daycare center; senior citizens' services, practical homemaking and consumer services; problem counseling and legal aid. The building design includes a swimming pool, a large auditorium, a roof terrace and provisions for some gardening. The building will cost $2 million.

All but $600,000 of this amount has been pledged and raised by the District and Federal governments, the Archdiocese of Washington, the Metropolitan Police Boys' Club and private persons and foundations. The Sursum Corda Neighborhood Center is now asking the citizens of this area, particularly the business community, to help raise the rest. We believe this center can be a pioneer in forging mere housing into a real community with new hope and pride. It deserves support.

LETTER FROM MAYOR WASHINGTON

Reference: 3.2 PR

Mr. Terry Chisholm
Area Director
U. S. Department of Housing
and Urban Development
Washington, D. C. 20009

JUL 26 1973

Dear Mr. Chisholm:

Thank you for the notification by letter referenced above, announcing the establishment by the U. S. Department of Housing and Urban Development of a reservation of capital grant funds in the sum of $300,000 for the provision of the Sursum Corda Neighborhood Facility (Project No. NFP-DC-03-39-1013).

In accordance with the requests set forth in the above cited letter, the District of Columbia will provide your office with the materials required to satisfy completion of Part II of the Sursum Corda grant application.

I look forward to the final accomplishment of the Sursum Corda grant award and the contribution the new Neighborhood Facility will make to the well-being of the community.

Sincerely,

Walter E. Washington
Mayor-Commissioner

LETTER FROM MAYOR WASHINGTON

THE DISTRICT OF COLUMBIA

WASHINGTON, D.C. 20004

November 6, 1973

Mr. Harry W. Staller, Acting Director
Washington, D.C. Area Office
Department of Housing and Urban Development
Universal Building North
1875 Connecticut Avenue, N.W.
Washington, D.C. 20009

Dear Mr. Staller:

In response to Mr. Chisholm's letter of July 6, 1973, announcing the establishment of a reservation fund of $300,000 for the provision of the Sursum Corda Neighborhood Facility (Project No. NFP-DC-03-39-1013), I am pleased to submit, on behalf of the Government of the District of Columbia in conjunction with Sursum Corda, Inc., four copies of the Part II Application as required for the final approval of the Neighborhood Facilities Grant.

A complete set of the preliminary drawings for the Center, prepared by the architect, Mr. Louis E. Fry, Jr., of Fry & Welch Architects, is also submitted with this application. These drawings reflect the careful planning and innovative suggestions of the members of the Sursum Corda Neighborhood Center Council, as well as the skillful imagination and sensitivity Mr. Fry commanded in the preparation of the plans.

It is our belief that the plans for the Sursum Corda Neighborhood Center represent an extraordinary commitment to the social, cultural, educational and recreational needs of the families in the Northwest No.1 Urban Renewal Project Area. It is with such conviction that we submit this application in the hope that it receive favorable consideration and that final approval of our grant request be made.

Sincerely yours,

Walter E. Washington
Mayor-Commissioner
District of Columbia

LETTER FROM MAYOR WASINGTON

DEC 31 1974

Dear Mr. Steller:

I am writing in response to Secretary David O. Meeker's September 24, 1974, letter to Mr. Eugene L. Stewart, President of Sursum Corda, Inc., concerning the reservation of Federal funds for the construction of the Sursum Corda Neighborhood Facilities Center.

It is my understanding that the Department is currently holding funds in the amount of $300,000 under an existing Community Facilities Grant reservation for the Sursum Corda Facility. I have also been advised that Mr. Meeker subsequently informed Mr. Stewart that unless Sursum Corda, Inc., is able to demonstrate the capability to provide other sufficient resources to cover the total cost of constructing the facility, the Community Facilities Grant reservation being held by HUD would be withdrawn effective December 31, 1974.

The city has a long standing commitment to the families of the Northwest One community and has already reserved $250,000 in previously allocated Model Cities funds for construction of this much needed center. In addition, representatives of Sursum Corda, Inc., recently met with Lorenzo W. Jacobs, Jr., Acting Director of the Office of Housing and Community Development for the District of Columbia to discuss the possible allocation of Community Development Block Grant funds to cover a portion of the anticipated remaining financial resources which are required for the project.

The city is now actively considering the inclusion of funding in the amount of $463,000 for the center in its first year Community Development Program. In fact, funds for the facility have been incorporated into the initial draft application for Community Development funds, which is now being submitted to the community for its review and comments. Subject to the results of this review, my review and legislative action on the application by the City Council, I would anticipate the chances for reservation of $463,000 fc. the Sursum Corda Facility in the city's final Community Development application to be good. Representatives of Sursum Corda, Inc., have advised my staff that the additional commitment of the District Government will insure the availability of sufficient funds to complete this project.

Under these circumstances, we urge that the Community Facilities Grant reservation being held by HUD be continued until the District submits its application for Community Development grant funds early next year.

Sincerely yours,

Walter E. Washington

Walter E. Washington
Mayor-Commissioner

LETTER FROM BEN W. GILBERT

GOVERNMENT OF THE DISTRICT OF COLUMBIA
EXECUTIVE OFFICE

December 3, 1974

Honorable Walter E. Washington
Mayor-Commissioner
District Building
Room 520
Washington, D.C. 20004

Dear Mayor Washington:

This letter forwards to you Sursum Corda's formal request for financial support from the District Government in the construction of the Sursum Corda Neighborhood Center.

As you know, the Office of Planning and Management has worked closely with Sursum Corda during the long period of project development. There has been an extraordinary high level of determination to succeed on behalf of the project and the people to be served. The Office of Planning and Management regards this project as a worthy one entitled to consideration in the allocation of community development resources.

Sincerely,

Ben W. Gilbert
Director

LETTER FROM EUGENE L. STEWART

Sursum Corda, Inc.
Room 910 / 1001 Connecticut Avenue, N.W.
Washington, D. C. 20036

November 21, 1974

Dear Mayor Washington:

RE: The Sursum Corda Neighborhood Center

By this letter, Sursum Corda, Inc., formally submits its request of the Government of the District of Columbia through the Office of Housing and Community Development for a grant in the amount of $463,750 out of the $42.5 million Community Development Funds to be applied for from the Department of Housing and Urban Development by the District. This amount ($463,750) represents one half of the balance of funds ($927,500) currently required for the construction of the Sursum Corda Neighborhood Center. As explained in my letter to you of September 12, 1974, later documented by the September 24 letter from David O. Meeker, Jr., Assistant Secretary, Office of Community Planning and Development, HUD is prepared to release the Neighborhood Facilities Grant of $300,000 currently reserved for Sursum Corda, upon receipt of a written commitment from the District Government to supply the above-described grant to Sursum Corda.

Through your generous assistance, as offered in your letter of October 31, 1974, representatives of Sursum Corda, Inc., met on November 8, 1974, with Lorenzo Jacobs, Acting Director of the Office of Housing and Community Development, to discuss specifically our request for financial support from the District. Enclosed please find a copy of a letter of November 20 to Mr. Jacobs from the Sursum Corda representatives, which highlights the major points discussed at the November 8 meeting.

Knowing that our request will receive the serious and prompt attention of your staff, we are hopeful that a favorable decision is reached by the District in support of our request.

Sincerely yours,

Eugene L. Stewart

Eugene L. Stewart
President

LETTER FROM JOSEPH H. COLE

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF RECREATION
[illegible] SIXTEENTH STREET, N. W.
WASHINGTON, D. C. 20010

July 2, 1974

Mr. Eugene L. Stewart, President
Sursum Corda, Inc.
1001 Connecticut Avenue, N. W. - Rm. 910
Washington, D. C. 20036

Dear Mr. Stewart:

Key members of my program services staff and I have met on several occasions to discuss and project an affirmative course of action for the District of Columbia Recreation Department to operate or to participate as one of the chief operators of the new Sursum Corda, Inc. neighborhood facility, once built.

There is without question a very definite and positive need for construction of this center in the downtown mid-city area. We have reviewed the program and construction plans for the Sursum Corda Inc. neighborhood center and found them to be broad in scope, very functional, and imaginative in design. Thus, the Department of Recreation is keenly interested in operating the facility, especially those areas of the facility which directly relate to provision of community recreation.

Every realistic effort will be made by the Department of Recreation, working in conjunction with the District of Columbia Office of Budget and Financial Management, the D. C. Corporation Counsel Office, the City Council, and the Mayor's Office, to acquire, if possible, operating funds needed to provide maximum community recreation services.

Should operating funds be made available and required agreements reached between Sursum Corda, Inc. and the District of Columbia Government, the Department of Recreation, having full knowledge of the recreation and other social needs in this deprived community, would have strong interest in operating the facility.

Sincerely yours,

Joseph H. Cole

Joseph H. Cole
Director

LETTER FROM HARRY W. STALLER

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. AREA OFFICE
1875 CONNECTICUT AVENUE, N.W., UNIVERSAL NORTH BUILDING
WASHINGTON, D.C. 20009

August 13, 1975

Dear Mayor Washington:

Subject: NFP-DC-03-39-1013, Sursum Corda Neighborhood Facility

I am pleased to announce the allocation of the sum of $300,000 as a capital grant to aid in financing the provision of the Neighborhood Facility identified above.

We expect to forward to you in the near future a proposed contract which is to be executed by the District and returned to this office for execution on behalf of the Federal Government. The proposed contract will state the following terms and conditions under which the allocated funds will be made available to you:

1. HUD will not approve the award of a construction contract unless the applicant satisfactorily demonstrates that sufficient funds to complete the construction are available. These funds should either be deposited in a construction account or shall be in some similar form acceptable to HUD.
2. If six months after the date that this contract is signed by HUD, sufficient funds to complete the construction have not been secured, HUD reserves the right to withdraw any commitments made under this contract upon a written notice to the District of Columbia.

Enclosed is the approved Budget (HUD Form 6181) and the Budget Supplement. Also enclosed are a supply of HUD Form 6179 to be used in preparation of a quarterly accounting report, and a supply of HUD Form 6187 for the requisition of funds. No funds may be requisitioned until a construction contract has been awarded. Forms and instructions for developing final plans and specifications have been previously sent to Sursum Corda, Incorporated.

We congratulate you on the award of the neighborhood facility grant, and hope that the project will move ahead to prompt and satisfactory completion. Please call Ms. Vernice Buell of my staff if you have any questions, or if we may be of further assistance.

Sincerely,

James E. Clay
for Harry W. Staller
Area Director

Enclosures

Form Approved
Budget Bureau No. 63-R1

U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
NEIGHBORHOOD FACILITIES GRANT PROGRAM

PROJECT DEVELOPMENT BUDGET AND CALCULATION OF FEDERAL GRANT

PROJECT LOCALITY: District of Columbia

PROJECT NUMBER (If known): NFF-DC-03-39-1013

SHEET: 2

INSTRUCTIONS: Initial Budget: Prepare original and 3 copies for HUD. Submit original and 4 copies in Binders No. 2, 3, and 4. Revised Budget: If with amendatory application, follow "Initial Budget" instructions. Otherwise, submit original and 4 copies to HUD.

PURPOSE OF SUBMISSION

☐ Accompanies Part I of grant application

☐ Request for revision of approved budget

Dates of budget approvals:

☒ Accompanies Part II of grant application

Budget No. 1: July 6, 1972

Latest Approved Budget (No. ____): _____, 19__

A. PROJECT DEVELOPMENT BUDGET

LINE NO.	ACTIVITY CLASSIFICATION	TO BE COMPLETED BY APPLICANT			TO BE FILLED IN BY HUD
		USE ONLY FOR REVISION			
		LATEST APPROVED AMOUNT (a)	ADJUSTMENT (+) or (−) (b)	AMOUNT REQUESTED (c)	HUD-APPROVED AMOUNT (d)
A-1	Acquisition of site	$	$	$	$ 107,200
A-2	Relocation services				0
A-3	Development costs *				2,350,000
A-4	Subtotal *(sum of Lines 1 through 3)*				2,457,200
A-5	Contingencies *(for Column (c), not to exceed 10% of Line 4)*				2,600
A-6	Subtotal *(Line 4 plus 5)*				2,459,800
A-7	Project inspection fee				10,000
A-8	TOTAL PROJECT DEVELOPMENT COST * *(Line 6 plus 7)*	$	$	$	$2,469,800

* HUD-6521

B. CALCULATION OF FEDERAL GRANT

LINE NO.	ACTIVITY CLASSIFICATION	TO BE COMPLETED BY APPLICANT			TO BE FILLED IN BY HUD
		USE ONLY FOR REVISION			
		LATEST APPROVED AMOUNT (a)	ADJUSTMENT (+) or (-) (b)	AMOUNT REQUESTED (c)	HUD-APPROVED AMOUNT (d)
B-1	Minimum local contribution required (1/3 or 1/4 of Line A-8) *	$	$	$	$ 617,450
B-2	Total local contribution to be made (Line B-3 plus B-4; not less than Line 1)				2,169,800
B-3	Cash contribution *				2,062,600
B-4	Noncash contribution				107,200
B-5	NEIGHBORHOOD FACILITIES PROJECT GRANT (Line A-8 minus B-2)				300,000
B-6	RELOCATION GRANT				0
B-7	TOTAL FEDERAL GRANT (Line B-5 plus B-6)	$	$	$	$ 300,000

Approval of the Project Development Budget and the Calculation of Federal Grant in the amounts shown in Column (c) is hereby requested.

Date _____ Signature of Authorized Officer _____

Applicant _____ Title _____

HUD APPROVAL

The Project Development Budget and the Calculation of Federal Grant are hereby approved in the amounts shown in Column (d). The project shall be completed by _____, 19__.

8/13/75
Date

James E. Clayton
Signature

Deputy Area Director
Title

*Includes ineligible costs

LETTER FROM HARRY W. STALLER

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. AREA OFFICE
1875 CONNECTICUT AVENUE, N.W., UNIVERSAL NORTH BUILDING
WASHINGTON, D.C. 20009

22 MAY 1974

Mr. Eugene L. Stewart
President
Sursum Corda, Inc.
1001 Connecticut Avenue, N.W.
Washington, D.C. 20036

Dear Mr. Stewart:

This office is in receipt of the additional information dated May 16, 1974 which you submitted regarding the Sursum Corda Neighborhood Facility.

We have completed our review and find the documentation regarding the types of activities to be offered and the letters of commitment from the sponsoring agencies required by NFP-123 to be adequate. However, the remaining two items requested; documentation of the value of the site and documentation of sufficient operating funds are not satisfactory.

The Neighborhood Facilities Grant Program Applicant Handbook, RHA 7350.1, Chapter 8, Section 7 states: "The amount allowed for donation will be the market value of the donated property determined on the basis of two professional appraisals and concurred in by HUD." We explained in our March 29, 1974 letter to you that the appraisals submitted with the Part II application were unsatisfactory because they did not break out the value of the site of the Neighborhood Facility from the rest of Parcel 42. The comparable sales which you submitted as documentation for the $80,000 value of the site are uncacceptable for a number of reasons including the fact that they are not appraisals, that the sites are different sizes which are zoned differently, and that they are not in locations which our Real Estate and Valuation Section feels to be comparable to your site. In short, we must ask that you submit two professionally prepared appraisals of the site. We would, however, be willing to accept a breakout of the Neighborhood Facility site value prepared by the appraisers who performed the original Parcel 42 appraisals for the Redevelopment Land Agency in lieu of entirely new appraisals.

With regard to NFP-151 and 152, we are pleased by the firm letter of commitment to provide $100,000 towards construction of the Facility, given by the Police Boys Club. However, we find the information regarding the funding of operation of the Facility to be too vague. We are concerned because in November, 1973, at the time the Part II

application was submitted, you stated that Sursum Corda, Inc. had yet to raise $943,830 for the local share of the total development cost of the Facility. Raising that amount, in addition to the funds needed to operate the Facility, is a tremendous undertaking. I am sure you understand our reasons for needing satisfactory assurance of your success before committing $300,000 of Federal funds to the project. Accordingly, we must ask for details regarding the foundations to which you are applying for funds and the success you are having in obtaining commitments from them.

We are also concerned by the reference on page 7 of your letter to a request from the City on behalf of the Facility for additional Neighborhood Facilities grants. We regret to inform you, as we have informed the District of Columbia Government, that no additional Neighborhood Facilities funds are available at this time. In view of the foregoing, we feel it is unrealistic for you to anticipate additional Federal funding as a possible means of obtaining operating funds.

We are looking forward to receiving the requested information at your earliest convenience so that we will be able to complete our review of this important application. This facility is badly needed in Northwest I and we are anxious to provide every assistance to make it a reality.

Sincerely,

Harry W. Staller

Harry W. Staller
Acting Area Director

DISTRICT OF COLUMBIA GOVERNMENT

STATEMENT OF COMER S. COPPIE, SPECIAL ASSISTANT TO THE MAYOR FOR BUDGET AND MANAGEMENT SYSTEMS, SURSUM CORDA; WASHINGTON TECHNICAL INSTITUTE

ACCOMPANIED BY MARTIN K. SCHALLER, EXECUTIVE SECRETARIAT, OFFICE OF LATIN COMMUNITY DEVELOPMENT; COMMISSION ON THE ARTS

EXPRESSION OF APPRECIATION

Senator CHILES. We will move on now to receive testimony from the city on Sursum Corda, and several other items before the subcommittee.

Mr. COPPIE. Mr. Chairman, before we get into the actual substance of this hearing, Mayor Washington asked me to share with you and with Senator Mathias his thanks for the commitment that came from this committee yesterday in the conference on the 1976 appropriation bill.

We didn't get everything we wanted, but we are gratified and we appreciate the support that you gave to the city's request in that conference.

PREPARED STATEMENT

Mr. Chairman, I do have a prepared statement that briefly puts into perspective the request that is being considered here this afternoon. I don't think it is necessary to read it, but I would ask that it be incorporated in the record.

Senator CHILES. Fine. We will accept it for the record.

[The statement follows:]

The proposed operating budget for Fiscal Year 1977 totals $1.092 million and includes an amount of $671.3 thousand which was not contained in the detailed budget justifications as originally reviewed by the Committee. Items totaling $671.3 thousand were approved by the Council before the City's Fiscal Year 1977 budget was transmitted to the President. However, the items are presented as a supplemental document because printing of the detailed budget justifications was already underway. A brief overview of these items is as follows.

There are an estimated 50,000 Spanish speaking residents of the City and this office will work as the principal arm of the District Government in the identification of service needs of this specific community. A staffing complement of nine is proposed for this office which is to be located within the Office of the Mayor. The legislation establishing the Office on Latino Affairs is scheduled for a final reading on Tuesday, June 29, 1976, before the District of Columbia Council.

Funding in the amount of $76.2 is requested for full year staffing of the Law Revision Commission and to provide funding required to pay Commission members for their time as required by law.

An amount of $30.0 is identified as a technical adjustment for the Department of Human Resources to restore a reduction made to the Mental Health Administration.

A $143.1 thousand request for the settlement of claims and suits will be used to pay property damage claims in excess of $500 and personal injury claims in excess of $1,000 as required by law. This request represents payments to individuals who have settled their claims against the District of Columbia out of court and have been approved by the Mayor.

CITY'S CURRENT POSITION ON SURSUM CORDA

Mr. COPPIE. With regard to the Sursum Corda project, the Mayor sent you a letter of June 23, 1976, which I think states his current position with regard to this particular issue. I think it would be appropriate if I ask that that be incorporated in the record.

He would want to be associated, Mr. Chairman, with the strong statement of support that you gave to the home rule budget process of the city.

Senator CHILES. I think you ought to read that letter into the record.

MAYOR'S LETTER

Mr. Coppie. This is a letter to Chairman Chiles, dated June 23, 1976: "Dear Mr. Chairman:

"This letter is to bring to your attention information the city feels important on the Sursum Corda Community Center development. We do not support the granting of special interest authority for this project without full review of the executive and legislative branches of the District government and the general public. Such a review has not taken place at this time. If District appropriated funds are necessary for the completion of the Sursum Corda project, Sursum Corda, Inc. is invited to make a formal budget request to the city.

"The city has supported and continues to support the project concept on the basis of the original project application agreement. That agreement did not anticipate that District-appropriated funds would be needed. This agreement stipulates that Sursum Corda, Inc. supply the local match to the Federal grant under the Neighborhood Facilities Act. The agreement and the application to the U.S. Department of Housing and Urban Development did not provide for or include any commitment of D.C. appropriated funds. The attached financial plan indicates that over $1 million in District Federal funds and entitlements have been committed to the Sursum Corda project thus far.

"In order to consider the project for appropriated funds, current economic realities and citywide priorities must be considered. New program initiatives are being subject to rigid scrutiny before funding to insure that the city can meet the program commitments once approved. This can best be accomplished through a review of the project in the city's budget process.

"It must be emphasized that the Sursum Corda project has been in the planning stages for over 5 years. During this period, the city's economic health has changed radically due to continuing inflation and unprecedented demands on our limited resources. The program commitments and financial constraints required for the fiscal 1978 budget would indicate that few new initiatives will be undertaken. According to current planning, District agencies are being asked to finance all new facility operating cost increases and many other increases from their existing resource base.

"In March of this year, Mr. Stewart, of Sursum Corda, Inc., contacted the Director, Department of Recreation, about the possibilities for District funding for the proposed center. The fiscal 1976 budget was under review by the Congress and the fiscal 1977 budget was in the final stages of review within the city government at that time. The formulation of the fiscal 1978 budget is now in process. The

budget schedule calls for agency submissions to the Office of Budget and Management Systems, July 19, 1976. My recommendations for the fiscal 1978 budget will be forwarded to the City Council on September 16, 1976. Sincerely, Walter E. Washington, Mayor."

RECREATION FACILITIES IN SURSUM CORDA AREA

Senator CHILES. What city-operated community recreation facilities are currently in operation or in the area of Sursum Corda?

Mr. COPPIE. Mr. Chairman, there are a number and I would like to refer to them. There is the Bundy Playground; the Judiciary House Senior Citizen Center; the New York Avenue Recreation Center; the Walker-Jones Elementary School facility, and the Terrell Recreation Center. There are also additional community facilities that are planned for the Sursum Corda area.

The facilities I am referring to vary in terms of their activities. For example, the Judiciary House has a program for senior citizens.

Senator CHILES. What type of facilities are included in these city-operated community recreation facilities? You told me the one.

Mr. COPPIE. Yes, there is the Bundy Playground, which is a multipurpose playground with football and baseball fields, auditorium, basketball courts and table tennis facilities.

The Judiciary House is for senior citizens programs. The New York Avenue Recreation Center is a multipurpose recreation center with football and baseball fields, basketball and volleyball courts, a spray area, and archery, arts and crafts and table tennis facilities.

The Walker-Jones recreation facility has community rooms and other community-based facilities and the Terrell Recreation Center has basketball courts and an auditorium.

The other facilities that are planned for the area can perhaps be highlighted by the new Dunbar Senior High School which is scheduled for completion in late 1976.

Senator CHILES. Based on both the number of facilities now in operation and the facilities planned for the area, how does the Sursum Corda area compare with other areas of the city with regard to community-based recreation facilities?

Mr. COPPIE. Mr. Chairman, the area compares favorably now with other areas of the city in terms of existing facilities and for those facilities proposed by the Department of Recreation for the area through its comprehensive outdoor recreation plan.

Let me say also that the other areas of the city, such as wards 3, 4 and 5, have a greater total need for new recreation facilities.

PRIORITY OF SURSUM CORDA CENTER

Senator CHILES. Has the city set a priority on the Sursum Corda Recreation Center?

Mr. COPPIE. Mr. Chairman, I think the Mayor has pointed out and as Mr. Stewart has pointed out, the city has placed a priority on the Sursum Corda facility in terms of endorsing the need for the Federal grant funds to help this facility to completion and to operational reality.

We have not placed any particular priority on the facility in relationship to appropriated funds because no request of the city has in

fact been made. If Sursum Corda does want to make a request to the city, we will make that determination.

Senator CHILES. They have not made a request to the City Council or the city?

Mr. COPPIE. For appropriated funds. That is correct.

Senator CHILES. Why did the city agree to process the Federal Neighborhood Facilities grants if the city wasn't willing to go ahead and fund the rest of it?

Mr. COPPIE. Mr. Chairman, the city has supported the project. It believes that it is a project approach that is unique, and that the program as proposed is innovative. I think there is a practical incentive. There is no intention for appropriated funds from the city's budget to be used for this project.

So that is an important factor, too.

Senator CHILES. Are you saying that the city's commitment on these other grant funds was based on the fact that the city was not going to have to come up with the appropriated funds?

Mr. COPPIE. That is correct, Mr. Chairman. I think Mr. Stewart was fair in his observation, that it was always assumed that this would be done with Federal grant funding and the grant funding would be available to Sursum Corda.

CONSTRUCTION COSTS OF SURSAM CORDA CENTER

Senator CHILES. What if Sursum Corda is willing to repay, classify this $900,000 as a loan and to repay the city over 20 years?

Mr. COPPIE. Mr. Chairman, I think it is important to recognize that what we are talking about here is $900,000 being made available to complete the construction of this project. The city borrows for construction. Those borrowings are amortized and they are repaid both in principal and interest.

So that the $900,000 actually results in the repayment over 30 years of $2.4 million based on current interest rates. I don't think that Sursum Corda could raise that kind of money.

Senator CHILES. $2.4 million?

Mr. COPPIE. Yes, sir, keeping in mind that what we are talking about is a base cost of $900,000, but ultimately the repayment cost would be $2.4 million based on the current interest rate over a period of about 30 years; or approximately $82,000 in debt service per year.

Senator CHILES. Do you have any figures to determine whether it can be constructed for $900,000?

Mr. COPPIE. Mr. Chairman, I do not. If Sursum Corda does make application to the city for funds through its appropriated budget, our Department of General Services will make that evaluation.

Senator CHILES. If Sursum Corda had raised this $900,000 through their own private solicitations and other sources, was the city going to pay for the operating cost?

Mr. COPPIE. It is my understanding, Mr. Chairman, that the operating costs would be paid for by Sursum Corda. That is the way the project was originally planned.

Senator CHILES. How about the equipment?

Mr. COPPIE. It is my understanding that the equipment also would be paid for by Sursum Corda.

Senator MATHIAS. Just like the YMCA?

Mr. COPPIE. Yes, except for the Federal grant funding.

Senator CHILES. You have some other areas?

Mr. COPPIE. Mr. Chairman, we are here to support the other areas. I have the appropriate backup witnesses.

PREPARED STATEMENT

Senator CHILES. Before we go to these other areas, Mr. Stewart, do you have any other comments you would like to make in light of Mr. Coppie's comments?

Mr. STEWART. No; Mr. Chairman, we have taken the time of the committee substantially. We would like to make a written submission in regard to the gentleman's testimony and promptly if we might do that.

Senator CHILES. The record will remain open so you can make that submission.

[The document follows:]

Dear Mr. Chairman:

Re: Sursum Corda Neighborhood Center, District of Columbia FY '77 Appropriation Bill

Thank you for the courtesies which you extended to representatives of the Sursum Corda Neighborhood who appeared before the Subcommittee in support of the Hollings Amendment to the FY '77 District of Columbia Appropriation Bill concerning the funding of the balance of construction costs and of equipment costs of the Sursum Corda Neighborhood Center.

The purpose of this present communication is to present the views of the major community organizations who are advocates of the Amendment and supporters of the Center in rebuttal to views presented to the Subcommittee on behalf of the District of Columbia Government by Mr. Comer Coppie.

It is clear that the Administration of the District of Columbia Government finds itself in a paradoxical position. Having formally applied to the Federal Government (HUD) on three separate occasions (1970, 1972 and 1977) for federal assistance in the construction of the Sursum Corda Neighborhood Center, the Mayor and Mr. Coppie are not in a position and did not attempt to disclaim the City's recognition of the need for the Sursum Corda Neighborhood Center.

Moreover, though yielding to the temptation which their current situation presented of suggesting that the partnership between the District of Columbia Government and Sursum Corda in relation to the Center consisted of mutually exclusive, water-tight compartments in which the City's role was limited to applying for federal funds, while that of Sursum Corda was to consist of raising all monies required over and above federal assistance to carry out the cost of constructing and equipping the Center, the City's very actions separate from the appli-

cation for federal funds themselves refute its present statement in that regard.

Thus, subsequent to its applications in 1970 and 1972 for federal funds, the District of Columbia Government itself made a Model Cities grant towards the construction cost of the Center, and the Director of the Model Cities Program, Mr. James I. Threatt, invited Sursum Corda to return the following year for additional assistance if it were required.

Moreover, when the Community Development Block Grant program supplanted all preceding community-oriented, federally-funded programs, the District of Columbia Government, with the approval of the City Council, committed an additional $463,000 of Community Development Block Grant funds to the construction cost of the Sursum Corda Neighborhood Center.

This long history of deliberate and constructive action on the part of the City establishes beyond any possibility of serious dispute that the City recognizes the need for and supports Sursum Corda in its efforts to discharge its contractual obligations to the City to develop and construct the Sursum Corda Neighborhood Center.

What then is the disupte which has challenged the attention of your Subcommittee all about?

The plain fact is that the City's opposition is registered solely out of a concern by the Mayor and his advisors that no precedent be established which would contradict the self-sufficiency of the District Government under the Home Rule Charter in its relationships with the Congress. The preoccupation of the Mayor and Mr. Coppie with the notion that they must publicly abandon the City's long-established recognition of the need for and support of the Sursum Corda Neighborhood Center in order to establish their jealous fidelity to the all-embracing concept of home rule to the exclusion of any other

considerations has, in this case, involved them in impossible contradictions. They have overlooked or choose to ignore the fact that the City itself has called upon Sursum Corda to carry the leadership responsibility for the development and construction of the Center and has emphasized the overriding importance of the Center through the substantial allocation of funds under control of the City under the programs previously described. They have overlooked or choose to ignore the fact that these emphatic and publicly communicated supportive actions for the Center were initiated and carried forward for several years prior to the effective date of the Home Rule Charter. They have overlooked or choose to ignore the fact that the major reason for the funding difficulty is that the 75% federal contribution contemplated by the Neighborhood Facilities Grant Program could not be realized in this instance, because of the regressive policies of the federal administration in recent years concerning the funding of that program.

As Senator Mathias so aptly observed during the hearing, the Sursum Corda Neighborhood Center is an important piece of unfinished business left over from the governmental era preceding the Home Rule Charter, the loose ends of which being federal in nature, justify federal attention through the action requested of the Subcommittee by Senator Hollings in his proposed amendment.

Perhaps the most distressing contradiction of all in which the City's leaders have involved themselves, because of their dilemma of desiring to avoid the imagined precedent of affirmative action by the Subcommittee in this instance is their persistence in sponsoring for Subcommittee consideration what can only be described as the fiction of the availability of the types of programs proposed for the Sursum Corda Neighborhood Center at disparate locations in and about the Northwest Number One Urban Renewal Project Area. The refutation of this fiction comes best from the major community organizations which strive

through their programs within this area of the City day in and day out to deliver in the wretched and totally inadequate locations identified by the City meaningful programs and services to members of the community.

Let the Boys' Club speak first from its formidable experience in this neighborhood as to the total lack of merit in the City's suggestion that the Sursum Corda Neighborhood Center is not needed because of the asserted availability of fragments of programs elsewhere in the neighborhood:

> "The Boys' Club of the Metropolitan Police, D. C., has been in existence for more than forty years, serving the youth of this City. The Club is supported by the Metropolitan Police Department and by contributions from the public. The management of the Club is vested in a Board of Directors composed of Police officers and citizens. The citizens on the Board represent a cross-section of the Washington community and include judges, businessmen, clergymen, government employees and others from all walks of life.
>
> "The Club operates ten clubs which are located in high crime and low income areas of the City. One such club, Police Boys' Club No. 2, has been located in or near the area known as Northwest One during the life of the Metropolitan Police Boys' Club. Until recently, Boys' Club No. 2 was located in an unused school building at Third and K Streets, N. W. This building was demolished to make way for highway construction. The Club now occupies space in the Perry Elementary School, First Street and New York Avenue, N. W. This location was selected because no other space was available. Although the space in the Perry School is inadequate, the Board considered it important to continue providing services to the youth in the area, although the full range of Boys' Club services could not be maintained.
>
> "When the Board learned of plans for the Sursum Corda Neighborhood Center, this was seen as an opportunity to reinstate the full range of Boys' Club services to the area. It will be a blow to Boys' Club programs and services if the Sursum Corda Center fails to materialize.
>
> "For many of the children we serve, teachers, shop-keepers and police officers sometimes fall into the same category - the adversary. Unless one of these people make a great impression, a youngster may feel alienated from the world he perceives each day on television. Through the Boys' Club the police are trying to make sure that these children are reached by the larger society. A youngster who begins coming to the Club between the ages of six and eight years usually has a good chance of steering clear of trouble. The kinship he feels for the police officer who coaches him each day, allows him a closer look at what authority means and why it might not be such a bad idea

after all. Many youngsters from the inner city who have had to deal with the adversities of the inner city life, a tumultuous home life, and an uncertain future, have, understandably, a considerable amount of aggression. Because aggression can be thought of in terms of unused energy, the aggressive energy spent at one of our clubs means that much less fuel for juvenile delinquency. Boys and girls come to us with the same energy that can power a life of crime. The Police Boys' Club uses that energy to keep our program alive with good athletics, good friendships, good times, and most importantly, good relationships between the police officers and the child.

"Testimony before the Subcommittee indicated a number of recreational facilities purported to be available to the residents of the area known as Northwest One. We will attempt to give an assessment of these facilities from the Boys' Club point of view.

"BUNDY SCHOOL RECREATION CENTER - This center is located on O Street, between Fourth and Fifth Streets, N. W., eight blocks from the site of the proposed Center. To use this center, residents of Northwest One not only will have to travel a great distance, but will have to cross at least three major traffic arteries. The Boys' Club considers this location inadequate for our programs because of the great distance and the danger posed by the major traffic arteries.

"DUNBAR HIGH SCHOOL - This school is located four blocks from the site of the Sursum Corda Center. Inasmuch as this is a high school, it is populated by students from a much wider area than Northwest One. It is obvious that its facilities will be used chiefly by the students that attend the school. It follows that these facilities will not be available for Boys' Club purposes.

"WALKER-JONES SCHOOL - This school is located within the boundaries of Northwest One. These facilities consist mainly of a poorly equipped playground and a number of meeting rooms. The school is not available for Boys' Club programs.

"PERRY ELEMENTARY SCHOOL - The Boys' Club is presently located in this building. Although the facilities are inadequate for Boys' Club purposes, it was the only building available in the area when the original club was demolished to make way for the highway construction.

"JUDICIARY BUILDING - This is a high-rise apartment building with a recreation area located on the ground floor. The recreation facility is operated mainly for the residents of the

building and are not suitable for Boys' Club purposes.

"SIBLEY PLAZA - This is a public housing project whose recreation area is operated by the Recreation Department mainly for the residents of the building. These facilities are not suitable for or available to the Boys' Club.

"It is to be noted that all of the existing or proposed recreational facilities in the vicinity of Northwest One do not lend themselves to the multi-service community building concept that is advanced by the Sursum Corda Community Center, where a variety of agencies, each financed in whole, or in part by private funding, will deliver a variety of services to the residents of Northwest One and adjoining areas. It is further noted that except for the Perry School, none of these facilities are available for use by the Boys' Club of the Metropolitan Police."

Let the Center City Community Corporation, through its Neighborhood Development Center, at 1126 First Street, N. E., speak next in refutation of the fiction which the City has advanced in opposition to the Subcommittee's affirmative action on the Hollings Amendment. Bear in mind that the Center City Community Corporation is of, by, and for the City. Initially established as a Neighborhood Development Organization, it is being carried forward as a formal activity of the City through the United Planning Organization and the United Way. Mr. Edward Nesbitt, Executive Director, and Mrs. Murice Jefferies, Chairperson of the Sursum Corda Neighborhood Center Council, made a careful survey of a report prepared by the Recreation Department which is the genesis of the assertions made by Mr. Coppie on behalf of the Mayor during the hearings on June 24. The full text of their report, as presented to the Director of the D. C. Office of Planning and Management, is attached to this present communication. We exerpt from that report the highlights most pertinent to Mr. Coppie's testimony as follows:

"1. Some of the programs are not open to all. The senior citizen programs at Judiciary House and Sibley Plaza are primarily for residents of those buildings. Those programs cannot fully accommodate their own tenants. Bishop Williams' youth group is unknown to the community, but based on prior experiences, it is assumed that this program is for church members.

"2. Some of the programs will benefit from the Center being constructed. The present Sursum Corda Center, with its day care program in the mornings and Center-City sponsored youth program in the afternoons, will be able to provide, in the new facility, services for approximately 1,500 other youth not enrolled in any program. Perry-Simmons houses an after-school care program and the Police Boys' Club #2. Plans for the new Perry-Simmons Replacement School are well underway. The building is rapidly approaching the collapse stage and these programs must be rehoused. The Boys' Club has already committed itself to the new facility and pledged money to the drive for completion. A large after-school care facility does not exist in the community.

"3. Some programs/activities listed do not exist. We are convinced that this study was done from some other document rather than from site visits because of its inaccuracies.
   a. Sursum Corda has no fields, no auditorium, no tract, and no pool.
   b. Walker-Jones Community Center has never been opened so it could not serve 200 persons.

"4. Some programs are designed for a special segment of the community. By your own information, you can see that Terrell, New York Avenue Playground, and Dunbar are predominantly sports oriented centers when these activities do occur. New York Avenue Playground, except for the basketball courts, seems designed to involve a small number of little people. Dunbar's gym is too small for its great basketball team to even use for practice.

Mr. Chairman, as so eloquently stated by the Boys' Club presented above and in retired Deputy Chief of Police Owen W. Davis' testimony before you on June 24, the prompt construction of the Sursum Corda Neighborhood Center involves nothing less than the opportunity of

the youth of the inner city neighborhood to be served by the Center to develop, as is their right, as constructive members of the community, free from the destructive influences which abound in the inner city which, without the presence of the Center, will predictably lead many of them into juvenile delinquency and a life devoid of constructive outlook and opportunity for useful and healthy participation in the life of the community. The fate of these children is in the hands of the Subcommittee. Surely, their welfare is of greater importance than the administrative technicality so ardently sought by the City of avoiding the appearance of any encroachment by the Congress on the prerogatives of the Mayor and the City Council under the Home Rule Charter.

It is in the name of the boys and girls, the men and women and the senior citizens of the Northwest Number One Urban Renewal Project Area neighborhood that we appeal for your support. We have sufficiently indicated on the record our own purpose to remain responsible at the end through the repayment of the funds to be made available for the private financing of a major portion of the cost of this Center whose creation is demanded in the public interest and whose use will remain under the control of the City and the Neighborhood Center Council to guarantee at all times that the public interest is served.

Sincerely yours,

Eugene L. Stewart
Sursum Corda, Inc.

Owen W. Davis
The Boys' Club, Metropolitan Police, D. C.

Edward Nesbitt
Executive Director, Center City Community Corporation

Murice Jefferies
Chairperson, Sursum Corda Neighborhood Center Council

ATTACHMENT

Center City Community Corporation
NEIGHBORHOOD DEVELOPMENT CENTER
1126 FIRST STREET, N. E.
WASHINGTON, D. C. 20002

May 10, 1976

EDWARD NESBITT
EXECUTIVE DIRECTOR

Mr. Ben Gilbert, Director
D. C. Office of Planning and Management
District Building
Washington, D. C.

Dear Mr. Gilbert:

Center City Community Corporation and the Sursum Corda Neighborhood Center Council are deeply involved in the development of the Sursum Corda Center. We are also concerned about the City's reluctance to fully commit itself to the completion of the project and about the Mayor's or his key advisors' unwillingness to meet with Mr. Eugene Stewart and members of the Neighborhood Center Council.

We are aware that a task force of City department heads was established, under your leadership, to evaluate the City's interest in the proposed Center. The most disturbing news is that this committee suggested that maybe there are enough programs available to the residents and therefore the Center should not be built. I have in my possession, a copy of a report entitled "Recreation Facilities Within 3/4 Mile Radius of Proposed Sursum Corda Community Center" compiled by the D. C. Department of Recreation and dated March 1976.

It is our hope that you will not try to use this document as a basis for denying the community this Center because it gives a very distorted picture of services available in the area. Some attention should be focused on the amount of work the citizens have put into the project in their desire to have for this impacted area, a place where all ages can fully participate in activities prescribed by them.

The report seems designed to show that sufficient programs exist to accommodate all persons in the area and to mislead uninformed persons into believing that the number of programs within a 3/4 mile radius of a proposed center determines whether a facility is built. It has failed on both counts.

A. Area Programs Revisited

1. Some of the programs are not open to all. The senior citizen programs at Judiciary House and Sibley Plaza are primarily for residents of those buildings. Those programs cannot fully accommodate their own tenants.

   Bishop Williams' youth group is unknown to the community, but based on prior experiences, it is assumed that this program is for church members.

2. Some of the programs will benefit from the Center being constructed. The present Sursum Corda Center, with its day care program in the mornings and Center-City sponsored youth program in the afternoons, will be able to provide, in the new facility, services for approximately 1,500 other youth not enrolled in any program. Perry-Simmons houses an after-school care program and the Police Boys' Club #2. Plans for the new Perry-Simmons Replacement School are well underway. The building is rapidly approaching the collapse stage and these programs must be rehoused. The Boys' Club has already committed itself to the new facility and pledged money to the drive for completion. A large after-school care facility does not exist in the community.

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4. Some programs are designed for a special segment of the community. By your own information, you can see that Terrell, New York Avenue Playground, and Dunbar are predominantly sports oriented centers when these activities do occur. New York Avenue Playground, except for the basketball courts, seems designed to involve a small number of little people. Dunbar's gym is too small for its great basketball team to even use for practice.

Other Areas Visited

A task force of staff and community residents went over to the new Joseph R. Cole Recreation Center and marveled at that magnificent plant. We also took a survey of other programs located in a general area that encompassed a 3/4 mile radius. We found that within that area there are thirty-three (33) places where programs are operating; fifteen (15) of which we could immediately identify as being operated by the D. C. Recreation Department. There are also three (3) other sites where D. C. Recreation operates summer programs.

Our purpose here is not to criticize D. C. Recreation, the Planning Office or the Mayor, but merely to suggest that the number of isolated programs should not be the basis upon which the Sursum Corda Community's dream should be determined. Using the same criteria in the East Capitol Street area, the Joseph Cole Center should not have been built. You did not use it then; so do not use it now!!!

In relationship to this study, we urge you to touch bases with Mr. William Rumsey. Members of Sursum Corda met with him and he indicated that the Center was a worthwhile project. We have letters on file where Mr. Joseph Cole declared himself in favor of the Center.

This project is an example of public and private corporations; social agencies; and churches working together to provide for residents what the City itself should be doing. The Mayor, on many occasions, has said that he wants people to help government and he will make sure that government helps people. Here is an opportunity to put into practice what has been preached. Provide the assistance needed to complete the Center through existing funds or support the legislative approach to the problem. Our main concerns are that the Center is built and that this community's faith in its government does not "go down the drain"

Mr. Gilbert, we extend to you and your task force an invitation to take a tour of this area; visit the various program sites; and talk with residents. We will take the responsibility of setting up and conducting the tour at your earliest convenience.

We anticipate a positive response so we can continue about the business of helping people help themselves.

Yours truly,

Edward Nesbitt

Edward Nesbitt, Executive Director
Center City Community Corporation

Murice P. Jefferies

(Mrs.) Murice P. Jefferies, Chairman
Sursum Corda Neighborhood Center Council

PROPOSED SUBMISSION OF FISCAL YEAR 1978 BUDGET

Senator CHILES. Mr. Coppie, the city has submitted its 1977 budget. I suppose the House has closed their hearings on the 1977 budget. This was going to be our last hearing in connection with the 1977 budget, although we might go further in view of the comments that we had yesterday on an item.

The 1978 budget is now under consideration?

Mr. COPPIE. That is correct.

Senator CHILES. When did the city promise to send that budget to us?

Mr. COPPIE. The Mayor's commitment is to have it to the Congress by mid-February of 1977.

Senator CHILES. Mid-February of 1977?

Mr. COPPIE. Yes, that is my understanding.

Senator CHILES. If Sursum Corda wanted to, they could still submit an application, seek funding in the 1978 budget?

Mr. COPPIE. Yes, sir.

FISCAL YEAR 1977 SUPPLEMENTAL BUDGET REQUEST

Senator CHILES. I understand the city has added a number of items totaling $671,300 for the fiscal year 1977 budget request subsequent to our April hearing.

OFFICE OF LATIN COMMUNITY DEVELOPMENT

What will be the exact role of the new Office of Latin Community Development?

Mr. COPPIE. Mr. Chairman, Mr. Martin Schaller, the executive secretary of the District of Columbia is here to speak to that.

Mr. SCHALLER. Mr. Chairman, the role of the new Office of Latin Community Development shall be to ensure that a full range of health, education, employment, and social services will be available to the Latino community in the District of Columbia.

The planning and monitoring of programs undertaken by the Office of Latino Affairs and the Commission in partnership with members of the Latino community, families, community leaders, private agencies, and the District of Columbia government, will serve as an impetus to making the Latino community an integral part of the total District of Columbia community.

Senator CHILES. What is the size of the Spanish community in Washington?

Mr. SCHALLER. The best estimate at the present time of the size of the Spanish community in Washington, D.C. is approximately 50,000 to 65,000 individuals. The new Office of Latino Affairs would be responsible for providing various types of assistance to that community.

Senator CHILES. How many Spanish-surnamed people are employed by the city?

Mr. SCHALLER. As of the June 7, 1975, staffing pattern, 253 Spanish-speaking persons were employed by the District of Columbia government. This represents 0.7 percent of the city's work force.

The District government does have an affirmative action program which covers the hiring of all minority including, the Spanish-speaking

community. The success of this program cannot be judged accurately because of the freeze on hiring in the city government since October of 1974. It should also be noted that a considerable number of Spanish-speaking residents are noncitizens and cannot be hired under the existing personnel policy of the city.

Senator CHILES. What specific problems would the new office address?

Mr. SCHALLER. The new office will serve as the planning and technical assistance unit of the District government for Spanish-speaking affairs. Technical assistance will be provided to the Latino community organizations, as well as to District government agencies in planning and monitoring policies and programs which directly affect the Latino community. In addition, responsibility would include working closely in coordinating current programs for the Spanish-speaking with existing District government and community agencies through the maintenance of a direct liaison and referral system.

Providing intake points for persons seeking English instruction, job skill training and employment, and refering these persons to special programs. Preparing grant proposals for submission to government and private agencies to request funds for programs that benefit the Latino community.

Translation of human resource information such as pamphlets, booklets, brochures, and news articles from English to Spanish for use by private and local government agencies. Fostering the further growth and development of such projects as: Adult education programs, senior citizen center, day care programs, community action program activities, manpower job skill training programs and Spanish heritage cultural activities.

Senator CHILES. Are the nine requested positions new positions, or are they being transferred from other parts of the city government?

Mr. SCHALLER. No, Mr. Chairman. Of the nine positions being requested, six represent new positions. The existing Spanish Affairs Unit within the Department of Human Resources consists of three employees, and these employees will be transferred to the new office. The budget for the present Spanish Affairs Unit is $52,000. Therefore, the total request in the 1977 fiscal year budget of $200,000 represents an increase of $148,000.

The creation of the new Office of Latino Community Development within the executive office of the Mayor would entail shifting those three employees out of the Department of Human Resources and placing them within the Executive Office of the Mayor, together with six additional persons for a total budget of approximately $200,000, or additional monies in the amount of $148,000.

CONSOLIDATION OF CITY AGENCIES

Senator CHILES. As you know, one of our special topics during the April hearing was the need to consolidate city departments and agencies. At that time, Mr. Coppie, you indicated that a number of consolidation plans were under consideration.

What progress has been made since April to consolidate the city agencies in order to streamline the bureaucracy and generally help reduce overhead costs?

Base amount for veterinarian program at WTI

Salaries and Fringe Benefits:	
One Professor in Veterinarian Medicine and One Associate Instructor (Nonprofessional) in Animal Science	$49,384
Supplies	10,000
Total Base Available	$59,384

REMARKS BY SENATOR MATHIAS

Senator MATHIAS. Mr. Chairman, I would like to refer a minute to the Office of Latin Community Development.

Your written justification as I read it doesn't really include what you estimate the size of the Latin community to be.

Mr. SCHALLER. I think I included that in my previous remarks. I believe we had introduced it earlier. But it is approximately 50,000 to 65,000 individuals in the District of Columbia. I might add that a large number, I don't know precisely how many, are noncitizens of the United States.

This explains, in part, the small number of Spanish-speaking employees we have in the District of Columbia. There are restrictions in the hiring of noncitizens in the D.C. government similar to those in the Federal Government.

Senator MATHIAS. It is somewhat paradoxical, but perhaps the reason I didn't catch that figure is because I was called out of the room for just a minute to assist an individual member of the Hispanic community, who was seeking some help. It may be that that is when you mentioned it. But you think in the order of magnitude of 50,000 to 60,000?

Mr. SCHALLER. Yes, sir.

Senator MATHIAS. These are people whose first language is Spanish?

Mr. SCHALLER. That is correct.

Senator MATHIAS. Of course, I don't want to get Maryland affairs too intimately involved here, but the fact of the matter is there is a growing Hispanic community in Maryland, not only in the Baltimore metropolitan area, but in the intervening, emerging suburban areas, which is slowly developing, some consciousness and some community personality.

I think there is a need here. I don't think we will encourage ethnic politics anymore than we have already in the country, but should approach it in terms of the sheer need of the people who are in an alien environment and feel quite lost at times there seems to be a need.

CONCLUSION OF HEARINGS

Senator CHILES. I think that is all the questions we have.

[Whereupon, at 3:50 p.m., Thursday, June 24, the hearings were concluded and the subcommittee was recessed to reconvene at the call of the Chair.]

All I have noticed since then was a fiscal year 1976 request for an office, new Office of Legislation and now the fiscal year 1977 request of the new Office of Latin Community Development.

Mr. COPPIE. Mr. Chairman, the work on the new Department of Labor has been completed and that reorganization proposal is pending before the Mayor's task force on labor for review before submission to the Mayor. Additionally, the city has under consideration a proposal to establish an Office of Business and Economic Development.

The other major report that the Mayor considered is the Arthur Andersen report of last week.

The Arthur Andersen report, as you know, does recommend the consolidation of the financial operations of the executive branch into an Office of Financial Management and Administration. Specifically this organization would bring together the Department of Finance and Revenue and the Office of Budget and Management Systems.

The Mayor indicated in his press conference Saturday that he supports that principle. What exactly the time schedule to implement that recommendation, I couldn't say at this time.

NEED FOR NEW OFFICE TO SERVE LATINO COMMUNITY

Senator CHILES. Can the needs of the Latin community be served without establishing a special and new office?

Mr. SCHALLER. Mr. Chairman, while it may be possible to serve the needs of the Latino community without establishing a special and new office, the present organizational structure within the Department of Human Resources simply has not been satisfactory. It has not been possible for the Spanish Affairs Unit, within the Department of Human Resources, because of its small resources, to really meet and address the special needs of the Latino community.

It was felt by the Council of the District of Columbia that the Office of Latino Community Development as a separate office within the Executive Office of the Mayor, would have the bureaucratic status necessary to carry out an effective program for the Latino community. Efforts over the past several years have not been successful in meeting the special requirements of the Spanish-speaking community in such areas as adult education, language training, employment, job training and consumer and legal services programs so that this minority group could be successfully integrated into the main stream of the life of the city.

Senator CHILES. Does the city have plans to establish additional offices to serve other ethnic groups?

Mr. SCHALLER. No, sir. The District of Columbia does not have plans to establish any other such offices.

COMMISSION ON THE ARTS

Senator CHILES. What is the specific purpose or need for providing the Commission on Arts with the $200,000 grant? How was this commission funded?

Mr. SCHALLER. Mr. Chairman, the purpose of providing the Commission on the Arts with a $200,000 grant is so that the District of Columbia will be able to support an increased number of community-based arts programs.

At the present time, the only funds available to the Commission are those which are received from the National Endowment for the Arts. Thus, total reliance on an arts program is dependent upon Federal grants.

The provision of $200,000 to the newly established Commission on the Arts will provide the Commission with its own capabilities to provide support to worthy arts and humanities programs in the District of Columbia, under criteria established by the Commission rather than by Federal guidelines.

At the present time, the Commission receives $205,000 in grant money from the National Endowment for the Arts. There also is $12,000 for the Artist In Schools program and part of the $200,000 request will be used as matching funds for this program in the amount of $6,000.

The fiscal year 1976 budget includes provisions for three staff employees for the Commission and $54,000. The D.C. Council removed the $200,000 item from the 1976 budget when it made general across-the-board reductions in its final actions. It was recognized, however, by both the Mayor and Council that failure to include additional funds to provide grant capabilities would give little, if any opportunity to the new Commission to carry out an effective and meaningful arts program within the District of Columbia.

Senator CHILES. So you took it out of your 1976 budget?

Mr. SCHALLER. Yes, sir, initially. However, $100,000 was put back into the base and we have added an additional $100,000 in the fiscal year 1977 budget.

VETERINARY PROGRAM IN WTI

Senator CHILES. What is the need for the $22,000 for the veterinary program in the Washington Technical Institute and what is the amount already in the base for this program?

Mr. COPPIE. Mr. Chairman, the President of the Washington Technical Institute was unable to be here because of an earlier commitment. The $22,000 will allow the college to obtain one instructor in the veterinary science. This will allow them to increase their student enrollment to about 90 students, as compared to 65 that are in the program now.

This is a program that has been highly successful at the Washington Technical Institute.

There is a great demand; it is a program that is in need of expansion.

Senator CHILES. Paraveterinary jobs?

Mr. COPPIE. Yes.

Senator CHILES. There is a demand?

Mr. COPPIE. Yes. Of course the students can transfer to a 4-year institution that offers veterinary medicine. The base amount I will provide for the record.

[The information follows:]

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