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Before the Committee on Appropriations

District of Columbia Budget Amendments

Fiscal Year 1976



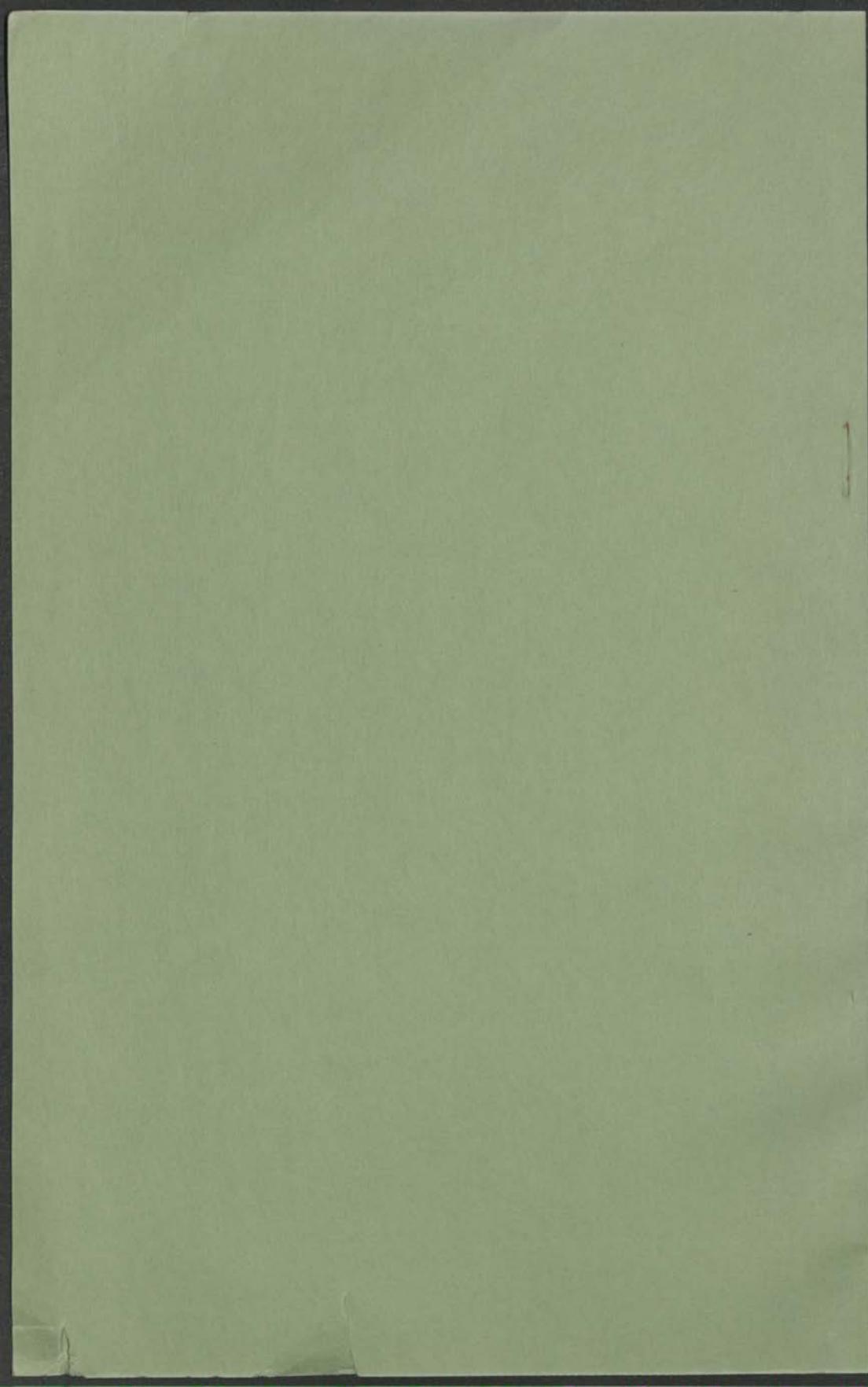
94th CONGRESS, SECOND SESSION

H. R. 13965

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DISTRICT OF COLUMBIA BUDGET AMENDMENTS FOR
FISCAL YEAR 1976

HEARINGS
BEFORE A
SUBCOMMITTEE OF THE
COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE
NINETY-FOURTH CONGRESS

SECOND SESSION

ON

H.R. 13965

AN ACT MAKING APPROPRIATIONS FOR THE GOVERNMENT
OF THE DISTRICT OF COLUMBIA AND OTHER ACTIVITIES
CHARGEABLE IN WHOLE OR IN PART AGAINST THE REVENUES
OF SAID DISTRICT FOR THE FISCAL YEAR ENDING
JUNE 30, 1976, AND THE PERIOD ENDING SEPTEMBER 30,
1976, AND FOR OTHER PURPOSES

Printed for the use of the Committee on Appropriations



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WASHINGTON : 1976

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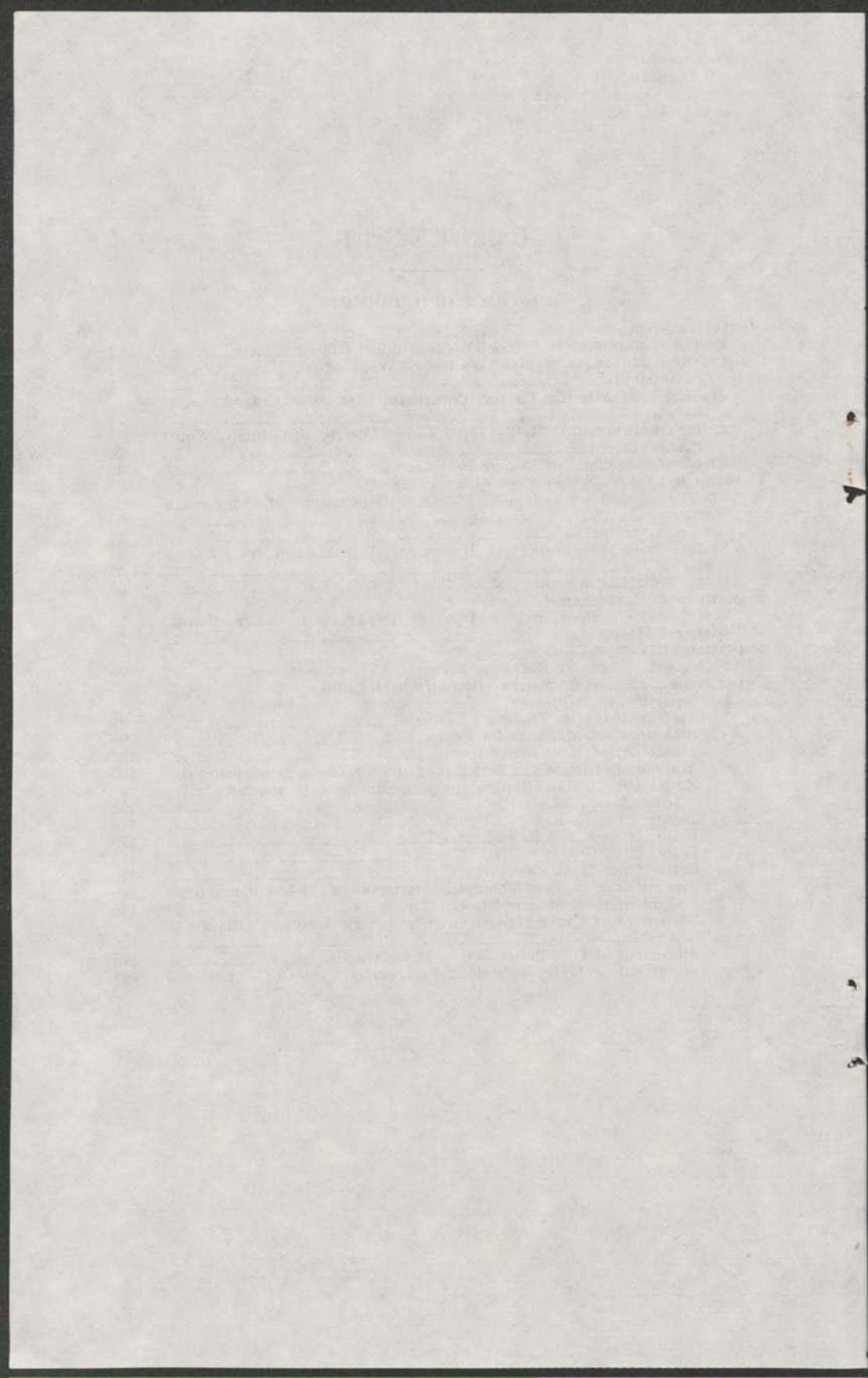
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DISTRICT OF COLUMBIA BUDGET AMENDMENTS FOR FISCAL YEAR 1976

MONDAY, MAY 24, 1976

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

The subcommittee met at 10 a.m., in room 1114, Everett McKinley Dirksen Office Building, Hon. Lawton M. Chiles, Jr. (chairman) presiding; present, Senator Chiles.

DISTRICT OF COLUMBIA

BUDGET AMENDMENTS

STATEMENT OF HON. WALTER E. WASHINGTON, MAYOR

ACCOMPANIED BY:

HON. STERLING TUCKER, CHAIRMAN, CITY COUNCIL

COMER COPPIE, BUDGET OFFICER

MAURICE CULLINANE, CHIEF, METROPOLITAN POLICE DEPARTMENT

DELBERT JACKSON, DIRECTOR, DEPARTMENT OF CORRECTIONS

JOSEPH YELDELL, DIRECTOR, DEPARTMENT OF HUMAN RESOURCES

SAM D. STAROBIN, DIRECTOR, DEPARTMENT OF GENERAL SERVICES

OPENING REMARKS OF SENATOR CHILES

Senator CHILES. This morning the subcommittee will consider the fiscal year 1976 budget amendments to the District of Columbia. This will complete our series of hearings on the 1976 budget and its amendments. We also will have a number of public witnesses who have asked to testify both on the 1976 budget request and on the 1977 budget request, and hopefully, this will also permit us to complete our hearings on the 1977 budget request.

The House Appropriations Committee reported out the 1976 budget for the city last Friday. We scheduled this hearing to immediately follow that markup in order to give the city the opportunity to comment and provide additional testimony on the effect of the House action. This will permit the subcommittee to move quickly towards markup and final action on the fiscal year 1976 Appropriation Act for the District of Columbia.

The original fiscal year 1976 budget was not submitted to the Congress until November of 1975. This is the latest submission in the last 20 years. The fiscal year 1976 amendment was submitted to the Congress in April. Because of these late submission dates, we are now in a situation of completing action on the fiscal year 1976 appropriation for the city in literally the last days of 1976. I was pleased to receive the mayor's letter of May 10, 1976, outlining the city schedule for the fiscal year 1978 budget process.

According to the mayor's schedule, we will receive the fiscal year 1978 budget in February of 1977. This will certainly be a great improvement.

This hearing will permit us to look at the revised financial plan for fiscal year 1976 and the need for the various items in the 1976 amendment. We are also interested in having a complete explanation of the effect of the city's need for additional funding in view of the fact that you will have been on a continuous resolution for almost the entire year.

This morning we will have the mayor, the Honorable Walter E. Washington, here to discuss these matters and are glad to have the mayor before this subcommittee. We are also pleased to have the Chairman of the City Council, the Honorable Sterling Tucker, with us also today.

I understand the mayor isn't here yet, so Comer, do you want to start with your statement in order to keep going here this morning.

Mr. COPPIE. Mr. Chairman, the mayor will be here momentarily. I expected him at 10 o'clock. I regret he is late. Mr. Tucker will be here, too.

Senator CHILES. Bad chauffeurs?

Mr. COPPIE. Perhaps. I hope not. In the interest of time, I can go forward with my statement. My statement pertains primarily to the financial plan to support our amended budget for 1976.

PREPARED STATEMENT

I would like to have the entire statement provided for the record, Mr. Chairman, and to briefly highlight some of the major points with regard to our financial plan.

Senator CHILES. Your entire statement will be printed in the record. [The statement follows:]

Dear Mr. Chairman and Members of the Committee

I am submitting today the District's revised financial plans and supporting materials for Fiscal Year 1976 and the Transition Quarter. They differ in a number of important respects from the plans submitted earlier.

The plans are no longer submitted by fund. D. C. Council Act 1-42 abolishing the fund designations became effective January 22, 1976, after the required 30 legislative day layover period. The Act does require that year-end reports be prepared showing revenues and expenditures associated with water, sewer, and transportation activities. We will, of course, comply with that provision. Abolishing the fund designations will simplify the city's appropriation and cash management procedures.

The revised Fiscal Year 1976 plan requires an additional \$15 million advance from the U. S. Treasury, which would bring the year-end total of advances outstanding to \$55 million. \$40 million was outstanding at the beginning of the year. The plan for the Transition Quarter provides for the repayment of the \$15 million. In addition, the Fiscal Year 1977 plan will provide for a net repayment of \$20 million of the outstanding balance. The additional \$15 million is required in Fiscal Year 1976 because new revenues enacted by the city will not become available until the Transition Quarter. Sufficient revenues will be available during that period to repay this additional advance, however.

Because of the questions that have been raised concerning the accounts payable in Fiscal Year 1976, I would like to go into some detail concerning them. The opening and closing accounts payable have been adjusted by the Office of Budget and Management Systems as a result of the work of the City Auditor and the Office of Budget and Management Systems staff analysis.

Opening accounts payable are now shown on the same basis as closing accounts payable to permit a more accurate comparison and determination of the growth rate. The result of this adjustment is to increase opening payables by a little over \$17 million. Previously, certain unobligated

balances from past years had been excluded from opening payables because it was unlikely that the city would be called upon to finance them. However, to avoid overstating cash requirements all unobligated balances from the current year had to be included in the closing balance. Since some amounts were omitted from the opening balance, the growth between opening and closing accounts payable appeared to be higher than it was.

Closing payables have been reduced slightly (by about \$3 million) from the original estimate. The changes in the components of these payables fully justify the closing balance of \$142.5 million.

Almost \$18 million of the \$26 million increase over the opening balance is due to a return to the Fiscal Year 1974 treatment of deferred salaries payable for teachers. Teachers generally earn their salaries over a ten month period but are paid over twelve months. In Fiscal Year 1975 money was actually set aside to cover this liability. This was not done before. In Fiscal Year 1976 we will return to the prior practice of showing the liability at the end of the year without actually having the cash set aside. The cash requirement is shown in the Transition Quarter plan and provision for payment is made. Because of the change in the fiscal year, this practice will not be necessary in the future.

The change in other payables and undelivered orders and unliquidated obligations is less, on a percentage basis, than the increase in the budget. The increase in payables is at a lower rate than that suggested in the City Auditor's letter to the Chairman. The year-end unobligated balance is consistent with the Auditor's recommendations.

Changes in wages and salaries payable are based on actual payrolls and the number of days between the end of the year and the end of the last pay period for which employees have been paid.

In the Transition Quarter, no changes are shown in other payables, undelivered orders, and unobligated balances. Wages and salaries payable are adjusted for the actual number of days for which pay will be owed at the end of the year.

A \$3 million dollar increase in the Federal Payment over the President's original request, and a \$3 million increase over the city's amended budget request, have been added by the President to support the District's public safety needs during the Bicentennial Summer of 1976. The requested payment is still within the authority in the Home Rule Act.

A detailed explanation of the calculations of these amounts is attached.

The plan shows several items for the first time. These include advances to be received and repaid, cash requirements for permanent authorizations and appropriation lapses. The lapses represent unused authority approved in the Fiscal Year 1974 budget and included in the opening payables. This deduction eliminates the problem of the overstatement of cash requirements pointed out in the Auditor's letter.

I think that you will find that these plans realistically state the city's requirements and capacity for financing its requests.

I would be pleased to answer any questions on the plans.

SUMMARY OF STATEMENT

Mr. COPPIE. Mr. Chairman, first let me say that we believe the financial plan as revised for 1976 is the most comprehensive and the most complete financial plan that the city has presented to the Congress in support of its budget request for any year in any recent period.

The financial plan came under considerable scrutiny in the late fall when the 1976 budget was considered before this committee and in the House. It was a source of some controversy.

We have now revised that plan and it is a more realistic financial plan for the city as it represents a balanced financial plan to support the 1976 budget. In saying that I would point out to you that we will require a \$15 million advance between now and June 30 to support the budget request for 1976, which will make the outstanding advance at the end of the 1976 fiscal year \$55 million.

Actually, we plan to repay that \$15 million by September 30, 1976, so that over a 15-month period we have actually balanced this budget as far as the District of Columbia is concerned. The \$40 million imbalance that we ended 1975 with will be paid in part in 1977. Approximately \$20 million will be paid in 1977 and the balance will be paid in 1978.

I would also point out to you that in the transition quarter revenues do exceed appropriations and our current financial plan for 1977 revenues will be at a higher level than the appropriation request.

So the real problem that we have lived with this year and as we go forward into 1977 is the imbalance that was created in 1975. It is going to take the 1977 and the 1978 fiscal years for us to fully close that gap. We are sensitive to it. We are taking the appropriate steps to do the job that must be done.

Mr. Chairman, I know you have a great many questions with regard to the financial plan which we are prepared to speak to, but I think that briefly highlights my statement here this morning.

PREPARED STATEMENT

Senator CHILES. Mr. Mayor, do you have an opening statement?

Mayor WASHINGTON. Yes, I do, Mr. Chairman. I think you have it before you. It is a question of how much of it you want me to read. In the interest of time, it would appear to me that I might submit it.

Senator CHILES. We will print it in full in the record.

[The statement follows:]

Chairman, Members of the Committee:

I am pleased to present the District of Columbia's request for amendments to the Fiscal Year 1976 Budget.

The Budget Amendment addresses a number of important expenditure requirements identified by the City subsequent to the transmittal of the original Fiscal Year 1976 Budget to the Congress.

The Budget Amendment includes positions and funding for staffing and operating the recently opened New Detention Center; an increase in Capital Improvements funding for improving the D. C. General physical plant; increases in personnel services funding for the Department of Human Resources and the Metropolitan Police Department; and pay increase funding for classified employees, police officers, firefighters and Teachers Salary Act personnel.

In this Amendment, we have also included funding for uncontrollable expenditures which would normally be requested in a supplemental budget; and a request for \$3 million in Bicentennial funding for public safety programs during the Transition Quarter.

Due to delays in implementing the City's bond sale program, we are requesting language authorizing Treasury borrowing for Capital Improvements projects requested in the Fiscal Year 1976 Budget. The City has also proposed permanent legislation to support this request.

We are also providing the Committee a revised Financial Plan. The Financial Plan presents the most comprehensive and sophisticated analysis that has yet been presented by the City to the Committee. My Special Assistant for Budget and Management Systems will discuss the Financial Plan in more detail in his presentation.

Proposed Expenditures

The amended Fiscal Year 1976 Budget request for operating expenses totals \$1.047 billion. This request includes an increase of \$21.6 million

over the original budget request of \$1.025 billion. The amended Capital Improvements Budget of \$156.2 million is \$13.6 million above the original budget request. The expenditure request of \$248.5 million for the Transition Quarter represents 25% of the amended Fiscal Year 1976 Budget and \$3 million in Bicentennial funding for public safety.

The increased expenditure requirements are funded in two ways. In developing the revenue proposals to fund the Fiscal Year 1977 Budget, the City included sufficient funding to offset a portion of the increased revenue needed for Fiscal Year 1976 and the Transition Quarter. That Revenue Act has now cleared the City and is in the statutory 30-day Congressional layover period.

In addition to proposing new revenue to fund Fiscal Year 1976 expenditure needs, we are proposing reductions to the Fiscal Year 1976 request totalling \$16.3 million. Most of the reductions can be attributed to the delay in receiving a final appropriation for Fiscal Year 1976. Savings are due to the considerably reduced time for new or expanded program implementation and a corresponding reduction in the required personnel and program funding.

A smaller amount of funding reductions will curtail some of the program activities originally proposed by the City. These reductions have been made without prejudice to need. Some of the program requests being withdrawn represent genuine requirements of the City; however, the adjustments are proposed in order to relieve the pressure for increased revenue. Reductions in several small Capital Improvements projects have also been proposed.

Budget Amendment Increases

It is significant to point out that the Budget Amendment increase of \$21.6 million in operating funds is predominately pay increase funding. A total of \$19.4 million or 90% is required for pay increases. While

\$18.6 million in program increases is requested, only \$2.3 million in additional funding will be required. The remaining increases of \$16.3 million have been offset by budget reductions.

Department of Human Resources

An increase of \$6.1 million is requested for the Department of Human Resources. Of this amount \$4.4 million is required to fund the October 1975 pay raise for General Schedule and Wage Grade employees. A total of \$1.7 million in increased funding and \$9.2 million in adjustments to the original Fiscal Year 1976 program increases is required to avoid unscheduled personnel reductions. These amounts totalling \$10.9 million will increase personnel funding in the Department to the level needed to fund current employees and programs.

The shortfall in funding for existing programs is due to a loss in Federal reimbursements and base reductions inappropriately applied to personnel services funding. The change in Federal reimbursements is due to a variety of circumstances including the revision of Department of Health, Education and Welfare guidelines, and the loss of some one-time reimbursements realized only in Fiscal Year 1975. The funding request before you has been validated by the D. C. Auditor and is the minimum amount needed to avoid a major funding crisis in the Department. Of the \$9.2 million in reductions to the Fiscal Year 1976 program increases, nearly \$5 million is due to a loss of time in final budget approval, and slightly over \$4 million in program modifications.

Metropolitan Police Department

An increase of \$1.8 million is requested for the personal services budget of the Metropolitan Police Department. Although employment in the department has been frozen throughout the fiscal year, attrition savings will not be sufficient to sustain the reduced employment level

under the freeze program. It should be noted that the department has made cost savings adjustments in manpower scheduling during holidays and continues to limit overtime expenditures to Court-mandated appearances. A savings of \$1.3 million has been realized from these departmentally imposed economies.

New Detention Center

Last March the City opened two wings of the New Detention Center in order to provide relief to overcrowding at D. C. Jail. This new facility, which is to eventually replace the century old D. C. Jail, was opened ahead of schedule in order to meet Court-ordered improvements in detention services. Increased funding and positions are required to cover the staffing and operation of this facility.

Pay Increase Funding

In the original Fiscal Year 1976 Financial Plan the City provided a reserve of \$4 million for General Schedule and Wage Grade pay increases. It was planned that the additional funding requirement of \$9.5 million would be realized from savings due to attrition. In order to achieve these savings the City implemented a City-wide freeze on positions with a goal of reducing full-time permanent positions from nearly 37,000 employees to 35,000 employees. While the goal of 35,000 employees will not be realized during Fiscal Year 1976, the attrition program has been successful. The current employment level is 35,700 employees and a savings of \$4.1 million is projected. The request of \$9.4 million in appropriations includes the \$4 million in the original Financial Plan and \$5.4 million in new funding.

A total of \$10 million is requested for pay raises for police officers, firefighters and Teachers Salary Act personnel. The \$10 million funding request includes \$5.5 million for public safety employees and

\$4.5 million for public schools. The necessary legal authority to support this request has been approved by the City.

Regular Supplemental Requests

The Budget Amendment also includes funding for uncontrollable costs normally requested in a supplemental budget, such as fringe benefit costs, settlements for claims and suits, increased cost of utilities, compensation funds, and reimbursable funds for Federal Prisons and School Transit Subsidy. Because of the urgency to improve our financial management and tax administration systems, funding and positions are requested in the Department of Finance and Revenue and the Office of Budget and Management Systems.

The Amendment also requests appropriation of \$1 million for biennial contingencies. A reserve had previously been provided for in the Fiscal Year 1976 Financial Plan. Funding will be utilized by public safety departments and others including the Department of Human Resources, Environmental Services and Transportation, as required.

D. C. General Hospital

A Capital Improvements authorization of \$14.1 million is requested for D. C. General Hospital. The Department of Health, Education and Welfare, in a survey of the hospital, identified many deficiencies to the physical plant. The City was informed that certifications for Medicare, Medicaid, and maternal and infant care programs would be withdrawn unless deficiencies are corrected at the earliest possible time. Since these programs are vitally needed by the City, it is our hope that needed improvements can proceed without undue delay.

Transition Quarter

Funding requested for the Transition Quarter equals 25% of the Fiscal Year 1976 Budget as amended. The request by appropriation account reflects the seasonal nature of certain program activity. For example, the request for Public Schools is less than 25% while the request for the Department of Recreation is greater than 25%.

The Transition Quarter also includes \$3 million in Bicentennial funding for public safety. An increase in the Federal Payment from \$63.5 million to \$66.5 million is requested to fund this program. It is anticipated that funding will be utilized primarily by the Police Department; however, other public safety departments including Fire and Corrections have identified contingencies.

Appeals to House Mark

On May 21 the House Subcommittee on Appropriations reported its action on the amended Fiscal Year 1976 budget request. The House Mark is very supportive of the City's programs in that it allows virtually all of the resource requests for program operations. The House Markup reduced the City's operating budget request by \$3.6 million. The Capital Improvements request was reduced by \$21 million. The operating budget mark represents a reduction of less than one-half of one percent of our request, and is the smallest reduction in recent years.

Operating Budget Restorations

We are genuinely pleased with the House action on the operating budget; however, I would like to reaffirm our support for \$2.6 million of the \$3.6 million reduction made to the operating budget request. Our requests for restoration include items in several departments and

agencies. In most cases, these amounts are small when compared with the total budget level; they are nonetheless vital to the programs affected.

In the General Operating Expenses Appropriation we are requesting restoration of \$1.3 million. Included in this request is \$345,000 for the Office of Bicentennial Programs. This amount represents funding planned for special programs and for neighborhood beautification during the peak Bicentennial period. Denial of these funds would leave only the Kingman Island Project as a District of Columbia commitment to the Bicentennial celebration and would mean that the tireless efforts of so many who have planned under conditions of extreme uncertainty would be wasted.

We are also requesting restoration of positions and operating funds for the D. C. Council, the Board of Elections, the Office of the Secretariat and the Legislation Office so that these offices can effectively carry out their expanded functions under the Home Rule Act.

Restorations for the Office of the Mayor, Budget and Management Systems, Human Rights, Insurance, Minimum Wage, Municipal Planning Office and Youth Opportunity Services are needed to meet legal, expanded workload, grant-matching and management improvement requirements.

In Public Safety restorations of \$20,000 for the Bail Agency and the Public Defender Service will permit the City to provide workload support to court-related programs.

In Education and Human Resources restoration of slightly over \$200,000 will provide vitally needed positions and other operating funds in areas where available funds are totally inadequate to meet current workload demands.

In Transportation restoration of \$980,000 will allow the District to conform to rulings of the Public Service Commission and an opinion of the Corporation Counsel relative to electricity costs for street lighting.

The City also requests approval of its proposals for language changes relating to installation of meters in taxicabs; street lights electricity limitations; and the aerospace educational program.

Capital Improvements Restorations

We are requesting restoration of ten of the twenty Capital Improvements projects and \$14 million reduced by the House. Included in this request are funds for various Public School Playgrounds, construction funds for the Perry-Simmons Elementary School Replacement, funds for the Chillum Branch Library and for the Fairfax Recreation Center Ground Improvements.

I am also recommending that funds be restored for Engine Company Number 11, so that the City may proceed to replace this obsolete 75 year old facility. Finally, I am suggesting that grant funds from the Bureau of Outdoor Recreation be used to reduce the District Appropriation requirements for the Shapiro Tract acquisition to \$1.2 million in order for this project to proceed in Fiscal Year 1976.

* * * * *

Mr. Comer S. Cople, my Special Assistant for Budget and Management Systems will present the details of our financing proposals.

Mr. Chairman, as always, it is a pleasure to appear before your Committee. I thank you for the opportunity to present the Fiscal Year 1976 Budget Amendments. I will be pleased to answer any questions you may have.

HIGHLIGHTS OF MAYOR'S STATEMENT

Mayor WASHINGTON. I would like to as usual point out that we are pleased to be here once again, Mr. Chairman. In my statement, I point out that the House has acted on our budget. However, we feel that we still must submit to you matters that we feel should be addressed by your committee.

I think it is significant to point out, as I indicate in the statement, that the budget amendment increase of \$21.6 million in operating funds is predominantly pay increase funding; a total of \$19.4 million or 90 percent is required for pay increases. While \$18.6 million in program increases is requested, only \$2.3 million in additional funding will be required. The remaining increases of \$16.3 million have been offset by budget reductions.

DEPARTMENT OF HUMAN RESOURCES

We point out to you, Mr. Chairman, that there is an increase of \$6.1 million requested for the Department of Human Resources. Of this amount, \$4.4 million is required to fund the October 1975 pay raise for general schedule and wage grade employees.

A total of \$1.7 million in increased funding and \$9.2 million in adjustments of the original fiscal year 1976 program increases is required to avoid unscheduled personnel reductions.

That language means to forestall RIF's that might have occurred except for this action.

These amounts totaling \$10.9 million will increase personnel funding in the Department to the level needed to fund current employees and programs.

The funding request before you has been validated by the D.C. Auditor and is the minimum amount needed to avoid a major funding crisis in the Department. Of the \$9.2 million in reductions for the fiscal year 1976 program increases, nearly \$5 million is due to a loss of time in final budget approval and slightly over \$4 million in program modifications.

METROPOLITAN POLICE DEPARTMENT

As to the metropolitan Police Department, an increase of \$1.8 million is requested for the personal services budget of the Police Department, although employment in the Department has been frozen throughout the year attrition savings will not be sufficient to sustain the reduced employment level under the freeze program. It should be noted that the Department has made cost saving adjustments in manpower scheduling during holidays and continues to limit overtime expenditures to court mandated appearances.

A saving of \$1.3 million has been realized. Mr. Chairman, this again, as in the Department of Human Resources, has served to avoid a reduction in force in both of those departments.

NEW DETENTION CENTER

I would call your attention to the new detention center. The city opened two wings of the new detention center in order to provide relief of overcrowding at the D.C. Jail.

This new facility which is eventually—we were hoping, I would say—I suppose I should change the text to say we were hoping to replace the century old D.C. Jail with a new facility.

The new facility has opened ahead of schedule in order to achieve court ordered improvements. I would say to you parenthetically now, Mr. Chairman, based on forecasts or estimates, that the continued detaining of inmates in the new jail is creating a problem which is necessitating our operating both of those facilities. In the foreseeable future we believe it will be necessary to operate both of them or some portions of the old one as we fully occupy the new one.

Unfortunately, we are not able to take reservations, you know. We take them as we get them. There has been a rather substantial rate increase over the last seven or eight months in the number of inmates in the new facility.

POLICE, FIREFIGHTERS AND TEACHER PAY RAISES

I think the other highlight that I might call attention to is that a total of \$10 million is requested for pay raises for police officers, firefighters and Teachers Salary Act personnel.

The \$10 million funding request, includes \$5.5 million for public safety employees and \$4.5 million for public schools. The necessary legal authority to support this request has been approved by the City Council.

UNCONTROLLABLE COSTS

The budget amendment also includes funding for uncontrollable costs, normally requested in a supplemental budget; such as the fringe benefit cost, settlement claims, increased costs of utilities, compensation funds, and so forth. Because of the urgency to improve our financial management and tax administration systems, funding and positions are requested in the Department of Finance and Revenue and in the Office of Budget and Management Systems.

BICENTENNIAL CONTINGENCY

The amendment also requests appropriation of \$1 million for Bicentennial contingencies, a reserve previously provided in the fiscal year 1976 financial plan. Funding will be utilized by Public Safety Departments and others, including the Departments of Human Resources, Environmental Services and Transportation, as required.

D.C. GENERAL HOSPITAL

I call attention to the D.C. General Hospital. A Capital Improvements authorization of \$14.1 million is requested for D.C. General Hospital.

The Department of HEW, in a survey, identified the deficiencies. The city was informed that the certification for medicare, medicaid, and maternal and infant care programs would be withdrawn unless these deficiencies are corrected at the earliest possible time.

So we have duly approved by the Council a sum of \$14.1 million for the physical improvements at the hospital.

TRANSITION QUARTER

Finally, I would like to call attention to the transition quarter. The funding requested for the transition quarter equals 25 percent of the fiscal year 1976 budget, as amended. The request by appropriation account reflects the seasonal nature of certain program activity. For example, the request for public schools is less than 25 percent while the request for the Department of Recreation is greater than the 25 percent based on their seasonal nature of the program activity.

The transition quarter also includes \$3 million in Bicentennial funding for public safety. An increase in the Federal payment from \$63.5 million to \$66.5 million is requested.

APPEALS OF HOUSE ALLOWANCE

As you will note, Mr. Chairman, I state that on May 21 the House Subcommittee on Appropriations reported its action on the amended fiscal year 1976 budget.

The House is very supportive of the city's program in that it allows virtually all of the resource requests for program operations. The House markup reduced the city's operating budget request by \$3.6 million, and capital improvements request by \$21 million.

The operating budget mark represents a reduction of less than one-half of one percent of our request, and is the smallest reduction in recent years. So I do not believe we are in a position to be outraged.

We do understand that the House has basically addressed our needs and our basic needs. We are appreciative of that effort.

While we are and while we make that statement, I would like to reaffirm our support for \$2.6 million of the \$3.6 million reduction made to the operating budget request.

Our request for restoration includes items in several departments. In most cases these amounts are small when compared to the total budget level but they are nonetheless vital. I think they are enumerated for you.

APPEALS TO OPERATING BUDGET

In the general operating expenses appropriation, we are requesting restoration of \$1.3 million. Included in this report request is \$345,000 for the Office of Bicentennial Programs. This amount represents funding plans for special programs and for neighborhood beautification during the peak Bicentennial period.

Denial of these funds would leave only the Kingman Island Project as a District of Columbia commitment to the Bicentennial celebration and would mean that the tireless efforts of so many citizens who planned under conditions of extreme uncertainty would be wasted.

We are also requesting restoration of positions and operating funds for the D.C. Council, which I am sure Mr. Tucker will speak to more eloquently, the Board of Elections, the Office of the Secretariat and the Legislation Office so that these offices can effectively carry out their expanded functions under the Home Rule Act.

The restorations for the Offices of the Mayor, Budget and Management Systems, Human Rights, Insurance, Minimum Wage, Municipal Planning, and Youth Opportunity Services are needed to meet legal

and expanded work load, grant matching and management improvement requirements.

In Public Safety, restorations of \$20,000 for the Bail Agency and the Public Defender Service will permit the city to provide work load support for court related programs.

In Education and Human Resources restoration of slightly over \$200,000 will provide vitally needed positions and other operating funds in areas where available funds are totally inadequate to meet current work load needs.

In Transportation restoration of \$980,000 will allow the District to conform to the rulings of the Public Service Commission and an opinion of the Corporation Counsel relative to electricity costs for street lighting.

As you know, that matter has been the subject of a great deal of discussion as well as some litigation.

The city also requests approval of its proposal for language changes relating to installation of meters in taxicabs; streetlights electricity limitations; and the aerospace educational program.

APPEALS TO CAPITAL IMPROVEMENTS BUDGET

We request restoration of 10 of the 20 Capital Improvements projects and \$14 million reduced by the House. Included in this request are funds for various Public School Playgrounds, construction funds for the Perry-Simmons Elementary School Replacement, funds for the Chillum Branch Library and for the Fairfax Recreation Center Ground Improvements.

I am also recommending that funds be restored for Engine Company Number 11, so that the city may proceed to replace this obsolete 75 year old facility. Finally, I am suggesting that grant funds from the Bureau of Outdoor Recreation be used to reduce the District Appropriation requirements for the Shapiro Tract acquisition to \$1.2 million in order that this project proceed in fiscal year 1976.

I believe, Mr. Chairman, that you have personally visited that site, the Shapiro Tract site, and perhaps can also recommend the very useful activity that could be added to that area by virtue of approval of this tract. I continue to be committed to its development.

Mr. Chairman, Mr. Coppie has made some comments, but he would be glad to present further details of our financing proposals and we are glad the chairman of the City Council, Mr. Tucker, is here. You might wish to take testimony from him before Mr. Coppie.

Senator CHILES. Thank you, Mr. Mayor.

Mr. Tucker, do you have an opening statement for us?

STATEMENT OF STERLING TUCKER

Mr. TUCKER. Mr. Chairman, I would only comment generally and briefly, and later commenting more specifically on the Council's budget itself.

In response to your questions, I would say the Council supports the mayor's restorations and have had an opportunity to study them. Obviously, we have worked very carefully over the budget to be sure the House Committee did indeed give careful consideration to the work previously done in the city.

We do point out, however, the needs as indicated in the mayor's statement.

I would underline, perhaps underscore several areas of consideration. The \$100,000 for the Commission on the Arts and the Mayor's Office particularly—while this may not seem significant perhaps to some—this does involve a great many inner city youth in many of the activities and programs. This is a way to bring a little more creativity to their lives and eliminate some of the dullness.

We are very anxious this program be expanded in this way and we can really get this off the ground. We particularly hope, therefore, for this restoration in the various offices along with the cuts made from the Mayor's Office.

In the Office of Municipal Planning, \$100,000 for Third Party Customs Program was reduced from the budget. That program funds primarily one organization, an organization that works with ex-offenders, run by ex-offenders.

I am familiar with that program for many years, even before my days in government, as I worked in the Urban League here. The kind of work that is done, the importance of that work, is a very necessary segment of our society. We would hope that you would see fit to include these funds in the budget.

The \$42,200 and the 12 positions requested for the Board of Elections and Ethics. We are having elections at a very fast rate in this city. These are complex elections and all very necessary and very important. The problems of running the Board of Elections are difficult enough in running elections.

There is additional responsibility with the ethics work that must be done—the reports that must be maintained, the follow-up that must be done.

We strongly feel that these positions need to be restored so that the Board would have a minimum of staff to conduct a very poor operation in the most efficient way.

The Shapiro tract, as the mayor has indicated, has been a matter of deep concern. We have been there many times. The people in the community are deeply anxious that that land be made available for community work—community service activities. They have been very creative, we believe, and imaginative in the way they have used it voluntarily, even though in its present form it is not usable.

The community is always out there putting on festivals and doing very exciting things with that community.

I would say, therefore, Mr. Chairman, that we hope that these items would be included together with the other items, as pointed out in the mayor's statement. We support them fully.

Thank you, sir.

Senator CHILES. Thank you, Mr. Tucker.

COURT OF APPEALS

Senator CHILES. I believe the Courts have indicated they have a problem and I'll ask the clerk to ask them for a letter and insert it in the record at this point. Then all three branches of the City Government will be represented.

[The letter follows:]

DISTRICT OF COLUMBIA COURT OF APPEALS
WASHINGTON, D. C.

May 28, 1976

Honorable Lawton M. Chiles, Jr.
Chairman, Subcommittee on the
District of Columbia
Senate Appropriations Committee
United States Senate
Washington, D. C. 20515

Dear Senator Chiles:

I am writing to alert you to the deficit spending position in which the Court of Appeals will find itself on July 1, 1976 if the funding level for the Court during the transition quarter which was approved by the House of Representatives on May 26th is also approved by the Senate. The House approved \$377,100 for this period which is less than the amount needed to continue funding the nine law clerk positions (one for each judge) created by Pub. L. 94-191 and recommended by the House for funding in FY 1976. This cut in funds would severely cripple the capability of every judge on the Court of Appeals to maintain his current level of disposition of cases.

In order to maintain the current level of operation as approved by the House in FY 1976, the Court will need \$434,800 during the transition period, or \$57,700 more than is recommended by the House. The attached table summarizes anticipated expenditures during this period:

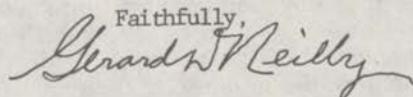
Projected Expenditures during Transition Quarter (7/1/76-9/30/76)

	Funding Per Housing Mark-up	Projected Expenditures	Surplus/ Deficit
Personnel Compensation	\$285,600	\$327,300	\$-41,700
Personnel Benefits	16,400	19,800	- 3,400
Retired Judges	38,800	31,725	+ 7,075
Travel	500	500	...
Rent, Communications and Utilities	6,000	9,375	- 3,375
Printing	8,200	12,000	- 3,800
Other Services	14,900	14,900	...
Supplies and Materials	2,100	2,100	...
Equipment	4,600	17,100	-12,500
	<u>\$377,100</u>	<u>\$434,800</u>	<u>\$-57,700</u>

The \$57,700 increase, if approved by the Senate and subsequently approved in Conference, will off-set the projected deficit and avoid a crippling reduction of force between July 1st and October 1st and thus avoid frustrating the Congressional intent to provide additional technical support to the judges.

The resulting curtailment of Court operations would continue into FY 1977 if the Court's budget request is not approved. The distressing situation in which the D.C. Courts would find themselves if the District Government's recommendations for FY 1977 are approved by the Congress is discussed in my letter to you of April 2, 1976 which I have attached for your convenience. I strongly urge, as I did in April, that the Court be given an opportunity to testify in support of its independent budget or otherwise to participate in any decision-making process before final action is taken by the Senate on the recommendations for the transition period and on recommendations for the FY 1977 budget.

In conclusion, I raise a serious issue which confronts the Court and the Congress with reference to Congressional consideration of judicial budget requests. As you know, District of Columbia Code, 1973, § 11-1743(b) provides that the District of Columbia Court's annual budget estimate of expenditures is to be submitted to the Mayor "for inclusion in the annual budget. . .without revision but subject to his recommendations." The District Government does not, in fact, submit the Court's budget estimates as part of the District's annual appropriations request to the Congress. Instead the District Government submits its own recommendations with respect to the Court's needs. Such action violates the American concept of separation of powers. The submission provides only sufficient revenues for the Courts to meet the reduced recommendations of the City. The Congress is then confronted with an unbalanced budget if it approves the budget request as submitted by the Courts. The District's actions also create needless and costly confusion. It is the Court's position that the District Government is thus not conforming to its responsibility under the statute or the Constitution.

Faithfully,


GERARD D. REILLY
CHIEF JUDGE

SUBMISSION OF FISCAL YEAR 1977 BUDGET TO CONGRESS

Senator CHILES. Before we start with the questions on the 1976 amendment, I would like for you to tell me when Congress can expect to receive the 1977 budget.

As I recall, the final city action in the 1977 budget occurred on March 11, 1976, and yet it was not submitted to OMB until May 10.

I wonder why it took two months to get it over to OMB. I understand now you are proposing an amendment for the 1977 budget. What is to be included in that amendment and when will we receive the 1977 budget amendment?

Mr. COPPIE. Mr. Chairman, as you pointed out, the 1977 budget is pending before OMB. It has been there since May 10. It is our understanding that it would be transmitted probably this week, but obviously we cannot influence that beyond our official submission.

Let me point out to you, Mr. Chairman, that the City Council did complete its action on the expenditure side of the budget on March 10. The actual completion of the revenue action to support the 1976 budget and the 1977 budget was completed on April 20. So that the official budget submission to OMB could not have been made until sometime after April 20 of the current calendar year.

There was an amendment that was pending before the City Council and because the Council was scheduled to take action on that amendment in about the same time frame as the revenue bill, we decided to include that amendment in the final submission to OMB. Action was completed on the amendment on April 29, and the official submission was on May 10.

There is no additional amendment that is pending with regard to the 1977 budget, so that the budget that comes forward will be the complete submission from the city based on our current projection of need.

Mayor WASHINGTON. I think, Mr. Chairman, it is also fair to point out that one additional requirement that apparently was placed on us between the April 29 date, which is the accurate date of the completion of the action, not March, was the printing of the budget which we did in-house at the request of OMB.

We had hoped that the budget would have been transmitted on Friday as we understood, but due to the national effects that have taken place, we are not sure if it will be early this week or later this week.

EFFECTS OF OPERATING UNDER CONTINUING RESOLUTION

Senator CHILES. Without an approved budget for fiscal year 1976 the city has been operating under a continuing resolution for fiscal year 1976 and by law has been spending at the 1975 level. In view of the fact that the President must sign the final appropriations Act for the city, when congressional action is completed, it is highly unlikely that you will have an approved budget until at least mid-June. It looks like then you are going to have an approved budget for about 2 weeks of the fiscal year.

What is the effect on the city in operating under a continuing resolution for the entire year?

Mr. COPPIE. Mr. Chairman, I think that the actual effect is one of uncertainty as far as the city's budget and financial condition is concerned. However, I would point out to you that the basic thrust of this 1976 budget is one of meeting mandatory costs associated with continuing programs in the city.

So that the new and improved programs that are in the budget at a projected cost of about \$4 million for the current year, obviously have not gone forward.

If the budget had been approved in an earlier time frame before the end of calendar year 1975 or earlier, we would have been able to commence those new programs and to provide for the improved services.

But I think the major point is that this has created considerable uncertainty as far as the total budget of the city is concerned, but the preliminary thrust of this budget is one of mandatory costs associated with continuing programs.

OBLIGATION 1976 FUNDS

Senator CHILES. The amended 1976 budget request is \$1.046 billion and the 1975 level that you are operating under is \$920 million.

So can the city really expect to obligate \$126 million in the few days that you are going to have remaining in 1976?

Mr. COPPIE. Mr. Chairman, in our judgment the answer to that would be yes. The major part of that increase that you speak to is for mandatory costs such as \$27 million associated with bus subsidization, and the increase associated with debt service payments.

Senator CHILES. \$27 million with what?

Mr. COPPIE. \$27 million for bus subsidization. The increase associated with debt service and other examples of mandatory costs that represent a substantial part of the increase.

So yes, we feel that we can meet our projected obligation level.

TRANSITION QUARTER

Senator CHILES. The Supplemental Appropriations Act of 1975 included a provision permitting the use of fiscal year 1976 funds during the transition quarter. The transition quarter request is already about 25 percent over the 1976 funding level in all areas.

With the carry-over of fiscal year 1976 funds and the transition quarter request, how much funds do you expect to have during the transition quarter as a percentage of the fiscal year 1976 request?

Mr. COPPIE. Mr. Chairman, as I have pointed out in your previous question, we feel that the 1976 budget as it has been amended for the consideration of the committee will be substantially obligated by June 30, 1976.

The primary need then in the transition quarter will be the percentage levels that we have called for which are about 25 percent of the net 1976 request.

Senator CHILES. How can you allocate that without an Appropriation Act?

Mr. COPPIE. No. We would not. We need the Appropriation Act to go forward with obligations in the transition quarter. But what I am saying is that we anticipate that the 1976 budget, as amended,

will be substantially obligated by June 30 at the level that we have suggested for obligation.

The transition quarter need then will be at the percentage level that we have recommended for 1976 and which is provided for in the House.

Senator CHILES. You can't obligate it until the budget is signed by the President; is that correct?

Mr. COPPIE. That is correct.

PROJECTED 1976 OBLIGATIONS

Senator CHILES. Were not the city's actual 1976 obligations as of April 30, \$829 million?

Mr. COPPIE. I believe that was the gross figure.

Senator CHILES. So if you continue at this same rate, what would your total obligations be for fiscal year 1976?

Mr. COPPIE. About \$1.023 billion, which is what we are currently projecting.

MANDATORY ITEMS BEYOND THE CONTINUING RESOLUTION AMOUNT

Senator CHILES. What are the mandatory items in fiscal year 1976 that are needed beyond that provided by the continuing resolution amount? I think you started to give me some of those mandatory requirements earlier.

Mr. COPPIE. Mr. Chairman, the pay increases associated with the 1976 budget, such as the General Schedule and Wage Board increases that went into effect in October of 1975 and the police, firefighters and teacher increases which are pending in this amended budget request for 1976; the debt service costs associated with our capital outlay borrowing; the bus subsidy requirement; and other than personal services costs which are primarily to meet inflationary requirements associated with the budget. This would be utility increases, and so forth.

I would also point out to you that a major request in this budget, as the mayor has pointed out, is for new positions associated with the program of the new D.C. Detention Center.

Those positions were authorized on a temporary basis due to the necessity to open that D.C. Detention Center to meet overcrowding requirements, and to meet the requirements of the court order. That is a mandatory requirement as far as this budget is concerned.

EFFECTS OF 1976 APPROPRIATION AT 1975 LEVEL

Senator CHILES. What, specifically, would be the effect on the city of providing a 1976 appropriation at the 1975 level, plus funds for your three major mandatory items, debt service increases, pay raises and your metro increases?

Mr. COPPIE. It would be our judgment, Mr. Chairman, that the city could not meet its requirements for the year, that we would have to come back in a subsequent request for a deficiency appropriation.

Senator CHILES. What bothers me is where I see an item like Forest Haven, where you have a plan for increased staffing to improve the program. Now we see that you are slipping that plan a year because you say that you just don't have time to put those personnel on.

I hear you saying: "We don't have time to make those kinds of improvements. So we are going to slip that plan for a year."

I guess there is some logical basis to that. The year is gone and you can't get the personnel on, so you can't make the improvements in time. But it seems like the same thing that you apply to Forest Haven would apply to many other things. You have already slipped them a year. You have operated by law under a continuing resolution. The budget wasn't here. It couldn't be acted on and the Congress didn't act on it.

The effect of it in many of those areas it looks like to me is the same effect as Forest Haven. It has already slipped.

Mr. COPPIE. I think that is correct, Mr. Chairman. But I think it has to be put in the context of our budget request for 1976. The budget is essentially a mandatory budget.

Senator CHILES. The budget request for 1976 originally included something for Forest Haven.

Mr. COPPIE. That is correct.

Senator CHILES. Before we started slipping.

Mr. COPPIE. That is correct. Mr. Yeldell, of course, will be available later this morning to speak more specifically on Forest Haven. But that is no longer a part of the amended budget request for 1976.

FINANCING FISCAL YEAR 1976 BUDGET AMENDMENT

Senator CHILES. How specifically are you proposing to finance the increases associated with the 1976 amendments?

Mr. COPPIE. Mr. Chairman, the total operating budget request for 1976 is \$1.046 billion. That is financed from the total resources that are projected to be available to the city, including the Federal payment authorization for the 1976 fiscal year, the projected receipts from our taxes and user charges, the revenue sharing entitlement for the current fiscal year and then we project a short-term advance of \$55 million that will be needed to finance the 1976 budget.

So that the total request before you is financed from our estimated funds availability, including a short-term advance of \$55 million, a \$15 million net increase over the outstanding short-term advance from 1975.

Senator CHILES. You were telling me in your opening statement that the reason for your deficit was because of the shortfall in 1975, I think you said. Is that right?

Mr. COPPIE. What I said, Mr. Chairman, is that at the end of 1975 we actually had an imbalance between expenditures and revenues of \$40 million. This year, on June 30, we will experience an additional imbalance of \$15 million which we propose to finance from a short-term advance. That \$15 million will be repaid by September 30.

So that over a 15-month period we have actually balanced the budget for the 1976 fiscal year, if you take into consideration the extended period of the 1976 fiscal year calendar.

The primary problem that we are living with and addressing is the \$40 million imbalance that we had at the end of 1975. We propose to repay \$20 million of that in 1977 and the additional \$20 million in the 1978 fiscal year.

Senator CHILES. So with the extra 3 months that you obtained by virtue of changing the calendar you are saying you are able to get in and out of the \$15 million that you had to get at the beginning of 1976?

Mr. COPPIE. That is correct.

Senator CHILES. That you were in imbalance?

Mr. COPPIE. That is correct, but I want to be perfectly clear on this, that we will still have an outstanding advance from the U.S. Treasury of \$40 million which, obviously, is an obligation of the city and which we have to repay. That is going to take two additional fiscal years.

CHANGE IN REAL ESTATE TAX COLLECTION PROCEDURE

Senator CHILES. How much did you pick up by changing your real estate tax and speeding up your collection procedure?

Mr. COPPIE. \$25 million.

Senator CHILES. That is a one-shot thing again? It is not going to be available to you?

Mr. COPPIE. It will be available to us on a continuing basis. But if we shift it back to September 30, it would be lost. We realized that it would only fall once, but it will be available to us as a revenue source on a continuing basis.

Mayor WASHINGTON. I think the point was it is only a one-shot \$25 million.

Senator CHILES. Right.

SPECIAL DEPOSIT ACCOUNT FOR DEFERRED TEACHERS SALARIES

Senator CHILES. Why do you show teachers salaries as a closing account payable but nothing for this item is an open account payable? Aren't there always some teachers salaries, some earned in one year and paid in the next year?

Mr. COPPIE. Mr. Chairman, in the 1975 fiscal year, we put the teachers salaries that would be paid out in the summer of 1975 in a special deposit account, rather than treat it as part of the appropriated fund budget. So it doesn't show up as an opening account payable for the 1976 fiscal year.

In 1974, it was an opening account payable and closing account payable. It is a closing account payable for the 1976 fiscal year.

In the 1977 fiscal year, because we will be shifting from October 1 to September 30, the entire amount will be obligated and paid out over the course of the fiscal year because of the change to the new fiscal year.

Senator CHILES. I still don't understand why the item wouldn't show up as an opening accounts payable in fiscal year 1976.

Mr. COPPIE. Mr. Chairman, that would be if we showed special accounts and trust fund accounts in the financial plan. The financial plan is an appropriated fund statement and that is the reason for it. The funds are transferred to a special account, a special deposit account.

Senator CHILES. In your March 29, 1976, statement you show that item as \$16,300,000 deferred salaries payable. Why are you now showing it as \$17,900,000?

Mr. COPPIE. The \$17.9 million, Mr. Chairman, is based on the actual payroll experience. In other words, it is a totally reliable figure based on the actual payroll experience of the Public Schools this year.

The earlier figure was based on an estimate.

REPAYMENT OF SHORT TERM ADVANCES

Senator CHILES. Where do you propose to obtain the funds that you are talking about paying back to the Treasury in 1977 and 1978?

Mr. COPPIE. It would have to be a consideration of the total financial plan of the city for 1977 and 1978. The budget and the financial plan that the city has cleared for 1977 is premised upon a repayment of \$20 million of that \$40 million imbalance and the 1978 financial plan based on our current commitment at the executive level would show a repayment of the \$20 million imbalance in 1978.

It would have to be financed out of the total resource availability that the city would commit itself to in those two fiscal years.

Senator CHILES. I can't understand why the city's financial plan doesn't explicitly show a deficit of \$55 million for 1976 instead of showing a small surplus.

It seems like that showing a year end surplus for 1976 is not an accurate reflection of the city's actual financial position.

Mr. COPPIE. Mr. Chairman, we could revise it to show that. In our financial plan we show the short term advance as a resource and then we build our financial plan based on the resources available against estimated funds required. Another way to do it is to reflect the kind of situation that you are outlining and that is something that couldn't be done.

Senator CHILES. I think you should. I think you ought to submit to the subcommittee a financial plan that includes the amounts owed to the Federal Government, the short term advances as opening and closing accounts payable.

I think that would be more like the format of the Federal Budget that shows the actual revenues and the actual expenditures and then the deficit. You do have a deficit. You are talking about when you are going to pay it back.

So I think it is more proper to reflect that and not reflect the surplus when you in effect have a deficit.

[The information follows:]

DISTRICT OF COLUMBIA GOVERNMENT
 Projected Cash Flow - Fiscal Year 1976
 (in thousands)

Appropriated Funds Only

OPERATING EXPENSES

Estimated funds available:

Cash and investments.....	\$ 1,840
Due from Federal Government.....	18,894
Federal payment request.....	259,690
Receipts.....	693,710
Revenue sharing.....	26,650
Total, estimated funds available.....	<u>\$1,000,784 1/</u>

Estimated funds required:

Opening accounts payable:	
U.S. Treasury Advance.....	\$40,000
Teachers deferred salary.....
Wages and salaries.....	45,203
Other payables and undelivered orders.....	44,929
Unobligated authority.....	<u>26,839</u>
Total, opening accounts payable.....	\$ 156,971

Appropriated operating budget.....	1,046,830
Permanent authorizations and restorations.....	5,000
Appropriation lapses.....	(11,600)

Closing accounts payable:

U.S. Treasury Advance.....	(55,000)
Teachers deferred salaries.....	(17,900)
Wages and salaries payable.....	(44,209)
Other payables and undelivered orders.....	(50,660)
Unobligated authority.....	<u>(29,740)</u>
Total closing accounts payable.....	(197,509)

Total, estimated funds required.....	\$ 999,692
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Estimated closing cash balance.....	\$ 1,092
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1/ In addition \$55 million will be borrowed from the U. S. Treasury. The city opened Fiscal Year 1976 with an outstanding advance of \$40 million, as shown the opening accounts payable. It will repay that \$40 million during the year and end the year, then, with an outstanding advance of \$55 million as shown in the closing accounts payable. Thus the city will need to borrow an additional \$15 million to pay for Fiscal Year 1976 operations.

APPROPRIATION LANGUAGE CHANGE FOR CAPITAL IMPROVEMENTS
PROGRAM

Senator CHILES. One of the appropriation language changes requested as a part of the 1976 amendment is restoration of the authority to borrow from the Treasury for capital improvement projects.

This change would represent an amendment to the Home Rule Act. Aren't we subject to a point of order on this if we take this to the floor?

Mr. COPPIE. Mr. Chairman, that language is in the House bill and would be subject to a point of order in the House.

If it originates in the House and is in the Senate, I would look to you for the answer to that. I don't know what the Senate rules are with regard to language that originates in the House.

Senator CHILES. It is still authorizing legislation in an Appropriation bill and it is subject to a point of order here as well as in the House. There are two kinds of point of order that people talk about.

Often the House raises a point or order on anything that is put into a Senate bill that is not in the House bill on the basis of their nongermaneness rule, that it didn't come through their committees and therefore it isn't germane. They raise that as a point of order.

We don't have a nongermaneness rule, but we have a specific rule that you cannot authorize in an appropriation bill. However, there may be something in the Senate procedures that if the House opens the door by incorporating legislation in an appropriation bill, then the language is not subject to a point of order.

Mr. COPPIE. I would point out to you that we have proposed the permanent statutory authority to allow us to continue to borrow from the Treasury. That legislation has cleared the Office of Management and Budget and is being put in the revised form for official submission to the Congress.

That is imminent.

Senator CHILES. Of the \$156,278,000 requested for Capital Improvements, \$69,414,500 cannot be initiated without this authority change, could it?

Mr. COPPIE. That is correct.

Senator CHILES. Does this take into account the fact that you had \$110,110,000 of unobligated balance with the Treasury to start fiscal year 1976?

Mr. COPPIE. That is taken into consideration.

EFFECT OF NOT APPROVING LANGUAGE CHANGE

Senator CHILES. What would be the effect of not approving the requested language change?

Mr. COPPIE. Mr. Chairman, the effect would be a major disruption to the capital outlay requirements of the city, both in terms of certain ongoing projects that are required in order for the city to meet its continuing needs and then certain new projects that are in the 1976 budget such as the improvement to D.C. General Hospital, which is indispensable to meeting the requirements of D.C. generally and the requirements associated with the accreditation of the Hospital.

Mayor WASHINGTON. To say it shortly, Mr. Chairman, it would be disastrous.

Senator CHILES. Pardon?

Mayor WASHINGTON. To say it briefly, it would be disastrous.

EFFECT OF HOUSE MARK ON CITY COUNCIL

Senator CHILES. The House Appropriation Subcommittee markup would have the effect of reducing the city's fiscal year 1976 request by \$42 million with regard to Federal funds and approximately \$24 million with regard to District of Columbia funds. What effect will these actions have on the District of Columbia 1976 programs?

Mr. Mayor, you covered some of these I think in your statement. Mr. Tucker commented on them. I wonder if you have any further comments, specific comments on it. I understand that the House reduced your request by 24 positions, Mr. Tucker, and \$223,700.

Mr. TUCKER. Yes, Mr. Chairman. I do have some comments. Let me begin by making reference to what I think now has been recognized as an error in the House markup. We have communicated to Mr. Silsby, of the staff, on May 21. There have been conversations with him by counsel staff on Friday on this matter.

FILLED POSITIONS

The three positions—there were three positions in the 1976 amendment: one GS-6 clerk, one GS-8 Administrative Assistant, one GS-7 MCST clerk. Those positions were pointed out at the time were left out of the city's 1976 budget by error.

The budget authors thought that those positions were unfilled. But they were filled and had been filled all year long.

Twelve months funding is requested for those.

Mr. Silsby has acknowledged that the committee did not intend to eliminate any positions that were filled. So those three positions are filled and we would have to in effect discharge persons if that money is not made available.

ASSISTANT RECORDER POSITION

There was, Mr. Chairman, also deleted a temporary position which we have which is GS-9 Assistant Recorder. We have two people who transcribe our deliberations. By law we are required to have these transcriptions made available for all official bodies of government and available to the public at a reasonable cost.

We have legislation sessions. We have committee hearings. We have other hearings and we have two persons, one we hired temporarily because we could see right away that obviously one person couldn't handle that function.

It would be cheaper for us, Mr. Chairman, to have these two persons rather than to have one person because under law we are required to have these transcripts available. To purchase this service outside would be eminently more expensive than our having two people available on the staff for this purpose.

So we would respectfully ask that the position be restored that is now temporary, and be made permanent. We would ask for those four positions.

Of course the House did give us the three positions requested for review and compilation of the Municipal Code. We are obligated by law to do it. These are required by statute.

With reference to the other positions—if there are any questions on those, I would be happy to respond to questions on those particular positions, Mr. Chairman. I just want to make sure that we are clear as to the error or misunderstanding that took place that has now since been clarified on the House side.

TEMPORARY CETA POSITIONS

With reference, Mr. Chairman, to the other positions of the budget, we are operating rather precariously as a legislative body. We are staffed in these other positions by CETA. So we have people on board performing some functions, that are in very tenuous situations as CETA employees under a special program which is scheduled to expire in a few months.

We don't know what the Federal Government is going to do in terms of continuation of these jobs, but we have people doing full time legislative work necessary to the maintenance of the functions of the Council who are in a very, very temporary and tenuous status. I don't think that any of us would want the legislative functions of this government to be carried out in that fashion.

We therefore request the restoration of these positions. These really are not to enlarge the Council in its functions now primarily, but to staff us permanently in positions which are now very temporary and under existing law scheduled to expire in a few months.

What we are doing is, while we had to put the legislative branch together as best we could under the circumstances, we are now trying to fill it in and to build permanently into the operation those positions which have already been established as a result of the proposed organization established by the Commission on the transition, a private citizens commission that we established to help the Council organize itself.

We are simply trying to fill in the Council's Table of Organization in accordance with that study and those recommendations by that group of citizens.

We would urge you, therefore, Mr. Chairman, to retain in the budget those positions as requested by the Council which strengthen the capability to provide the service that the Congress intended that we provide in the establishment of this Home Rule government.

CHAUFFEUR SERVICES FOR MAYOR AND COUNCIL CHAIRMAN

Senator CHILES. Do I understand correctly that the House Appropriations Committee approved chauffeur services for both the mayor and the chairman of the City Council?

Mr. TUCKER. That is correct, Mr. Chairman.

Senator CHILES. Did the House provide the same level of funding for the mayor and the chairman's chauffeur?

Mayor WASHINGTON. A slight differential, Mr. Chairman. I think it was \$12,000 for the Mayor and something like \$10,500 for the Chairman.

Mr. COPPIE. The limitation against the Chairman of the Council, Mr. Chairman, is the base salary of the starting school teacher in the District of Columbia.

USE OF FIREMEN AS CHAUFFEURS

Senator CHILES. Senator Mansfield has passed on to the committee a suggestion he received from the constituent that the District of Columbia follow the Dallas practice of having firemen drive city limousines.

Has any consideration been given by the District to using firemen as drivers for city officials?

Mr. COPPIE. Not in the current situation, Mr. Chairman. Several years ago when the chauffeur issue was under review, we considered the option of the use of both policemen and firemen. The conclusion was that that would not be prudent primarily because policemen are trained to carry out police responsibility and firemen are trained to carry out fire responsibility.

Additionally, with regard to the specific use of firemen, we have three companies in the District of Columbia that are closed now because we are understaffed as far as firemen are concerned. To take an additional fireman we think would not be cost effective.

Mayor WASHINGTON. Mr. Chairman, not just dealing with cost effectiveness which is a factor, I do appreciate Senator Mansfield's suggestion, but I would certainly not wish to entertain the use of a fireman driving officials around when we are three companies short and on rotation.

I would rather see them protecting the lives of the citizens for which they are trained. That is the cold position that I would take on it.

Senator CHILES. That is a very fine position, except if we look at the hard cash facts of the situation one of the problems here is the overtime. This is one reason it keeps coming up. If you are using firemen, they are already working shifts.

So you have got somebody on the shift over the entire 24 hours and some of your uses, as I recognized in the past, Mr. Mayor, have been at night and there have been times in which you have had high overtime.

So when we are talking about cold, hard dollars, if the firemen are short, then we could make up part of the firemen's needs by taking away your chauffeur, you know, and putting that cash over there.

So we are still talking about dollars. So if we are talking about how we can effectively handle those dollars, we could effectively cut a lot of the overtime if we had shift work or you were paying at that rate and picking up somebody from that shift rather than having to pay that overtime on it.

Mayor WASHINGTON. I don't think that is the Dallas experience, if that is the one we are relating to, Mr. Chairman. I think that grows out of a long period of practice as in Chicago and other places where they have used another kind of practice which is what I was referring to.

Senator CHILES. Mr. Tucker, we went into this a little bit once before, I think. You were telling me your reason for the justification for your driver. I still have some concern about that. I checked a number of States now. You are mentioning the fact that you are the Legislative Branch of this sort of State being combined with the city as the District.

I find my own State neither the President of the Senate nor the Speaker of the House are provided automobiles. I find that true in many other States, that they are not. Some are, but I find many that are not in the Legislative Branch while the Chief Executive generally is provided a vehicle.

I don't find that in many of the States.

PERCENTAGE OF TRANSITION QUARTER TO 1976 BUDGET REQUEST

Except for the educational agencies it is generally true that the Transition Quarter request exceeds 25 percent of the fiscal year 1976 requested level. Why do you need more than 25 percent of the District of Columbia 1976 level for the Transition Quarter?

For instance, general operating expenses are 26.24 percent, Public Safety agencies are 26.24, recreational a third, Human Resources 28, Transportation 26.24, Environmental 26.4.

Mr. COPPIE. The question, Mr. Chairman is?

Senator CHILES. Why are they higher than your fiscal year 1976 requested level for transition quarter?

Mr. COPPIE. It is based primarily, Mr. Chairman, on the experience that we have had in that quarter based on earlier fiscal years.

Practically, we think that it would be more realistic to have 25 percent of the 1977 request rather than 25 percent of the 1976 request.

Senator CHILES. You are going to be carrying over all kinds of money from 1976, aren't you?

Mr. COPPIE. As I pointed out earlier, we do not believe so. Our commitments are to have the 1976 budget substantially obligated by June 30.

Senator CHILES. I just don't see how you possibly are going to be able to do that. You will have to carry over a lot of money.

Mr. COPPIE. We don't think so.

TRANSITION QUARTER BUDGET FOR D.C. PUBLIC SCHOOLS

Senator CHILES. Why do you need 20 percent of the full year amount for schools during the transition quarter when they are going to be out two out of the three months?

Mr. COPPIE. Mr. Chairman, it is primarily because of the readiness associated with school opening, but I would like to have Mr. Edward Winner, the Deputy Superintendent of Schools, speak specifically to that because he has done a comprehensive analysis of the school requirements in this transition period.

Senator CHILES. It would seem like to me that your classroom teachers and associated personnel are employed on a 10-month period, the transition quarter for schools should be closer to eight percent or one-twelfth of the full year instead of 20 percent.

Mr. COPPIE. I would like to have Mr. Winner speak specifically to it.

Mr. WINNER. Senator, we responded to that particular question in writing and submitted to you the calculations that the Public Schools have done based on actual expenditures.

Although the teachers themselves make up a fair portion of our budget, we have accounted for the fact that their pay actually occurs

in 10 months and we have distributed the funding for their compensation in September and not in the July and August portions of that quarter.

But we have also had to take into account the fact that, for example, all of our Special Education contracts are obligated in that period. Those children have to be put into the Special Education schools that are under contract to us prior to September.

We operate the summer school program during that quarter. We do all of our initial purchases for the schools in the transition quarter. In other words, we don't buy 25 percent of the textbooks in that quarter. We buy 100 percent of the textbooks in the summer for distribution prior to September.

So that what you are seeing is a phenomenon in the way in which both Public Schools and I suppose the colleges operate and that is a number of initial expenditures that occur late in the summer in preparation for the opening of schools that counterbalance the expenditures for teachers.

PERCENTAGE OF BUDGET FOR PERSONNEL COMPENSATION

Senator CHILES. What percent of your budget is devoted to teachers salaries and what percent are your other related personnel?

Mr. WINNER. Approximately 87 percent of the total budget is personal compensation; 65 percent, of the compensation is for teacher salaries.

Senator CHILES. If you would give to the subcommittee details on the items that continue as expenses during the transition quarter?

Mr. WINNER. Yes, we will submit that for the record.

[The information follows:]

INTERIM BUDGET

PUBLIC SCHOOLS OF THE DISTRICT OF COLUMBIA

The Public Schools interim budget was developed from the FY 1976 first quarter Financial Plan which reflects a distribution of funds based on the actual pattern of expenditure. The \$40 million request consists primarily of the following items:

Personnel Compensation

\$ 25,006.9

Compensation for employees during this quarter includes 10%*(September) for teachers who are paid on a 10-month basis and 25%*for all other employees including TSA officers. Built into this compensation figure is the within-grade factor for employees eligible for step-increase during the interim quarter. Compensation for positions to staff the new facilities are also included. The expenditure for summer school programs falls entirely in this quarter.

The breakdown of compensation includes the following:

Classified Employees	\$ 3,546.8
Wage Board	5,474.1
TSA Officers	3,246.3
TSA Teachers (1 month)	10,298.9
Summer Teachers	594.1
WAE Employees	286.2
Other	1,560.5

(\$1,560.5 is the remaining amount needed for a variety of other purposes, such as substitute service, sabbatical leave, evening schools and extra duty pay for school teachers and officers.

Personnel Benefits

\$ 3,624.9

The government contribution to the Teachers Retirement Fund during this quarter is \$2700.0. The remaining \$924.9 covers life and health benefits, and civil service retirement for classified and Wage Board employees.

* Of Annual Salary

Rent, Communication and Utilities \$ 1,259.1

This item of expenditure includes \$192.3 for rental of space and office machines, \$173.1 for telephone, and \$856.5 for electricity. The utility cost are for all schools in September, for selected schools where summer programs will operate and for situations where full year operations are on going. The remaining amount (\$37.2) is needed for postage and miscellaneous rental and service charges.

Other Services \$ 5,642.5

The primary items under Other Services are tuition grants for Special Education students, 100% of which are obligated in July to September (\$3,347.0), and repair and maintenance of school buildings undertaken by the Department of General Services (\$1,225.5). The remaining amount (\$1,070.0) is needed for a variety of contractual and other services including tuition for employee training, processing film, dues subject to limitation collection of refuse, repair and maintenance of motor vehicles and similar purposes.

Supplies and Materials \$ 1,925.6

75% of funds for instructional supplies and materials are obligated in the first quarter to allow lead-time in ordering materials for the opening of schools. This request includes \$1,142.0 for educational supplies, \$335.0 for fuel oil and \$116.1 for milk and milk products for the month of September. The remaining amount (\$332.5) is needed for normal purchases of office supplies, subscriptions to newspapers and periodicals, uniforms, custodial supplies and tools and a variety of other supplies and materials.

Equipment \$ 2,347.4

Textbooks, library books, and classroom equipment are included in this item with a request amounting to \$2,347.4.

Again this is the textbook and library book stock for the school year.

Note

Pay raise costs for teachers and school officers have not been included in development of this budget plan.

COUNTING OF THE MAY 4 ELECTION RESULTS

Senator CHILES. We have noted, of course, the accounts of the difficulties of the D.C. Board of Elections in counting the May 4 election results. Are they counted yet?

Mayor WASHINGTON. This is Dr. Kharasch, Chairman of the Board, Mr. Chairman.

Dr. KHARASCH. Thank you. I think we submitted in our testimony that they were counted on May 5. The reason they have not been certified is a pending Board decision on the so-called undervotes.

Senator CHILES. The so-called what?

Dr. KHARASCH. Undervoted ballots in the presidential preference primary. The Board did a post-election investigation on the slowness of the count. We have some very specific internal problems, but there are some external ones also which deal with staff and budget that I would be glad to speak to. Particularly in the terms of one of your questions to us on anti-deficiency and overspending and the previous question to the Mayor on how agencies can operate under a continuing resolution.

I would say our particular agency has a lot of trouble doing that because we have had maybe four elections one year and one the previous year and have many new statutory duties—including an ethics function.

OVER-OBLIGATION OF BOARD OF ELECTIONS AND ETHICS

Senator CHILES. During our hearings on the 1976 budget we discussed the fact that the Board of Elections had over-obligated its budget by nearly \$262,000 in the last 2 fiscal years.

Dr. KHARASCH. This was something that happened prior to my coming on, but I have studied the Audit Report that was made. This board determined we would not over-obligate. In order to do that we have had to curtail services. When the services were curtailed and not enough counters could be hired, then everyone cried because the counting was slow.

With adequate help, I think that we can prepare a realistic and adequate budget that will make for good elections in this city. We were told that we did not need a supplemental appropriation to the 1976 budget request.

Then we were told that the funds for the 12 positions could be used for our regular operating funds and now the House cut them out along with the funds.

I frankly do not want to go to jail for anti-deficiency, but there is simply no way that we can perform the services with no money.

PROVIDING ASSISTANCE TO BOARD OF ELECTIONS AND ETHICS

Senator CHILES. What is going to be done to see that such a budget is provided, that the services are provided? I am not just looking at you. I am trying to see if I could elicit a reply from the Council and from the Mayor.

Dr. KHARASCH. Thank you.

[Laughter.]

Mr. TUCKER. I think, Mr. Chairman, we can best begin by having restored those 12 positions that were cut from the budget by the

House. I think that would provide the beginning immediately available to us in the most direct route.

Senator CHILES. That money is going to be used for operating funds. That is not going to be used for positions.

Mr. TUCKER. Let me see. Those are 12 positions, aren't they?

Senator CHILES. There were funds for 12 positions, but we are being told they weren't to be used for positions; they just said use that money for operating funds.

Dr. KHARASCH. That was for fiscal year 1976.

Senator CHILES. For what?

Dr. KHARASCH. 1976. The funds for those positions were taken out by the Council to 1977, but we have requested that they be put in again.

Mr. TUCKER. Which budget are we discussing now?

Senator CHILES. I am not sure. Pick a number. 1976, I suppose to start with and then we will go to 1977.

Mr. TUCKER. We have indicated our position with reference to 1976. On 1977, no—I have no more than likely judgment than I had when I appeared on the 1977 budget.

Senator CHILES. It is pretty clear that we have got an election system in the District that isn't working.

Dr. KHARASCH. I think that no one would disagree with that and the constitution requires more for all citizens.

Senator CHILES. Then it looks like somebody needs to look at their position in regard to 1977; 1976 is going to be past history. I guess the thing to do is get by 1976 without another deficiency because we have said we are tired of deficiencies.

PROPOSED REORGANIZATION OF BOARD

Mr. TUCKER. With reference to 1977, I might comment—the Board of Elections and Ethics has proposed a reorganization plan which we are reviewing. The Council's Committee on Government Operations will be conducting a hearing next week, I believe. We are looking forward to the date of that hearing as planned.

We are anxious to get the results of our Committee on Government Operations so that we can review not only the funding but also procedures and plans for reorganization so we can have a clear picture ahead of us as to what the obligations ought to be and a plan for implementing them.

I think before we could revise our position on 1977 we will need that information before us, Mr. Chairman.

Mayor WASHINGTON. Mr. Chairman, I think the Chairman of the Board of Elections and Ethics has indicated that they are studying two things: (1) from a management standpoint what they may be able to do in organization; and (2) from a financial standpoint what the funding requirements are.

I certainly would want to await without intruding into that independent agency some indication from them as to what the two-pronged studies would result in. That is, their management and reorganization capability and their needs and funding requirements.

We are prepared to certainly assist in that effort. We do now have one of our budget people working continuously with them.

You are quite right. I think we are all concerned about this.

Senator CHILES. We may not know who is going to go into the convention with what number of votes.

Dr. KHARASCH. Hopefully, you will know that tomorrow.

Mayor WASHINGTON. As a candidate I will not get into that part of it, but as a Mayor I want to tell you that we are prepared to deal with what they recommend. We will work in concert with them because they cannot do it alone; though they are independent.

Dr. KHARASCH. We are sort of like independent stepchildren that are not given money for clothes and then are told we look tacky and are sort of a disgrace to the family. We hope that will stop.

Senator CHILES. I think that it is very important for many reasons, and certainly one of which is we are the Capitol city, that we have elections and that they be able to be conducted in a prompt and efficient manner.

Mayor WASHINGTON. I couldn't agree with you more.

Senator CHILES. We certainly look forward to working with you in that regard.

Mayor WASHINGTON. I think it is going to take all of us, Mr. Chairman, both in adequate funding and management.

REVENUE ESTIMATES

Senator CHILES. There will be inserted in the record the analysis of the changes in revenues.

[The information follows:]

REVISED GENERAL FUND REVENUE ESTIMATES
Fiscal Year 1976
(\$000's)

	Present July 1975 Estimate*	Revised February 1976 Estimate
<u>GENERAL FUND:</u>		
<u>Property Taxes</u>		
Realty	\$135,900	\$135,900
Personal Tangible	<u>11,900</u>	<u>12,100</u>
Subtotal	147,800	148,000
 <u>Sales and Gross Receipts</u>		
Alcoholic Beverage	11,500	11,650
Cigarette	8,720	8,920
Insurance	9,100	9,100
Motor Vehicle Excise	9,000	10,640
Public Utilities, Banks, etc.	45,600	46,200
Sales and Use	<u>115,220</u>	<u>116,920</u>
Subtotal	199,140	203,430
 <u>Income Taxes</u>		
Individual Income	153,170	153,170
Corporation Franchise	37,280	39,300
Unincorporated Business Franchise	<u>15,800</u>	<u>17,500</u>
Subtotal	206,850	209,970
 <u>Other Taxes</u>		
Inheritance and Estate	10,000	10,000
Deed Recordation	4,430	4,430
Motor Vehicle Registration	<u>5,320</u>	<u>6,980</u>
Subtotal	19,750	21,410
 TOTAL, TAX REVENUES	 \$572,940	 582,810
 <u>Charges & Miscellaneous Revenue</u>		
Licenses and Other	4,640	4,680
Charges for Current Services	9,860	10,310
Fines and Forfeitures	9,400	10,300
Police and Firemen's Retirement	13,600	13,600
Miscellaneous Revenue	<u>2,800</u>	<u>1,800</u>
Subtotal	40,300	40,690
 GRAND TOTAL, GENERAL FUND	 \$613,240	 623,500

*Includes new revenues generated by the Revenue Act of 1975.

Fiscal Year 1976
 (\$000's)

	Present July 1975 <u>Estimate*</u>	Revised February 1976 <u>Estimate</u>
HIGHWAY FUND:		
<u>Regular Account</u>		
Gasoline Tax	\$ 22,110	22,110
Licenses and Other	9,900	11,990
Miscellaneous	<u>1,360</u>	<u>1,360</u>
Subtotal	33,370	35,460
<u>Motor Vehicle Parking Account</u>	2,080	2,550
TOTAL, HIGHWAY FUND	\$ 35,450	38,010
SANITARY SEWAGE WORKS FUND:		
Service Charges	\$ 12,985	11,990
Service Payment from U. S.	2,440	2,440
Service Payment from Md. & Va.	4,500	3,500
Potomac Interceptor Payment	1,040	1,040
Miscellaneous	<u>130</u>	<u>230</u>
TOTAL, SAN. SEW. WORKS FUND	\$ 21,095	19,200
WATER FUND:		
Service Charges	\$ 13,885	12,940
Payment from U. S.	3,250	3,250
Payment from Virginia	2,000	2,000
Miscellaneous	<u>350</u>	<u>350</u>
TOTAL, WATER FUND	\$ 19,485	18,540
METROPOLITAN AREA SANITARY SEWAGE WORKS FUND:	\$ 150	150
METROBUS FUND:		
Sales Tax on Parking	\$ 1,700	
Motor Vehicle Registration Fees	3,600	
Motor Vehicle Excise Tax	1,240	
Gasoline Tax	<u>---</u>	
TOTAL, METROBUS FUND	\$ 6,540	
TOTAL, SPECIAL FUNDS:	\$ 82,720	254,000
FEDERAL PAYMENT:	254,000	26,650
FEDERAL REVENUE SHARING:	26,650	
GRAND TOTAL, DISTRICT NON- GRANT REVENUE	\$976,610	980,050

*Includes new revenues generated by the Revenue Act of

APPROVAL OF REVENUE LEGISLATION

Senator CHILES. Has all the necessary legislation been approved to realize the increased taxes and fees included in the revised estimate prepared in February?

Mr. COPPIE. Mr. Chairman, the answer is a qualified yes. The basic Revenue Act to support the 1976 budget and the 1977 budget cleared the city and was transmitted to the Congress on April 23.

It is now pending before the Congress as part of the 30-day layover period of the city's legislation.

Two amendments to that Act will probably be signed by the Mayor today. They are being handled under the city's emergency authority so they will have the immediate effect of law.

So I think at the time of the actual markup of this bill and its final action, you will have a final revenue program on the part of the city to support the 1976 budget.

PARKING METER REVENUES

Senator CHILES. I note that the current estimate on motor vehicle parking account is \$475,000 higher than the previous estimate. Is part of that due to the recent investigation which revealed the embezzlement of \$2 to \$5 million in parking meter collections over the last 10 years? Are you now collecting those by a private firm and how do the collections in the past few months compare to the collections in the same months over previous years?

Mr. COPPIE. I would like to have Mr. Back, Director of the City's Department of Finance and Revenue, speak specifically to that.

Mayor WASHINGTON. Mr. Schneider, I think, has been working with that problem also, Mr. Chairman, and may be able to help.

Mr. SCHNEIDER. Mr. Chairman, we are a team on this.

The parking meter revenues are up for a number of reasons. We have 20 percent more parking meters by and 30 percent higher rates in some key areas in the city. So the number of meters, and the rates that are being charged, have increased over the last year.

In addition to that, there have been some improvements that we are making in the collection system which involves both the Department of Finance and Revenue and the Department of Transportation.

We have a more regularized collection system, a better supervised collection system. We have just about finished a complete change in the locks in the meters throughout the city.

So that the system has become more secure from that point of view.

In addition to that—that is our kind of phase I interim improvement program that we have been carrying out over the last few months—we are planning to turn the collection over to a private collection firm, such as Wells Fargo or Brink's or one of those firms that has the capability and the experience through the experience they have gained in other cities to collect parking meter moneys.

We expect to be able to put that new program in by about the first of October.

Senator CHILES. What will Wells Fargo or Brinks do in that collection? They won't give you a citation? Will they just collect from the meters?

Mr. SCHNEIDER. That is correct. They will collect from the meters and report to us how many meters they have collected from, how many meters were not operating and a check of precisely where they collected and what can they put the money into and all of that, so we can monitor their activities. But the question of the enforcement of the meter itself and whether you put your money in or not is still a matter for the Police Department.

REVENUES FOR WATER AND SEWER CHARGES

Senator CHILES. The projected revenues for water and sewer charges are now \$1,940,000 less than previously estimated. How much of this revenue loss is due to delays in getting the bills out?

Mr. COPPIE. Mr. Chairman, we are reaffirming our commitment to the level that was originally projected for the 1976 fiscal year based on a program that was authorized by the Council to accelerate billing.

The effect of this will be that we will realize the \$1,940,000 in the 1976 fiscal year instead of in the transition quarter. This addition to 1976 is offset by a reduction in revenues available in the Transition Quarter.

Senator CHILES. In other words you will get it in 1976?

Mr. COPPIE. Yes, sir.

REQUIRING CITY EMPLOYEES TO BE CITY RESIDENTS

Senator CHILES. Recently the courts have approved of cities requiring their employees to live within city limits. I understand the District has been seeking some opinion from its counsel in this regard.

My understanding is that the counsel is now giving you an opinion that you can only do this on new employees now, that you would have to grandfather the current employees?

Mayor WASHINGTON. That is correct, sir. We have such an opinion. Of course, that grows out of the combination of the code as well as the home rule bill grandfathering in the rights and privileges of current employees.

But that is the accurate determination at this juncture.

The other feature is whether or not it can be done before an independent personnel system is established which is required in the charter.

Senator CHILES. When do you expect to have your independent personnel system?

Mayor WASHINGTON. As you recall, Mr. Chairman, the period runs from 1 year to 5 years. There are several bills on residency. There is a bill that is being proposed which blankets in the independent personnel system as the current system in order to get to a couple of these items.

I don't know whether that is legally sufficient or not, but there are a number of efforts including the Council's efforts. I would say to you, Mr. Chairman, that there is certainly, I think on the part of the Executive as well as the Legislative, an interest in this, particularly with new hires.

I think the matter of determining how it will be done within the legal constraints is very much before us.

The chairman may wish to elaborate on my remarks.

ACTIONS TAKEN BY CITY COUNCIL ON RESIDENCY REQUIREMENTS

Mr. TUCKER. Mr. Chairman, I would only supplement that by underscoring the importance of that decision by the courts and the need for our making sure that we use the full authority that would be available to us under it. That is what we are studying.

As the Mayor has indicated, there are three bills before the Council for which hearings were held last week with various provisions. The Mayor further indicated that there has been a bill introduced on last Tuesday in the Council which would in effect embrace by the District the existing personnel system in which we are operating now in the Federal Government so that we can separately pass legislation which would embrace changes of the nature indicated here.

Then we will amend that system as we go to meet our specific requirements of changes.

That particular bill now having been introduced, my guess is that within a couple of months I would anticipate that something will have passed the Council along this line.

Mayor WASHINGTON. With your permission, I would like to introduce a copy of the Corporation Counsel's opinion for the record. Since we had discussion on it, I thought you might want the full text here.

Senator CHILES. Thank you for that document. We will include it as part of the record.

[The statement follows:]

I very much appreciate this opportunity to appear before you and to present the views of the executive branch concerning some of the major considerations which are presented by Bills 1-262 and 1-263. As Corporation Counsel, I also shall address the basic legal question which these bills present, namely whether vel non the District of Columbia has the authority to impose a residency requirement as a condition of employment with its government.

Bill 1-262 provides that commencing with its effective date no person may be employed by the District unless that person then is a bona fide domiciliary of the District. This requirement of residency -- as a precondition to employment -- would extend to persons whose salary (or wages) are paid from grant funds made available to the District. Bill 1-263 is more expansive; it requires residency in the District of Columbia as a condition of employment by this government, and permits current non-resident employees only two (2) years within which to become District of Columbia residents. (It perhaps is significant to note, here, that the Bill, which you introduced, last week, Mr. Chairman, providing for a new merit system, unlike Bills 1-262 and 1-263, contains a provision which would permit exempting certain employees from the residency requirement.)

Both bills therefore raise major policy considerations, none of which are subject to precise, exact analysis. The thrust of the argument of those who advocate a residency requirement is that the requirement would result in a more responsive and efficient government. This contention certainly has considerable merit; however, it can not be said, with certainty, that a residency requirement will meet this objective. Yet, it appears to me that, on balance, there is more persuasive force

behind the arguments of the pro-residency position, than those that are offered in opposition to a residency requirement. Indeed, I must also add, in this respect, that the fact that the most avid proponents of the residency requirement show due regard for the practical considerations which their position presents -- such as the costs and availability of housing within the District, and the fact that this is the Nation's Capitol -- lends even greater force to their arguments. And, no doubt, Mr. Chairman, it was a similar consideration which prompted you to include, in the personnel system bill which you recently introduced, an exemption provision -- a provision which would permit the waiver of the requirement when, for example, the government would not be able to hire sufficient doctors unless the residency requirement was waived.

In short, Mr. Chairman, the Mayor fully supports the rationale of a residency requirement. His reasoning is quite similar to that which has led him to continuously reside within the heart of the inner City. Indeed, it was he, in 1973, who sought to include a residency preference provision in the District government's personnel manual. If I may put it somewhat differently, but in a phrase which I believe accurately conveys the foregoing: People who wish to throw stones at the District government glass house should live in the neighborhood.

The foregoing, obviously, is but a statement of rational policy. However, just as my personal policy views as to any provision of law do not necessarily constitute an accurate -- lawyer-like -- analysis of the law, the same is true of my personal views respecting a residency requirement. The Constitution explicitly vests in the Congress the ultimate authority over the District of Columbia. Unlike the several States, the District does not have an inviolate right to exist, nor an unlimited

right to legislate with respect to matters of primary local concern -- and our Charter explicitly so states. That Charter, as I have stated before, is the constitution of this City, which our fellow citizens decided to adopt. In doing so, they recognized that it was not all that they wanted, but it was better than that which they had. It was a first step, and nothing more. Therefore, we must look to the Charter to determine whether it authorizes this City to adopt a residency requirement.

Section 422 of the Home Rule Act, which is a part of the Charter, explicitly provides:

Personnel legislation enacted by Congress prior to or after the effective date of this section, including, without limitation, legislation relating to appointments *** shall continue to be applicable until such time as the Council shall, pursuant to this section, provide for coverage under a District government merit system. *** (Emphasis supplied.)

The relevant "personnel legislation" pertinent to the appointment of personnel for the District Government, which "shall continue to be applicable" in the District until the Council provides for a District Government merit personnel system, is D.C. Code, Sec. 1-320; it provides:

In any program of recruitment of hiring of individuals to fill positions in the government of the District of Columbia, no officer or employee of the government of the District of Columbia shall exclude or give preference to the residents of the District of Columbia or any State of the United States on the basis of residence, religion, race, color, or national origin. (Emphasis supplied.)

I believe that these provisions foreclose the Council from legally imposing a residency requirement on any District employees until the District, pursuant to Section 422 (3), supra, establishes a "District government merit system."

I have reached this conclusion for the following additional reasons:

Section 714 (a) of the Home Rule Act provisions that all legislation that applied to the District as of the adoption of the Charter shall remain in force unless repealed by the Charter, or by the Council, if the Council is not otherwise prohibited from legislating with respect to the subject matter. Subsection (c) of Section 714 provides:

Unless otherwise specifically provided in this Act, nothing contained in this Act shall be construed as affecting the applicability to the District government of personnel legislation relating to the District government until such time as the Council may otherwise elect to provide equal or equivalent coverage. (Emphasis added.)

Because of these provisions of Section 714, I am unable to conclude that legislation which would replace the prohibition against a residency requirement by imposing such a requirement can be said to "provide equal or equivalent coverage" to that which presently exists.

I must also call your attention to Section 422 (3) of the Home Rule Act; it provides in pertinent part that the contemplated new personnel system:

***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 ***, 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 such system established pursuant to this Act. *** (Emphasis added.)

It appears to me that this constitutes a clear statement that not even the new personnel system may contain a residency requirement as to persons employed prior to its effective date. This view is to be found in the legislative history of these provisions; see, e.g., Sen. Rep. No. 93-219, 93d Cong., 1st Sess. 8 (1973):

Personnel legislation (relating to promotion, pay, retirement benefits, etc.) enacted by Congress prior to or after the effective date of this section [Sec. 422] shall continue to be applicable until such time as the Council shall provide for coverage under a District government merit system or systems, which shall have benefits at least equal to the benefits employees were receiving at the time of the enactment of this bill.

The committee is of the view that it is essential to preserve all present employee benefits and rights in the current system of employment and to carry these benefits and rights over in full when a new merit system is established by the District Government.

Similarly, in the Conference Report on the Self-Government Act, H.R.

Rep. No. 93-703, 93d Cong., 1st Sess. 75 (1973), the Committee stated:

The Conference Committee also agreed to limit the Council's authority to require residency for District government employees to those employed after the effective date of the personnel system or systems to be adopted by the Council under this Act.

For the above-stated reasons, I cannot conclude that the provisions of Bill No. 1-262 and Bill No. 1-263 are within the scope of the Council's authority. It is my view that until the Charter is amended to provide otherwise that the Council may not impose a residency requirement for employees who are hired prior to the adoption of a merit system, and that it may not impose such a requirement on new employees until it adopts a comprehensive merit system.

DEPARTMENT OF HUMAN RESOURCES

Senator CHILES. The 1976 amendment provides the Department of Human Resources with an increase of \$4.4 million for pay raises and \$1.7 million for program increases.

Why specifically does the Department of Human Resources need a program increase of \$1.7 million?

STATEMENT OF JOSEPH YELDELL

Mr. YELDELL. Mr. Chairman, the specific allocation of the \$1.7 million allocated to the Department of Human Resources breaks out into four specific categories. Item one is \$50,000 to finance through a contract an extension of services for clinical diagnosis and treatment of venereal disease and the high risk community; \$55,000 is to provide temporary housing for residents of high risk homes of lead poisoning to relocate them until those homes can be deleaded; \$1,406,700 is to improve patient care for funding vacant nursing, pharmacy, pathology and medical records positions at D.C. General Hospital and also to purchase medical supplies and equipment.

The fourth would be \$275,000 for D.C. Village, to improve patient care by funding vacant nursing and housekeeping positions that would take \$125,000; for equipment such as beds, bed tables, et cetera, \$150,000.

Those four items will total the \$1,786,700.

REDUCTION OF FUNDING FOR FOREST HAVEN

Senator CHILES. I notice the amendment includes a reduction of \$830,000 and 80 positions for Forest Haven. Why are you reducing that funding for Forest Haven?

Mr. YELDELL. Mr. Chairman, I think as I alluded to you earlier in the presentation on the 1977 budget, the specific reduction at Forest Haven is part of a total plan put forth by the city to deal with almost a \$16 million shortage in personnel money for persons currently on board in the Department of Human Resources.

The approach was to deal with the underfunded situation to stabilize the personnel base and then to seek restoration of those funds in the 1977 budget. Obviously, with the concerns as they are generated regarding Forest Haven, I would hope that it is clearly understood that this was not a move simply by the Department to discard concern for Forest Haven, but rather a problem that was generated as a result of a total underfunding of DHR. The best way to handle it at that time by the city's process was indeed to redirect money for increases into the base.

Senator CHILES. I just can't understand how this reduction is consistent with your pledges to improve the situation at Forest Haven. I noticed a Post article of April 28 that quoted you as attempting to overcome 40 years of neglect at Forest Haven. Now it is going to be 41.

Mr. YELDELL. Mr. Chairman, I think it is a little unfair for the question to be pointed to the Department, in the sense that this amendment was an effort that was put together by the city to deal with a situation in the Department, which basically resulted in \$16 million in additional funding being provided for DHR.

By the time that this situation was finally resolved between the Executive and the Council, we were so far into the budget year that there was no availability of additional revenue and what happened is that the city looked at all revenues allocated to the Department and decided that the best approach was to redirect funds for increases into the base and cover personnel funding shortages that way.

FISCAL YEAR 1977 BUDGET REQUEST FOR FOREST HAVEN

As I said, the full pledge was to get that money back for Forest Haven in the 1977 fiscal year plus additional increases. This Department did go forward with that pledge. It did request the entire 80 positions and \$1 million in fiscal 1977 and in addition requested another 47 positions and a half million dollars to keep pace with where we were and not lose ground in the ongoing programs.

Senator CHILES. What did you request in the transition quarter?

Mr. YELDELL. We requested nothing in the transitional quarter. We had no opportunity to do that. Our opportunities were vested only in the 1976 budget.

Senator CHILES. It seems to me—and this is not just directed to you because you are just one person here—that the transition quarter is taking 1977 figures on many of the items and saying that we ought to use 1977 figures, but we come to Forest Haven and we are using 1976 figures, 1976 figures that we have cut, money that was originally budgeted for Forest Haven.

It is just at some stage I think people have got to quit saying that they care about Forest Haven or are trying to do something there when the facts just don't support that at all.

Mr. YELDELL. Mr. Chairman, again the Department had no opportunity as a Department to address the transitional quarter. My concern is that it be understood—and it is documented in the record—that the concern which we feel for Forest Haven is a genuine one.

We did go back in our 1977 budget, and we did allocate the money for the reinstatement of the full second year and for additional positions. This unfortunately was not approved by the city which leaves us with the dilemma that currently faces you. I think that if indeed these funds were in the 1977 budget, the commitment would have been complete and you could have seen that there was indeed care expressed for Forest Haven.

The Department did do that. Unfortunately, it was not through the entire city process.

OBLIGATING FISCAL YEAR 1976 FUNDS

Senator CHILES. We now have, an amendment. We are saying 1976 is almost over. How much of those funds are you going to be able to obligate for those emergency items or those items that you just set forth for your increases? Your \$1.7 million? You couldn't spend those before, could you, because you are under continuing resolution?

Mr. YELDELL. Mr. Chairman, Items 1 and 2 are certainly new items. I don't think it would cause any major problems in the 1976 year if they were not obligated.

Senator CHILES. That is what I am pointing out, that you have got funds in the amendment that you are going to get for a year

that is already gone and yet you are taking out those funds that were slipping on Forest Haven. It looks like to me that that is being done all through here.

Mr. YELDELL. I really can't respond to the rest of the budget, but in relation to the department itself, D.C. General Hospital and D.C. Village certainly are critical items and could be allocated during the remainder of the fiscal year or the transition quarter.

The first two items which equal \$105,000 could actually be re-allocated. But I am not sure how to respond to the basic question of the situation in Forest Haven for the transitional quarter or what the thinking was in that regard.

LETTERS FROM SENATOR HUBERT H. HUMPHREY

Senator CHILES. The subcommittee has received two letters from Senator Humphrey reflecting his deep personal interest in Forest Haven. He has been a great assistance to us in looking out for the most unfortunate of all the citizens of the District of Columbia citizens. These letters and the attachments will be made a part of the record.

[The correspondence follows:]

HERMAN E. TALMADGE, GA., CHAIRMAN
 JAMES O. EASTLAND, MISS.
 GEORGE MC GOVERN, S. DAK.
 JAMES B. ALLEN, ALA.
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 JESSE HELMS, N.C.

United States Senate

COMMITTEE ON
 AGRICULTURE AND FORESTRY
 WASHINGTON, D.C. 20510

February 24, 1976

The Honorable Lawton Chiles
 Chairman
 Subcommittee on District of Columbia
 Committee on Appropriations
 United States Senate
 Washington, D. C.

Dear Lawton:

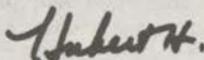
Following up on my letter to you of February 13, I want to share with you a letter to me from Joseph P. Yeldell, Director of the Department of Human Resources of the Government of the District of Columbia which has jurisdiction over Forest Haven.

I am also enclosing a copy of my response to Mr. Yeldell.

As I understand that your committee is in the process of considering the Fiscal Year 1976 District Government Budget, I hope that the request for increased funding for Forest Haven will be given priority attention, especially in the area of direct-care personnel.

Best wishes.

Sincerely,



Hubert H. Humphrey

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF HUMAN RESOURCES
WASHINGTON, D. C. 20004

FEB 19 11 33 AM '76

Dear Senator Humphrey:

Please accept my apology for the delay in responding to your letter dated November 12, 1975, regarding Forest Haven.

I welcome this opportunity to provide additional information on the status of the eight year plan of improvement and on the outstanding needs of the institution. In FY 75, Forest Haven received 52 new positions and \$900,300. The increase resulted in the development of a sliding pay scale and payment to 225 residents working at Forest Haven. In 1975, educational services were substantially increased and diversified. Career Development, Horticultural, and Work Training programs, funded from appropriated and federal funds, are presently serving persons in a variety of training areas. Title One funding made possible the provision of educational services to school age children whose handicap restricts them to the various cottages. The effect of this at Forest Haven was a 12% increase in the number of school-age children in educational programs. The number of Forest Haven residents attending public schools increased by ten to fifty.

A Business-Men's Advisory Board has been sanctioned and given the direction necessary to impact favorably on our deinstitutionalization program. This volunteer organization has made substantial progress in establishing two community-based residences and installing on-the-job training by the private sector on the grounds of the Institution.

Currently, approximately one-half of the resident population is actively engaged in a developmental program. In addition to the regular public school curriculum, residents are receiving training in horticulture, landscape gardening, housekeeping, food service, general clerical skills, and building maintenance. Behavior modification and infant stimulation are provided to more severely handicapped residents.

I am pleased to advise that recruitment actions have been effected on each of the 52 positions allocated in the first year of the eight year plan. There remains, however, numerous unfilled positions at Forest Haven, due in large measure to funding shortages.

Fiscal restraints have forced us to delay the launching of the second year of the eight year plan of improvement. That phase of the eight year plan was included in the 1976 District of Columbia Budget request, as amended, again, due to our fiscal posture, to include \$830,000 with no additional positions. Our request for additional positions and supporting funds is contained therefore, in the 1977 District of Columbia Budget request. These funds and positions will be allocated for the following purposes:

- a. Increased Direct Care
- b. Community Based Day Treatment
- c. Community Based Sheltered Workshop
- d. Community Based Residences
- e. Employee Training
- f. Developmental Services Center
- g. Inflationary Increases

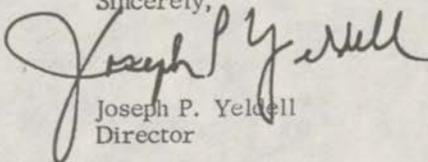
In the second year of our eight year plan, we envision 20 additional residents attending community schools. We also envision 100 additional profoundly retarded children receiving training in developmental skills, and approximately 50 more residents returning to the community. Additionally, as part of our Capital Improvements Program, scheduled to begin February 1, 1976, we anticipate renovation of our food services.

Further, we are prepared to accelerate the incrementally planned stages toward the goals of the eight year plan, should you decide to go forward with a special request. Funding shortages continue to plague Forest Haven. They are needed for equipment and supplies as well as for personnel increases ranging from physicians to maintenance workers. An increase in staff, which has been diminished by funding shortages, would enable us to better provide the kinds of services that are essential in promoting the health and well being of all residents and in meeting at least the minimum standards of health and safety.

New programs utilizing this increased staff would be introduced, as well as the expansion of present programs that would involve therapeutic and remedial activities for all residents. For example, we would increase therapeutic recreation, behavior modification, infant stimulation, physical therapy and other activity programs for the profoundly retarded and multiply handicapped. Also, benefitting from such increases would be our educational and training programs for the more moderately handicapped persons. Moreover, these gains would serve as a moving force toward increasing our deinstitutionalization program. Additionally, funds would be used to purchase special equipment used in training basic educational skills, special vocational skills, as well as therapeutic recreational equipment, buses, and new furnishings to provide more comfortable cottage life.

Your sustained interest and vigorous campaign within Congress on behalf of Forest Haven last year is very much appreciated. Your support of the second year of the plan as it is outlined in the 1976 budget would also be very much appreciated.

Sincerely,



Joseph P. Yeldell
Director

HERMAN E. TALMADGE, GA., CHAIRMAN
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 JESSE HELMS, N.C.

United States Senate

COMMITTEE ON
 AGRICULTURE AND FORESTRY
 WASHINGTON, D.C. 20510

February 23, 1976

Mr. Joseph P. Yeldell
 Director
 Department of Human Resources
 Government of the District of Columbia
 1350 E Street, N. W.
 Washington, D. C. 20004

Dear Mr. Yeldell:

Thank you for your letter of February 17, 1976, concerning the serious problems at Forest Haven.

I am especially heartened to note that you are now recruiting to fill the 52 positions allocated for the first year of the eight year plan. I hope this can speedily be accomplished as I understand the need for these additional personnel is urgent. I would hope also that with these positions staffed, the reported overtime by present staff will be considerably reduced.

Regarding the need for funds for the remaining unfilled positions at Forest Haven, I assume you are referring to those requested in the 1976 District of Columbia Budget now being considered by the Senate Appropriations Subcommittee on the District of Columbia. You may be assured of my support and I will follow-up with Senator Chiles, especially to consider the request for increased direct-care personnel at Forest Haven as this seems to be the area of most urgent need as expressed to me by citizens of the District of Columbia.

With respect to the goals of your eight year plan, I am bringing this to the attention of the respective Congressional Committees for the District of Columbia to consider as the District Government sends up its Fiscal Year 1977 budget.

If there is anything further I can do to help, you will have my full cooperation.

Sincerely,

Hubert H. Humphrey

HERMIN E. TALMADGE, GA., CHAIRMAN
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United States Senate

COMMITTEE ON
 AGRICULTURE AND FORESTRY
 WASHINGTON, D.C. 20510

February 13, 1976

The Honorable Lawton Chiles
 Chairman
 Subcommittee on District of Columbia
 Committee on Appropriations
 United States Senate
 Washington, D. C.

Dear Lawton:

Regrettably, I again must bring to the attention of the Subcommittee the serious conditions at Forest Haven, the District Government's institution for the mentally retarded.

Recent articles in THE WASHINGTON STAR, to my knowledge, are an accurate description of the problems at the institution.

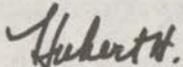
I continue to hear from parents of residents at the institution of serious child abuse and neglect which is directly related to the staff shortage.

There must be a way to see that the Congress provides the City with funds to adequately staff this facility and to require that the Department of Human Resources' funds for Forest Haven are not diverted to other programs.

I will appreciate whatever you can do to help. This continues to be a critical situation.

Best wishes.

Sincerely,



Hubert H. Humphrey

OVERTIME AT FOREST HAVEN

Senator CHILES. I note Senator Humphrey's particular concern about the overtime work by the staff which is reported to be \$46,000 a month. We talked about this in our January hearing and I note that Mr. Queene, Director of Forest Haven, says he could put 65 to 70 new employees on with the overtime money.

Mr. Yeldell, has the additional employees lessened the need for overtime in Forest Haven and what about the statement that we could add 60 to 70 people with the money that is being spent on overtime now?

Mr. YELDELL. I think part of it is true, Mr. Chairman. I might say Mr. Queene was directed to come up with a program that would reduce overtime through the filling of vacant positions. That data was recently submitted.

The program that Mr. Queene talks about has been advanced. Naturally we would prefer to reduce the overtime to the extent that we could by hiring new employees. This is a general policy that we are following in all of our institutional settings. I think the 65 to 70 figures are a little high in terms of employees that could be utilized but it is somewhere around the neighborhood of 50 to 65. All institutional directors were required to submit such a plan and we are implementing those to the extent that we can because it will reduce overtime and give us a more productive cost-effective use of the dollar.

AUDIT REPORT OF MISUSE OF FUNDS AT FOREST HAVEN

Senator CHILES. On April 3rd of 1976, the Philadelphia office of the HEW Audit Agency reported to the General Accounting Office the results of the use of HEW funds at Forest Haven. That letter indicates that the Department of Human Resources, however, apparently misused \$900,000 in Federal funds that were appropriated by Congress for specific use at Forest Haven.

I assume that the \$900,000 referred to the amount provided by Congress in the 1975 District of Columbia Appropriations Act, to initiate an 8-year program for improving the care and treatment of mentally retarded people in the District of Columbia.

I know you are familiar with that audit. Can you give me your views on the HEW findings?

Mr. YELDELL. Yes. I think it is quite unfortunate that the HEW audit people did not relate to the Department as they went through that audit. As a matter of fact, their stated purpose when they came in was to look at two grant funds and they made no mention of any particular concern in this area. So none of the data was verified by the Department people before they left.

In actuality, the \$900,000 was the first-year prorated allocation of the 8-year program.

I think it is incorrect to say that that money was not utilized for the purpose for which it was intended because hiring did get underway for the 52 positions that are available through the first-year funding as well as the beginning of a major incentive therapy work program which did get underway.

What occurred is that the \$900,000 was viewed as an appropriation of Forest Haven. The hiring of people was moved as rapidly as could be done. The work incentive program was gotten underway and is doing a very significant job in terms of utilizing the employees at Forest Haven and paying them for the services that they provide.

The data will show that the bulk of the \$900,000 went explicitly to the purpose for which it was intended.

Senator CHILES. I can't understand why these improvement funds weren't placed in a special account instead of being co-mingled with the department's regular funds. According to the HEW letter, the best they could determine was that \$34,000 was spent on salaries of 13 new employees instead of the additional 52 that were authorized. Now I am looking at your recruitment and I see that you have eight vacant positions right now. That goes to August of 1974. I have a hard time determining today in 1976 that you are really complying if you go back to August of 1974 and still have eight of the additional 52 positions still not filled.

PROBLEMS IN FILLING VACANCIES AT FOREST HAVEN

Mr. YELDELL. Mr. Chairman, some of them have not been filled because we couldn't get people to come to Forest Haven in those skills. As I brought out to you earlier, in the 1977 testimony, the location of Forest Haven and the types of positions we are talking about are in very high demand and a very competitive marketplace. So as it relates to the actual filling of positions, I think it is a determinant of whether or not we can recruit enough employees.

Senator CHILES. You mean you can't get a housekeeping aide?

Mr. YELDELL. No, sir. The housekeeping aide is not the one I am referring to.

Senator CHILES. Supply clerk?

PRESENT VACANCIES AT FOREST HAVEN

Mr. YELDELL. Some of those positions have been filled and the people have left; some are critical positions which we have not been able to recruit for at all. The fact that they are vacant at this point in time could happen anywhere in the system.

Senator CHILES. We asked what were the vacancies to make up these eight and what we were given was a physical therapist, a speech pathologist, program operator specialist, housekeeping aide, supply clerk, secretary, transitional services director, social worker and records clerk.

Mr. YELDELL. Mr. Chairman, in that same listing, nursing assistant, social worker, two counselors, a housekeeping aide—

Senator CHILES. That isn't what we got.

Mr. YELDELL. I thought I was reading the same list as you were. Let me make sure that for the correct positions you are listing there the nursing assistant, the social worker, two of the counselors and the housekeeping aide positions were filled and the people left. So they became vacant but that is normal attrition that occurs anywhere. The problem has been in the area of the physical therapist and the speech pathologist that we have talked about. I think that in terms of filling the positions, we have done what we were supposed to do.

In terms of their being vacant, we have no control over that except that I wanted to point out to the Chairman that some of these positions have never been filled because the people would not accept the jobs. I would further point out to the Chairman that these positions are required to be filled through the civil service system and from a register. We must go through that selection process each time.

[CLERK'S NOTE.—Subsequent to the hearing the following letter was received and has been inserted in the record at the direction of the chairman:]

MONSON STATE HOSPITAL
LANGUAGE, SPEECH AND HEARING DEPARTMENT,
Palmer, Mass., May 27, 1976.

Senator LAWTON CHILES,
New Senate Office Building,
Washington, D.C.

DEAR SENATOR CHILES: Yesterday I had a phone call and a letter from my mother. The letter included a clipping from the Washington Post of May 25 concerning the delay in improvements at Forest Haven. The article claimed that a position for a speech pathologist had been vacant for more than year because "such skilled workers are usually attracted to private employment which is more convenient and pays better."

I am a speech pathologist with a Masters degree from Catholic University. I tried from April of 1975 until January of 1976 to get a job at Forest Haven. I have since taken a job in Massachusetts. Unfortunately all the papers, or any I may have saved pertaining to my dealings with D.H.R. are in Washington so I can't supply you with exact dates or job announcement numbers.

In April of 1975 I was finishing up a temporary job at Gallaudet College. My supervisor received an announcement of a job for a speech pathologist at Forest Haven and suggested I apply for it, which I did. He later told me that people from D.H.R. had called about me. In May the job at Gallaudet was finished and I heard no more from D.H.R. until July when I received an announcement of a position vacancy at Forest Haven for a speech pathologist. The announcement number was different so I called the personnel department on North Capitol Street. They told me to send back the announcement with a note that I had applied under the previous job number which I did. This time I didn't hear from them until October when I received another announcement saying that they already had my application but I was still interested. No word.

Finally a woman in my mother's office had her husband, who works for D.H.R., check it out. They had moved their offices and lost many files. There was no record that I had ever applied.

I submitted another application. This one came back because I had failed to fill in my Civil Service rating. I filled it in and sent it back. I got notification that the amended application had been received.

The next word I got was in January, 1976, when I received an announcement that there were 2 jobs for speech pathologists at Forest Haven.

I called D.H.R. to ask if these positions included the one I already applied for. I apparently didn't make myself clear because the only answer I ever got (I spoke to several people) was "there are two positions." D.H.R. told me to call Forest Haven and find out if my application was being considered. I called Forest Haven and talked to the speech pathologist, Ms. Lombardo. She said they had nothing to do with it at all. Personnel decisions were made downtown. They didn't even select the people to be interviewed. That was done by personnel downtown too. She said the first the speech department knew there were two positions was when they got the same announcement I did. She gave me a number to call downtown. It was the number I had called before speaking to her.

I called the number again and got a different person who said a whole new application must be submitted each time the number of the job announcement changed.

I submitted a new application and a few weeks later received the notice that the job had been filled.

When I talked to my mother on the phone she said that since she phoned your office she got a call from a Mr. East of D.H.R. He said the first application was unclear as to whether or not I actually had my masters. The resume (all applications to D.H.R. were the same—first thru last) says: Masters Degree—Catholic University, May 1974—Speech Pathology, not to mention reference from my graduate professors. My B.A. Degree is from Shimer College in Humanities, so I don't see how there

could have been any doubt or confusion. He said he did receive the amended 171 application but there were no reference letters. He said he finally did get a very fine recommendation from Mr. Woofter of Gallaudet College, but that was in January and it was "too late", and "after the fact". Since the job is still vacant I don't know what it's too late for, or for that matter after what fact.

I finally took what money I had and moved myself to Massachusetts. I am working for a state run institution for the mentally retarded at B.A. wages. Now Mr. East seems most interested. That's what I call after the fact.

Sincerely,

LAURA SERENO, M.A.,
Speech Pathologist.

Senator CHILES. Again, the HEW audit seems to show that of this money, \$225,000 is paid to residents for work performed for the institution, \$400,000 is used for normal salary increases of the Forest Haven staff and they couldn't determine what the remaining \$240,000 was for and they concluded it was used for increased cost of commissioning services.

Mr. YELDELL. As I say, we take exception to the report. It was not done in the normal manner of an HEW report. They usually have an exit conference with us as well as an entrance conference on each thing they wish to audit. That was not done in either of these cases. I think if it had been done, the figures would have been justified and verified before they had written their report. We take gross exception to the report as it is currently written and which we did not have opportunity to address before they left our location.

SPECIAL ACCOUNT FOR FUNDS FOR 8-YEAR PLAN

Senator CHILES. Has the Department now established the improvement program as a separate account?

Mr. YELDELL. I don't know whether we have, from an accounting point of view.

Senator CHILES. I don't see how you can take gross exception with anybody if you haven't set up that improvement as a separate account so those figures are readily available to anybody that comes in and looks at them.

Mr. YELDELL. There was no requirement to establish a separate account for that. That was their suggestion. They said that they thought it should have been done. We had no requirement to do anything but to put a program together for Forest Haven. That is what happened.

Senator CHILES. It seems like Congress specifically appropriates and writes into an appropriations act that they are giving you this sum of money for a specific purpose, that you shouldn't just co-mingle that sum of money into all of your Department funds. I think you ought to be able to set up a separate account for that so that you can carry out the mandate of the Congress.

Mr. YELDELL. Sir, my problem is that there was nothing in the appropriation that indicated that this should be a special account. We put forth a proposal for improving the situation in Forest Haven. That proposal was over an 8-year period of time. It was part of the regular appropriation for Forest Haven.

Senator CHILES. That is the one we have been slipping year by year.

EIGHT-YEAR IMPROVEMENT PROGRAM

Mr. YELDELL. That is the one that was slipped not by the Department, but by the city and I really can't, as a Department head, instruct the city in terms of what to do. I would say further, Mr. Chairman, that if indeed the intent of the Congress was to establish the 8-year program, then I would say that the city would not have had the opportunity indeed to slip it. What has happened now is the Council says they don't even like the 8-year program at all and they want it thrown out. So I think we are in somewhat of a dilemma as to whether we are dealing with an 8-year program approved by the Congress or a year-by-year approach to Forest Haven.

Senator CHILES. I don't know that the Congress designated or designed the 8-year program. What the Congress has repeatedly attempted to do, through appropriation bills, hearings of this subcommittee and by the District of Columbia Committee—and it has been going on as long as I have been here—is that kids ought to have a decent chance at that institution. They shouldn't be abused. They ought to be able to get decent and adequate treatment. But somehow, no matter what we tried to do by way of putting in additional and extra money, it just doesn't get through. So this isn't something that you really can say is a violation of your Home Rule provisions even though it goes back for years, even before Home Rule came around.

The message doesn't get through.

ACTION BY CITY COUNCIL ON 1977 REQUEST FOR FOREST HAVEN

Mr. YELDELL. I think the message has more than gotten through to the Department. My concern is that as a Department head, my flexibility is only in terms of making budget recommendations. We requested in the 1977 budget, 127 positions which was restoration of the second year and 47 additional positions at a total cost of \$1,600,000. That proposal was knocked down to where we only got 19 positions and \$285,600.

In addition, they said to redirect 31 positions from the RCA to Forest Haven, a situation that could never take place because they are not retardation specialists, plus they wouldn't meet the civil service system requirement. As a Department head, my authority goes only to the recommendation stage. I would say about that request that the Mayor vetoed the City Council's action, and it was overridden by the Council. So we are locked into a city position. That position is not solid in relation to Forest Haven as far as I am concerned, but I have no authority to do anything different.

I don't mind assuming a share of the load where it falls rightly on my shoulders. I think in terms of this situation, everything that I could do in advance as a Department head was indeed done in advance to keep up the commitment to Forest Haven.

STATEMENT OF HON. GLADYS SPELLMAN

Senator CHILES. Congresswoman Spellman is here. We sure don't want to delay her appearance any. She would like to make a statement on Glenn Dale. I think we will just interrupt right here and ask Congresswoman Spellman if she would come up.

Mrs. SPELLMAN. I wonder if I might come back a little later on this afternoon. There are others who are going to be testifying. It would be better if I followed them.

Senator CHILES. Whatever you would like to do.

Mrs. SPELLMAN. I would appreciate that opportunity.

Senator CHILES. We will be happy to have you come back.

Mrs. SPELLMAN. Thank you very much.

Senator CHILES. I guess we will be meeting again at 2 o'clock in room S-146. That is over in the Capitol.

Mrs. SPELLMAN. That will be even better. Thank you.

Senator CHILES. Thank you for coming.

PATIENT FUNDS OF FOREST HAVEN

Mr. Yeldell, when you appeared before the subcommittee on January 21 of 1976, you indicated that controls for handling the patient funds at Forest Haven had been properly addressed and the misuse of the funds on the grounds had been virtually eliminated.

It has since been found by the Municipal Audit Office that some \$10,000 of the resident's funds could not be accounted for.

What action have you taken in regard to the missing \$10,000?

Mr. YELDELL. Mr. Chairman, we have a team of accountants on the grounds. We have a problem in terms of finding the \$10,000. We think that what happened is that the Municipal Audits Unit addressing the patient funds simply took the amount of income times the number of months and projected it out and did not take into consideration the fact that many of the residents actually received their checks themselves and then deposited a portion of that money into the resident fund.

We think that is where the error is. The situation with the funds is improved since the bringing on board of a person to do full-time accounting in relation to the patient funds and we have also addressed a communique to the Corporation Counsel as to the proper disposition of the resident fund since the amount is going to be increasing significantly. In relation to the audit, we think we can show clearly that the funds are not missing, certainly not in the magnitude they have talked about. I might say, Mr. Chairman, that a report of our findings is not due back until some time in June.

We are in the process of verifying whether or not the audit report is accurate. Preliminary figures seem to indicate that they simply projected the patient earnings without discounting the fact that part of those earnings stayed with the patient.

COMMITMENT OF PERSONS TO FOREST HAVEN

Senator CHILES. An individual who testified before Mr. Digg's subcommittee had been committed to Forest Haven for three years and was finally released when it was discovered that he was not retarded. Now I understand he is actually being admitted to Georgetown University. How could something like this happen and do we have anybody else out there that ought to be in college rather than Forest Haven?

Mr. YELDELL. Mr. Chairman, it could happen, based on how people were admitted to Forest Haven. As you know, this facility was founded back in 1925. It was part of the District Welfare Department. An

admission was through the courts. This particular individual was admitted by his mother and, at that point, the court did agree to the commitment and put the person into Forest Haven.

I think that happened when the person was about 5 years of age. At about age 7, as I read the history of this case, they indicated that there was some capability of the kind to produce and they started trying to work up an educational plan. at that point in time, as I said, the operation was in the Welfare Department. They moved to send the child to Maple Glen which is a facility for persons in need of supervision. They did that because of the educational facility there.

That put the child into a system that dealt with more delinquents than it did with retardation.

The whole episode, Mr. Chairman, occurred largely prior to the formation of the Department of Human Resources, and certainly before Forest Haven was placed as part of the Mental Health Operation within the Department of Human Resources. I would say that first of all, the student, though sent to two universities, did not attend either. In fact, the person is working, I believe, at the Library of Congress—and he is doing that largely through the efforts of our vocational rehabilitation unit that worked with him in terms of job placement.

I would say further that the Mental Health people worked with the young man in terms of placement with the priest who took him in and had him as an outpatient from Forest Haven.

So, these kinds of things could occur because there was no real concern at that point of time other than warehousing. Since this happened, there was an experimental period where we had to establish criteria for admission. That legislation expired. We are trying to get it renewed because we don't think that it could have happened. In response to the latter part of your question, there are some 400 persons at Forest Haven whom we have identified that certainly do not need to be at Forest Haven.

I believe the Evening Star ran a story on Sunday about a woman who was at Forest Haven who, at best, is marginally mentally retarded and I think that that kind of situation is prevalent in any of these 400 persons.

Senator CHILES. What are we doing about those 400?

PROGRAM TO RELOCATE FOREST HAVEN RESIDENTS IN COMMUNITY

Mr. YELDELL. That is part of the program we are trying to get fully operational so we can place those people out in the community. One thing is clear, they can't be turned loose in the community without direct supervision and interaction from the staff that has been working with Forest Haven. We have a dual problem. One is locating sufficient community facilities in which to place these persons and the other is getting the employees trained to deal with them in the community environment as opposed to an institutional setting.

That is the program we have underway. Many of the people, Mr. Chairman, are leaving Forest Haven daily, going to schools or going to work and returning back to Forest Haven. Obviously, community placement of these people should be accomplished. We would like

to do that as rapidly as possible. We are just fortunate enough in getting community acceptance of a home in northwest in which we will be bringing people out and placing them in the community.

We are constantly looking for other locations in which to place these persons at Forest Haven who don't need to be there. I think part of the problem is in part of the long history of Forest Haven as an institution that was used to warehouse persons rather than to give them treatment for mental retardation. It is that kind of a problem that has to be overcome in trying to deal with Forest Haven.

This young man was in and out before I became Director of the Department, but we had had a chance to deal with this from a retardation perspective.

CORRECTING THE PROBLEMS AT FOREST HAVEN

Senator CHILES. Mr. Yeldell, I know full well what the problem is and what the history is. The concern I have is what we are doing about trying to correct that and what the speed of that is. You have been catching all the questions. I wonder if the Mayor and the Chairman of the City Council might comment because as I understand when we get to the 1977 budget, even though we are not specifically on that now, there has been a cut again in the provisions for Forest Haven.

How in the world are we going to try to correct these problems that we have got out there, that everyone knows is out there, and try to remedy this tragedy that we have got going unless we can get a plan, put it into effect and have everybody know that we are working on that plan?

Mayor WASHINGTON. Mr. Chairman, as you know, I tried to deal with added resources. I came forward to support a budget that was finally a city budget which was my responsibility. Whether I agree with it or not, this is one area that gave me grave concern, having been overridden because I think that is unfortunate that as Mr. Yeldell has described it, these positions were not made available.

I think that we have a specific and definite commitment to this facility as well as all other facilities. The pressures; the needs are far greater. The community is demanding far more and it is appropriate that they should.

I believe that it has got to be addressed. I think on the one hand, you get the cry for funds as against the cry for whether or not we are going to be able to afford it in taxes.

I have been riding the stems of the dilemma all along in trying to push ahead to get additional resources, not only in that institution. We have others that are in need. I think that as we discussed the matter, there has got to be a priority and a strong commitment to this proposition.

CITY COUNCIL'S VIEWS ON CORRECTING PROBLEMS AT FOREST HAVEN

Mr. TUCKER. Mr. Chairman, I would supplement the Mayor's comments in this way:

Back to the question again of where we, the Executive and the Legislative, have absolutely different views of the situation. Our view

on the Council is, by the committee which has oversight responsibility at the Council, that there is a dissatisfaction with, I guess, the overall nature of the plan for improving services at Forest Haven.

Mr. Chairman, I would say that what I think needs to happen right now is for us to all take a look at that plan and to see the measure of agreement that we can reach as to what is to be done and how it is to be done and in what kind of a timetable. I would hope that an agreement could be reached on that so that a necessary level of funding can be determined.

Once we have done that, the Council would be prepared to make the necessary recommendations. It is clear that this is a priority and needs that kind of attention. I would state to you that we are prepared to sit now with the Mayor and his associates to work this out in a comprehensive way so that we can know the level of funding that is needed and how that funding will be spent.

Mayor WASHINGTON. I accept the offer, Mr. Chairman.

Senator CHILES. Pardon?

Mayor WASHINGTON. I would like to accept the offer.

Senator CHILES. I would think it wouldn't take too long to determine that every subcommittee chairman has got things that attract his interest. We are all kind of busy up here with a lot of things, but Forest Haven attracts my interest. I have tried to indicate that or I think my actions have tried to indicate that on a number of times. Apparently I have not been able to indicate it yet, but sooner or later, I hope you will humor me with my interest if nothing else, because it isn't going away.

COOPERATIVE EFFORT IN IMPROVING FOREST HAVEN

Mayor WASHINGTON. Mr. Chairman, we have been living with it far longer than you understand. It shouldn't go away. It can't go away. It is a commitment that has got to be met. I think that working together, we can—I am glad to hear it in these halls—come to a resolution where the priority will be established adequately and sufficiently and be maintained in implementation.

I just don't think your message is one that has to motivate us. I think the thing is that we have some responsibility and we ought to jointly deal with whatever is required. I think it should be done in a framework of meeting whatever that need is and once and for all, be on the same track. You just can't politicize it.

You know, Mr. Chairman, if you really look at that situation, I think everybody has been part of the problem. As we mentioned one case, what we see is that people have been to some degree satisfied to see them out of sight and the community reaction has not been a strong one. That has not been a priority. That has not been a commitment that people have even supported. I think we are at the point of time where it has moved from welfare to mental health and where we all have got to make the commitment and to make it work in the interest of that facility.

The needs are great on all of us. And the revenue is not there in all cases. But I think working together in a spirit of the doable, we can find a way. I certainly am going to be one that will be supporting the effort.

Senator CHILES. The subcommittee will want to earmark the improvement funds for Forest Haven beginning with the transition quarter. So, Comer, I want you to see to it that these are accounted for in a special account.

REDUCTION IN NARCOTICS TREATMENT PROGRAM

I notice that the fiscal year 1976 budget amendment includes a reduction of \$137,000 and 49 positions for narcotics treatment program. Back in January, the subcommittee heard testimony from Chief Cullinane regarding the increases in heroin traffic in the District of Columbia. What is the purpose for the reduction at this time? It seems that this is a program that should be growing rather than being cut back.

Mr. YELDELL. Mr. Chairman, I guess the best way to comment on this is to say that I would hope that the Mayor and the Chairman can agree to get together on this one. This was in the recommendation of the Department. It is a fact that the Department is aware of the rising incidence of heroin in the streets, not only rising in terms of quantity, but in terms of purity. It is further a fact that we had held off the Food and Drug Administration as long as we could—in terms of being out of compliance, as relates to certain types of positions—not only just numbers of positions.

So our request was for the granting of these positions in the 1976 year and annualization of those in the 1977 year. Unfortunately, this amount also was not granted and was overturned on a veto.

So again, from a Departmental perspective, we certainly feel that these positions should have been allocated. We are in a position where we have to shut down all intake, including those from the criminal justice system and will probably be in a shutdown posture at least through June 1 at which time we will probably have reduced to the level at which we could add some additional patients.

There is, I might say, a suit already filed by the Food and Drug Administration on noncompliance that deals not only with the issue of positions, but some administrative matters which I think have been addressed. But by and large, I would agree with the Chair that these positions are sorely needed and the Department would like to find some way to actually have those granted.

EFFECTS ON DRUG ADDICTION AND CRIME

Senator CHILES. Chief, has there been any decline in the use of heroin now, in traffic?

Chief CULLINANE. Decline?

Senator CHILES. Yes.

Chief CULLINANE. No, sir, Mr. Chairman. Of course, it is really too soon to see what kind of effect it will have on it. But I think the one thing we do know is the most predictable repeater is someone who is addicted. Now that Mr. Yeldell can no longer take many into the system, as I understand it, there could be no more voluntary admissions to the program. I think he is still required to take those that the courts are sending him, but we are very concerned about it, Mr. Chairman.

We do predict there will be a rise in crime as a result of closing down the center.

Senator CHILES. What all will that trigger if we have a rise in crime?

Chief CULLINANE. What all would it trigger?

Senator CHILES. Would you not have more arrests, and have more people incarcerated as a result of it?

Chief CULLINANE. Yes, sir.

Mayor WASHINGTON. More arrests, Mr. Chairman, more policemen, and larger jails. The whole criminal justice process, and the whole criminal justice system will be impacted by the beginning of more arrests, more crime and more people to have to deal with in that process.

POSITION OF CITY COUNCIL ON NARCOTICS TREATMENT PROGRAM

Mr. TUCKER. Mr. Chairman, I would like to comment. It is rather difficult to measure the value of the program when looking at it only in terms of dollars and bodies or when looking only in terms of personnel and costs. We are trying to cover a lot of very important areas and territory in a very short time. That is why the Council conducted its budget hearing on a period, and also why it conducts oversight hearings so it can at least get some indication as to the quality of the services; as to the way they are implemented, as to some of the results of the services. I wish we could solve more of our problems with dollars than bodies.

If we could, it would be easy to arrive at budget levels. But the purpose of government is to provide service, not bodies and dollars. Bodies and dollars implement the service.

We have to begin, therefore, with evaluation of the service to determine how many bodies and dollars are needed. Our discussions are without reference to the service, our discussions are with reference to bodies and dollars. Hence, it is very difficult for us to make the evaluations.

It seems to me, therefore, that we have got to build into the budget process those evaluations, programmatic evaluations, so that there can be relative agreements as to the value and the quality of that service, and not just in need. No one questions the need for any of these services, particularly those that we are talking about. But there are differences of opinion; with reference to the quality of these services and what the requirements are.

Our jobs together are to help make these determinations so that the community can know what the level of spending needs to be to provide a level of service, not just to provide a service.

Senator CHILES. Has the Council determined then that there is no value in a voluntary treatment program or in the voluntary treatment program that was going on?

Mr. TUCKER. The Council has determined, Mr. Chairman, by making certain evaluations, that there are X number of dollars that are available for service in the community.

Senator CHILES. Now you are talking about dollars and bodies. I wanted to talk about what you wanted to get me on.

Mr. TUCKER. I am headed to that.

Senator CHILES. All right.

EVALUATIONS MADE BY CITY COUNCIL

Mr. TUCKER. We have held hearings on revenue, we hold hearings on budget, we try to match them. We try to allocate. Here is a relative need. To what extent can we meet our need, based upon our knowledge, based upon whatever facts are available to us of a need? We could appropriate most of our funds based on what there is a need for to three or four service areas—all the money we have—if we operated on that basis.

We have determined, Mr. Chairman, that based upon the evaluation of the program of those subcommittees, or that subcommittee that has charge and has shared with the Council, that the money is available. This is adequate to meet what we feel we need to meet. We are concerned about several things with no disrespect or for the program itself or those who administer it.

I have had several sets of figures, Mr. Chairman. I made the television comment maybe six weeks ago or maybe less and I got some additional figures with a difference in the figures that I had once before. I have not been able to make for myself an adequate determination of what our needs are. Therefore, I have to make a judgment, Mr. Chairman, on that. We have to find a way so that all the figures square and all the arguments square and they are added to the same thing.

Until such time, the Council is going to have to make a judgment the best it can as to how much money it should allocate for a given service.

Senator CHILES. I understand the Council's problems. I understand something about priorities. In that regard, I am a legislative creature. I served 12 years in the State government and I now serve on the Budget Committee that has just completed a process of trying to do that same thing. One of the most graphic displays of heroin traffic, is when the deaths by overdoses began to increase and that figure is kind of factual. I don't think regardless of how people disagree with figures, we can find that out from the morgue. That one is there, death by overdoses and it continues to increase. So it seems like to me when that happens and then when the Chief comes up here and says he has got to have X number of dollars on the basis of the additional crime which is the result of the use of heroin, then it is just kind of hard for me find you are cutting back on drug addiction programs.

I am not trying to judge and evaluate the programs. I can't do that and don't intend to do that.

Mr. TUCKER. That is necessary.

Senator CHILES. If the Council has judged that some programs are bad or that they are not functioning properly, then I would like to know that they are not doing the job for which they were designed. However, if the Council is judging on the basis of their overall priorities that they have got so many dollars and they have so many programs, it doesn't make sense to me that we are cutting back on a program dealing with narcotics treatment. When we have an increase in the problem so that we are funding other things because of that increase, such as the police department, the jail, and the court system. All of those other things are increases and then we cutback on treat-

ment. I have no problem of your determining what is good treatment, yes; or determining whether it is adequate or the program is good, yes.

But a cutback on the basis of the priority, that is what is hard for me to understand.

NEED TO INCREASE STAFF OF CITY COUNCIL

Mr. TUCKER. I think all of those considerations are valid ones. We do have to relate priority to spending and we do have to evaluate the programs. We do make a number of judgments.

One of the reasons that I would hope that the Council's budget would be provided is so that our capacity would be enhanced to make some of the kinds of judgments just as are necessary in the budget process and that give really the same capability to make evaluations as is needed to implement programs. Because we have very important judgments that we have to make, we need the capability for doing that.

We don't have an adequate system in our government now for monitoring the accountability and monitoring results. We therefore make judgments based upon fragmented information that is available and with the kind of systems that we do have. Until such time as we have them, we are going to be in the same position of having to make judgments based upon our best guesses and those procedures that are available to us.

Senator CHILES. What is in the transition quarter in regard to these programs?

Mr. YELDELL. Absolutely nothing, Mr. Chairman.

Senator CHILES. So 1977 also includes what for these programs?

Mr. YELDELL. The annualization for these were in the 1977 budget and they were deleted.

Senator CHILES. I will reserve the questions we have on Glenn Dale to the afternoon hearing.

DEPARTMENT OF CORRECTIONS

Senator CHILES. The fiscal year 1976 amendment includes an increase of 293 positions and \$5,824,000 for the Department of Corrections included in this request is \$3,600,000 for payments to the Federal Bureau of Prisons to reimburse them for services provided. There is also \$1,680,000 and all the positions associated with opening the new jail. Is it really possible to hire over 250 people in the time remaining?

Mr. COPPIE. Mr. Jackson, Director of the Department of Corrections is outside the room and will be here momentarily, Mr. Chairman.

Mr. CHILES. Mr. Jackson, the question I was asking, in the 1976 amendment, concerned the \$1,680,000 and all the positions associated with opening the new jail; is it possible to hire over 250 people in the time remaining in fiscal year 1976 and the end of the transitional quarter?

NEW DETENTION CENTER

Mr. JACKSON. Thank you, Mr. Chairman. Yes, it is. For all practical purposes, that has been accomplished.

What happened, in January, we made an accelerated effort to open the new detention center because of the tremendous pressure of overcrowding. We underwent a massive recruiting program in the Metropolitan-Washington area and the surrounding States. We have brought the people on board that we feel necessary to operate the present one-module of the new detention center.

Senator CHILES. So you have already got those people on board?

Mr. JACKSON. The majority of them, yes.

Senator CHILES. So you have used your continuing resolution funds to do that?

Mr. JACKSON. I received a mandate from the Mayor and the Court that I had to reduce overcrowding in the dismal facility of the old jail.

So in essence, I guess you could say we did use a continuing resolution for those hiring practices.

NEED FOR STAFF VS. ELECTRONIC DEVICES

Senator CHILES. The new D.C. Jail provides numerous labor-saving devices including closed-circuit TV that are not provided to any extent in the old jail. Why aren't these expensive improvements permitting a reduction in the number of jail staff required in relation to the inmate population?

Mr. JACKSON. It is very difficult in the correctional setting to address the issue of staffing in what are essentially unlike facilities. When you have an increase in population, if you want to keep them locked up for prolonged periods of time, that is one thing. But the introduction of sophisticated electronic surveillance devices does not in itself eliminate the need for staff. There is always a need for staff.

What the electronic devices do is simply enhance the security of the facility.

STAFF REQUIREMENTS

Senator CHILES. I know there is always a need for staff. But we are always told that when we have to have or spend additional money, that one reason we are doing that is because we are going to have all of these automatic locking devices, all of these closed-circuit TV's and go to all of these more expensive ways. At the time, generally when we are seeking those capital improvements, we are told there is going to be some trade off in personnel.

Mr. JACKSON. I don't recollect any previous testimony of mine in which I indicated that there would be any reduction in staff as such. I am certain there will be some trade offs, but not of the magnitude that is perhaps inferred. I think what I am talking about really is the enhancing of the security of the facility which previously was outmoded and outdated.

Senator CHILES. Every business that I know of when they go to automation or when they go to using more up-to-date methods, we are always seeing where they are letting off personnel. We see it in the Star, we see it in the newspapers, we see it in strikes going on now with television stations because cameramen are going to more automatic devices. Why can't that happen in government?

Mr. JACKSON. I would like to address that in a similar vein as I addressed it previously and that is that you have to understand that there are four cellblocks in the old jail. In the new jail, we have 12 with a capacity of 80 each. That to me would in itself indicate the need for additional staff.

I don't feel, Mr. Chairman, that I have adequate staff now, because the number of people that I felt was needed to properly and adequately operate that facility was in excess of 300.

Senator CHILES. It seems like that we ought to find some improvement in the inmate to personnel relationship in this new facility.

Mr. JACKSON. Without question such improvement does exist.

Senator CHILES. It doesn't seem to exist in the figures that we are getting.

Mr. JACKSON. Are you talking about the increased population?

Senator CHILES. In the increased personnel that you are seeking.

Mr. JACKSON. I find it quite difficult to operate a facility without adequate staff. It simply cannot be done because, in essence, you would be talking about a cost trade off, the price we are apt to pay a little later down the road might be far superior to the initial outlay, if we do not have adequate and sufficient personnel.

Senator CHILES. Adequate and sufficient, I guess, is where we are concerned, where we give. Would you please respond to a number of questions which we will submit to you for the record?

Mr. JACKSON. I would be happy to, Mr. Chairman.

[The questions and answers follow:]

Department of CorrectionsQuestion:

1. Why are there no visiting hours on Sunday at either of the D.C. Jails? Describe visiting hours policy.

Answer:

Two principal factors prohibit Sunday visiting at the D.C. Jail and the Detention Center.

The first factor is the lack of available space. Neither facility has an area specifically designated as a chapel. As a result it is necessary to use the larger visiting areas in both institutions to conduct various religious services. Since it would be inappropriate to conduct visiting and religious services in the same place, visiting is suspended on Sundays.

The second factor is staffing. In order to have visiting it is necessary to utilize correctional officers to escort inmates, register and search visitors, maintain order in the visiting areas, and search inmates who have completed their visit. All of this requires that staff either be available for such functions or that they be removed from other posts during visiting hours. Since overall activity is generally lowest on Sunday, staffing is usually at a minimum, with the result that adequate staff members are not available to conduct visiting.

It should be noted that current visiting hours are from 8:00 AM to 8:00 PM, Monday through Saturday. These hours are more liberal than any area jurisdiction is now providing.

Question:

2. What are the major problems you foresee in the smooth operation of the new jail? The old jail? What resources or remedies would help solve those problems?

Answer:

The problems anticipated at the new Detention Center will be generated by the chronically overcrowded conditions which have been such a problem in the past. Detainee population has increased by over 500 in the last five months, and this trend is expected to continue. This has resulted in the immediate need to expand the Detention Center to its fully designed capacity of 1,440 from its present capacity of 960. To accomplish such an expansion would require additional capital outlay funds beyond what is now available. On the other hand, failure to proceed with this expansion can reasonably be expected to result in further aggravation of overcrowding in the District's detention facilities.

A related problem is that of inadequate staffing. Financial pressures have severely restricted the funding available for the Detention Center, with the result that the current staffing for that facility is 63 positions below the minimum desirable level. This under-staffing combined with anticipated crowding will result in further operating problems in the future.

The principal problem at the old jail concerns living conditions. Overcrowding and underfunding for improvements have resulted in a long series of legal actions, the most recent of which provides for an outright release of that number of prisoners in excess of the jail capacity. In addition, existing court orders to improve the old jail will require substantial funding. If the old jail is to continue in use — and population input gives no evidence to the contrary — these improvements will have to be made.

But this alone will not solve the problem of overcrowding at the old jail. It is the belief of this Agency that the only course of action which can be taken to begin amelioration of the present and future problems in Detention Services will include:

- 1) authorization of funds for expansion of the new Detention Center from a capacity of 960 to 1,440;
- 2) authorization of funds for renovation of the old jail; and
- 3) provision of adequate staffing in Detention Services.

D.C. GENERAL HOSPITAL

Senator CHILES. The fiscal year 1976 amendment request includes approximately \$14 million for renovation at D.C. General Hospital. I understand these renovations are required to meet Health, Education, and Welfare life safety standards.

If Congress approved these funds, when does the city begin to obligate these funds and start the renovations? I guess we will carry that over.

DEPARTMENT OF GENERAL SERVICES

STATEMENT OF SAM D. STAROBIN

Mr. COPPIE. Mr. Starobin, Director of General Services, is here.

Mr. STAROBIN. Good afternoon, sir. I have with me, Mr. Walter Kelly, who will assist me in providing this data. If these funds are provided, we would plan to start design in June. The scope of the work has been written. We would be prepared to enter into a contract on very short notice.

Senator CHILES. I missed the last part of your answer. Excuse me.

Mr. STAROBIN. Your question was how soon would we be able to start obligating funds.

Senator CHILES. Right, and could we start the renovations.

Mr. STAROBIN. We have to enter first into the design period. What we have is a survey that has led to a scope of the work. The next step is design. Should the funds be approved this month, we could enter into a design contract next month and actually start the design. The design period would last approximately 11 months and in August of next year, we would actually start work.

Senator CHILES. How much money do you need to start the design period?

Mr. STAROBIN. We estimate the cost of the design and attendant administration at \$1,235,000, sir.

Senator CHILES. If you got the \$1,235,000, or whatever that sum was, would you be delaying any of the other renovations prior to the time that you were getting your design completed which you said was around 11 months?

Mr. STAROBIN. We are entering a new fiscal year now, sir. August of 1977 is still in calendar—that is, in fiscal 1977. That is when we hope to start construction. Fiscal 1978 funds will not be available until October 1, 1977. Therefore, according to our present schedule, there probably would be a break of several months.

Senator CHILES. First, we are talking about a 1976 amendment request.

Mr. STAROBIN. That is right, sir.

Senator CHILES. So you are saying as long as you got funds in 1977, you would be all right, and you may determine that you would actually be over into 1978 before you could let your contract.

Mr. STAROBIN. Yes. Of course, what we have presented here, sir, are funding under the rules of bonding where we go in and ask for the entire package. Should we still be under the old rules of incremental funding of capital projects, we would have come in at this time for design, in fiscal 1977 for construction, but the fiscal

1977 capital budget is pretty well wrapped up and on its way and no additional funds for this project are in that budget.

Senator CHILES. Isn't that where we should be, though, Mr. Coppie? We are no longer talking about bonding now, are we? We are talking about whether we are going to get some authorizing language in the appropriation bill. So really, we shouldn't be determining whether we should just be appropriating now for funds to set up your study?

Mr. COPPIE. That is an option that is open to the committee, Mr. Chairman. That is correct.

Senator CHILES. You could deal either with a 1977 amendment supplemental—

Mr. COPPIE. Or 1978 construction.

BURRVILLE ELEMENTARY SCHOOL REPLACEMENT

Senator CHILES. The Mayor's letter of May 14, 1976 to me indicated the need for the Burrville replacement program—that the need for that program was being reconsidered. What is the status of the Board of Education's deliberation on that?

Mr. WINNER. The issue of the program was raised by the city, forwarded to the superintendent some time ago. We have subsequently forwarded that to the Board for their reconsideration. The Board agreed to take that under advisement. They have submitted it to the Capital Improvements Committee of the Board of Education. The committee has held one meeting on the subject and they have asked for an extensive briefing which should be scheduled in the next few days after which I would presume that that committee would then take its recommendation back to the Board on that particular subject on continuing the construction program.

ADDITIONAL QUESTIONS

Senator CHILES. Mr. Mayor and Mr. Tucker, would you please respond to a number of questions which we will submit to you for the record?

Mayor. WASHINGTON. I would be happy to, Mr. Chairman.

Mr. TUCKER. I would be pleased to, Mr. Chairman.

[The questions and answers follow:]

EXECUTIVE OFFICE OF THE MAYOR

Question:

1. What do you see as the long-range goals of the City and what specific policies is your Administration pursuing to reach those goals? Do you have priorities among those goals? If so, enumerate them if you will.

Answer:

1. I am particularly happy to address this question. One of the primary manifestations of self-governance for any jurisdiction is its ability to set goals and policies to guide its overall development and improve the quality of life for its residents, workers and visitors.

I have instructed the Municipal Planning Office to prepare a set of preliminary goals and information relating to these goals. Work began on this project, shortly after the city's inaugural home rule government took office, with the extrapolation of existing goals and policies from such sources as the District Budget, Congressional testimony of District officials, and reports of various city agencies and public hearings. This work has been coordinated with other planning efforts and refined for pending District agency review and citizen comments. A staff draft of this goals statement is included.

We are currently setting a schedule for agency review, comment, modifications and additions to these goals. We will then go to the citizens of the District, in public forums and in reviews by Advisory Neighborhood Commissions and other community groups to get their ideas and changes.

I am sure you understand that, at this point, our goals are only preliminary statements. I would not want to list priorities. That will come from our agency and citizen review process. I can say that we are exploring goals dealing with the quality of life in our city and with environmental, social, economic, housing, community development, land use, transportation and civic governance and participation. We are also examining our relationship to regional goals. In some areas we are much further along. Drafts of housing and community development goals and policies are under intensive review by the Department of Housing and Community Development given the priority with which we view the housing situation in the District. Land use goals and policies are a major concern.

Generally, I intend shortly to forward a draft of interim goals and policies for the city to the City Council as the first local element of the Comprehensive Plan. These goals and policies will be used to help guide city decision-making as other elements are added. The goals and especially the policies may be revised to more permanent status as we move forward with comprehensive planning for the city.

Overall Goals

To ensure improvement in the quality of life for all residents, workers and visitors in the District of Columbia.

To ensure improvement in the image, identities, diversity and civic spirit of the city as the home of District residents, the center of the metropolitan region and as the Nation's Capital.

To ensure that the place, rights and culture of all residents of the District of Columbia in the history and future of the city are equitably protected regardless of race, creed, color, national origin, sex or political or religious beliefs.

Environmental Goals

To ensure improvement of quality in air and water resources in the District of Columbia to levels providing safe, healthful and satisfying surroundings in all parts of the city.

To ensure the control and improvement of soils, vegetation, and natural features of the District of Columbia to levels providing safe, healthful and satisfying surroundings in all parts of the city.

To ensure the control and reduction of solid waste in the District of Columbia and recycling of reusable waste products.

To ensure the control and reduction of noise in the District of Columbia to levels providing safe, healthful and satisfying surroundings in all parts of the city.

To promote the supply and conservation of energy resources at levels needed to sustain city activities.

Social Goals

To ensure all District residents, workers and visitors have access to preventive and treatment care to sustain life and maintain physical and emotional health at costs they can afford.

To ensure the provision of basic social services to all District residents at costs they can afford.

To provide all District residents in need a full range of supportive social, rehabilitation and income maintenance services.

To ensure a variety of educational opportunities throughout life to all District residents at costs they can afford.

To provide a high quality of public primary and secondary instruction in basic skills for all District residents.

; To ensure access to a variety of recreation facilities and services for District residents, workers and visitors of all ages in all parts of the city at costs they can afford.

To ensure District residents, workers and visitors opportunities for increasing their knowledge and appreciation of their cultural and historic heritage.

To ensure access for District residents, workers and visitors to a variety of cultural and historic facilities at costs they can afford.

To ensure the rights and safety of all District residents, workers and visitors, and the protection of all property in and of the District of Columbia.

Economic Goals

To promote more and better employment opportunities for all District residents and adequate incomes for all District residents.

To promote attraction, creation and retention of economic activity which will increase the economic viability of the District of Columbia.

To promote stability and new growth of business and industry which provide essential goods and services to District residents in all areas of the city.

To ensure the economic vitality of a wide variety of private businesses and industries which will increase the District's viability as the center of a growing metropolitan area, and as a national and international center.

To promote development that opens ownership and management opportunities for minority groups and others under-represented in the local economy.

To ensure strong and continuous citizens-business-government partnership efforts to stimulate economic development in the District.

To provide a fair and equitable system of taxes and user charges.

To provide effective management of government sector activities which affect the performance of the District and metropolitan economies.

Housing and Community Development Goals

To ensure decent housing of types suitable for all District residents in all areas of the city at costs they can afford.

To ensure a suitable living environment in all areas of the city.

Physical Goals

To ensure the quality, quantity and equitable distribution of land uses among all areas of the city favorable to activities furthering the goals of the city.

To ensure the safe circulation and transportation of all residents, workers and visitors throughout the city at costs they can afford.

To ensure the efficient and equitable movement and distribution of goods and services throughout the city without adversely affecting any areas of the city.

Civic Participation and Governance Goals

To ensure the opportunity for full participation of residents of the District of Columbia in efforts to achieve the goals of the city.

To ensure the opportunity for participation of workers, visitors and owners of property in the District of Columbia in efforts to achieve those goals with which they are concerned.

To provide efficient management of the District of Columbia Government which is both understandable and accessible to the city's residents.

To ensure the gaining and maintenance of control over all aspects of local and state governments by residents of the District of Columbia.

Regional Goal

To ensure the goals of the District of Columbia within the context of regional goals which are recognized as fair and equitable to all people of all metropolitan jurisdictions.

Question:

2. What are the major problems which you believe the City is or will be faced with in the next five years?

Answer:

2. Financing the heavy state-city responsibilities borne by the District Government is the single, largest problem City officials face today and will be facing over the next five years. This is not unique to the District, but rather it is an issue facing most large, urban centers, particularly in the East and Midwest. Older cities' population, largely in the more affluent, tax-producing age group, continue moving to suburban or rural areas, leaving central cities not only with a population loss but also an eroding tax base and a disproportionately high number of persons dependent on public services. Thus needs for public programs increase while revenue sources become saturated and limited.

Another contributing factor to cities' financial problems is past Congressional practices that resulted in a proliferation of spending programs in state and local government. This in turn has resulted in a heavy dependence by state and local governments on Federal support to finance key services. Now, however, the Congressional Budget Reform Act, as well as the state of the national economy, signal a tightening of this process and a reduction in Federal spending, perhaps even below maintenance levels.

Another contributing factor, which is unique to the District, is its state-city status. On the expenditure side of the budget, the District must provide the full range of state services. This means the District not only administers state-level services, particularly Medicaid and AFDC, but it also pays for such services at a state rate, i.e., 50% to match Federal funds. No other city pays at this level, New York City contributes only 21.8% and in most other states the cost is borne solely by state government.

On the revenue side of the budget, however, the District lacks a major, typically state revenue authority, i.e., to tax income at its source. In other words, the District cannot levy a non-resident reciprocal income tax which would help alleviate a large part of the City's financial problems.

A further constraint, even if the District had authority to tax non-residents, is the District's limited geographical and economic tax base. A major reason most states finance certain services, particularly social programs, is to distribute the cost across a wide range of income classes and geographical locations. Essentially, it is a method for using a broader base for income redistribution. The District, however, can only distribute the costs of typically state or county financed services within a very limited locale and within a narrow tax base.

Clearly, within the broad context of the financing problem facing District Government today and in the near future there are a number of interrelated issues.

In summary, those mentioned above are:

- Stemming the flow of the population from the central city in order to build and retain a sound, economically vital tax base.
- Securing the authority held by all other states to tax income at its source and thus establish a reciprocal income tax on non-resident workers in the District.
- Restructuring the financing pattern of critical state-level functions that are provided by the District and that are financed by the District as a state. Since the District lacks the broad economic and geographical tax base needed to support basic state-related services, a restructuring of its current method for financing state services is crucial, even if it would have the authority to levy a reciprocal income tax.

Other related fiscal issues the District faces include, but are not limited to, the following:

- Establishing the Police and Firemen Retirement Fund on a sound actuarial basis. The Senate District Committee is well aware of the fiscal dilemma the City Government faces regarding this Retirement Fund. Legislation has been introduced in the House which will help alleviate fiscal pressures on the District, but as yet no legislation has been introduced in the Senate. Therefore, the immediate future resolution of this issue is uncertain.
- Restructuring the administration and financing of certain District functions that essentially are regional in nature: the Washington Metropolitan Area is unusual among large metropolitan areas in the lack of regional authorities or districts for the performance and financing of specialized, regional functions. These could include, for example, public transportation and air and water quality control.

In conclusion, the fiscal crisis facing the City presents some hard financing problems that must be resolved by District Government, in concert with the Congress and neighboring jurisdictions. The fiscal crisis also presents a challenge to District officials at all levels of management. While we must restructure our financing and expenditure patterns, we must also strengthen the management of the limited resources that are available. Independently

and through the District's Performance Monitoring System, agency efforts are being made, and will continue to be made, to improve the efficiency, or productivity, of government operations while maintaining or improving the level and quality of public services.

QUESTION:

3. What actions are you pursuing to speed up the response time of the City government which we've read about lately in the Washington papers? An article in the Washington Star of March 19, 1976, noted average wait times for a variety of city permits and applications.

Do you feel long waiting periods by District citizens who wish to participate in the economic life of Washington, D.C., reinforces their perception of their City government as one which is unresponsive and uncaring?

ANSWER:

3. Work has been underway in many City Government operations for some time to "speed up" their response times in meeting the needs and demands of District residents and workers. As demands for services grew substantially over the last 10 years, City Government was able to keep pace with them in a timely manner. More recently, however, demands have continued to grow but resources have remained essentially the same or have been severely limited. The challenge then has been to find ways to make the best, most efficient use of available resources and still deliver quality services within a reasonable time period. To do this, we have begun intensive analyses in various operations where response time is important. Studies are being made of factors involved in demand patterns such as timing, peak loads, work scheduling and worker assignments, as well as legislative requirements. Some agencies are doing this work independently while others are doing it as part of the District's Performance Monitoring System.

What is being found in many instances is that by changing work schedules, as well as changing the deployment of manpower and equipment, workload may be better distributed to meet client needs more efficiently. For

example, last week (May 22) the Emergency Ambulance Service began a new schedule for deployment of ambulances. They shifted from ten ambulances per shift to eight on the night and eleven on the day and evening shift. This will give the services more resources during the peak demand period and enable it to provide better services.

In at least one other case it was found that existing legislation served as an effective barrier to timely performance. By law, about 90 percent of the 113 types of licenses issued by the Business License Branch of the Department of Economic Development have expiration dates of either July 1 or November 1. This means that the staff doing the work of receiving applications, checking qualifications, and issuing licenses, have a very unbalanced workload centering on two busy periods. During these periods it becomes literally impossible for the existing staff to keep up with incoming applications and to issue licenses on time.

The Mayor's 1976 Legislative Program proposes an amendment to the current licensing law (Section 47-2305 of the D.C. Code) to authorize the Mayor to fix and change the period of licenses, which will permit better utilization of staff and will speed up the issuing of licenses. To facilitate the implementation of this amendment, once passed, personnel from the Department, George Washington University, and the Performance Monitoring System, have designed a new, balanced work schedule in accordance with provisions of the amendment.

In regard to the latter part of the question, the District Government is concerned about its citizens and attempts to be responsive in an efficient and effective manner. We are always on guard, however, to not simply assume that "faster is always better." While indeed focus is on improving the response times of operations, the quality or effectiveness dimension of service delivery must also receive equal, perhaps more, attention.

QUESTION:

4. Do you find that your Administration and Cabinet members spend an inordinate amount of time responding to crisis situations at the expense of long term policy and program development?

ANSWER:

4. Responding to crisis, and near-crisis, situations is a normal part of municipal government. When operating at the direct service delivery level, within limited resources, it is to be expected that situations will occur daily which are considered to be a crisis and thus must be handled within that context. This is particularly true in a large, dynamic, and demanding city like Washington, D.C.

Also in this regard, the complex nature of District Government's legislative and budgetary process and the heavy demands it places on City officials cannot be overlooked. The constant demand on managers of city programs, and especially top City officials, to respond to routine and special requests from the City Council, with its standing committees, along with requests from members of four Congressional committees, places an additional crisis-type burden on District government management at all levels. District officials and managers, therefore, are disciplined public administrators who schedule their time and effort in a flexible manner. This enables them to deal with the real world of daily crisis and demands for information and still be able to focus on the development of longer-ranged policy and programmatic issues.

Question

5. How many times in the past year have you held full-Cabinet meetings? For what purpose (s) were those meeting(s) held? In what forum do you and your Cabinet discuss long-range goals, policy, and programs? How often has this occurred in the past year?

Answer

5. Cabinet meetings were held ten times during the year on a 4-6 week basis. Specific purposes of the meetings naturally vary from time-to-time but in general focus on issues related to short-term and long-range policies and goals. Discussions are held and/or problems resolved on issues such as implications of general policy development on specific agencies' program, current and out-year budget issues; the District's legislative program for the present and future years; and city-wide priorities.

Question:

6. What changes do you anticipate in the total number of D. C. employees in the FY 1977 budget? Do you plan an increase or decrease in the number of appropriated and grant funded positions in the next five fiscal years? Why?

Answer:

6. The authorized positions in the FY 1977 Budget reflects the following changes:

FY 1976 Budget as amended	40,362
Abolished positions	-1,767
New positions	+339
<hr/>	
Total authorized positions in FY 1977 budget	38,934

District workforce levels over the next five years will be contingent on a host of factors such as the city's overall financial condition, availability of Federal assistance grants, emerging service needs and program priorities, the extent to which service requirements are satisfied on a contractual basis instead of through city employees, and other considerations. During the last five years (i.e., the fiscal 1972-1976 period), the number of authorized city employees increased gradually, reaching a peak in fiscal 1975 that was about 5% above the 1972 level. In fiscal 1976, however, the authorized workforce strength dropped off significantly to the point where it was actually some 300 positions below the 1972 level. This sharp downward trend continues into 1977 with the city's authorized position request falling 1,438 below the 1976 level as discussed above.

Our five-year expenditure forecasts are based on a projection assumption of holding the number of authorized positions constant over the period except in the case of new facilities planned to begin operations by 1981. Our projections suggest that an additional 1,000 employees could be needed by 1981 for new facilities if there are no other changes in manpower requirements of ongoing programs and if all facilities now under consideration are authorized and constructed as planned. A significant portion of the projected workforce increase -- about 35% of the total -- is attributable to the expansion of the Blue Plains Water Pollution Control Plant that is being upgraded to meet Federal water quality standards.

The future trend in grant funded positions is extremely difficult to project due to fluctuations in financial support for Federal grant programs. From FY 1973 to FY 1976, there was a one percent increase in the number of District employees funded from Federal assistance grants. If this recent trend continues over the next five years, we would anticipate that the number of workers supported through Federal grants would increase by about 850 from the current level of about 7,450.

THE COUNCIL OF THE DISTRICT OF COLUMBIA

QUESTION:

1. Since the inception of the elected City Council under Home Rule, how many bills have been enacted which are "emergency" legislation? How many total bills have been enacted since the Council took office? Do you feel the emergency legislation route has been abused by the Council and used excessively? To what do you attribute the large number of emergency bills?

ANSWER:

1. As of May 24, 1976, the Council of the District of Columbia had enacted forty-six emergency acts. One hundred and twenty-five acts have been passed by the Council and sent to Congress. Seven acts are now pending before the Mayor.

Of the forty-six emergency acts passed by the Council, one-half were necessary due to the uncertainty as to when the required thirty-day Congressional review period would expire. In most cases, although permanent legislation had been passed by the Council, the requirement of Section 602 (c) of the District of Columbia Self-Government and Governmental Reorganization Act* frequently necessitated emergency action by the Council. The Congressional review period generally takes at least 60 calendar days but has taken over 90 days. In addition, certain events of an emergency

* "No such act shall take effect until the end of the 30-day period (excluding Saturdays, Sundays, and holidays, and any day in which either House is not in session) beginning on the day such act is transmitted by the Chairman to the Speaker of the House of Representatives and the President of the Senate and then only if during such 30-day layover period to the Houses of Congress do not adopt a concurrent resolution disapproving such act."

nature cannot be predicted which require timely action by the Council. Finally, some emergency actions by the Council are directly related to laws passed by the Congress which require the District government-- either the Mayor, the Council or both, to take certain actions within a specific time period. If emergency powers were not invoked by the Council, the deadlines could not be met. Examples of the latter are: the Unemployment Compensation Act; the Emergency Rehabilitation Tax Incentive Act; the Flood Insurance Program Act; the Income and Franchise Tax Act Emergency; and the D.C. Professional Corporation Tax Act of 1971.

In no case has the Council's emergency powers been abused. However, until and unless the requirement for a Congressional review is modified or removed, the Council will of necessity have to exercise its emergency powers with a frequency which, if such review period did not exist, might be considered to be excessive.

QUESTION:

2. What do you see as the long-range goals of the City and what specific policies has the Council adopted or endorsed to reach those goals? Is the Council in agreement about the goals for the City? What differences of major import exist among Council Members on the City's long-range goals?

ANSWER:

2. Ensuring economic self-sufficiency, financial stability and prudent management of the government and protecting the health and safety of the residents of the City are major goals of the Council. The Members of the Council are in basic agreement as to these goals but may at times differ as to priorities and methods with which to accomplish them.

The Council in its review of the fiscal year 1976 and 1977 budgets expressed great concern that the experience of New York City not be repeated in the Nation's Capitol. In its fiscal year 1977 Budget Report, the Council set a "limited growth" budget policy and a personnel ceiling, emphasizing the control of the expansion of government and greater productivity in an attempt to bring expenditures in line with the natural

growth of revenues. Contained in this Budget Report was a continuation of an energy conservation program. Also included in the Council action as required by the District of Columbia Self-Government and Governmental Reorganization Act, was an "Issue Analysis Statement." This statement contains a number of issues identified by the Council as having significant revenue or budgetary implications which are to be addressed by the Mayor in his fiscal year 1978 budget submission.

The Council has planned an "advance" with the Mayor in June, 1976, to begin a full discussion of problems facing the City and immediate and future goals and how the government can work as a whole toward resolution of problems and accomplishment of goals.

QUESTION:

3. What are the major problems which you believe the City is or will be faced with in the next five years?

ANSWER:

3. Fiscal security, economic stability and lack of adequate resources are some of the major problems facing the City as well as financing of adequate public transportation and housing, environmental protection, public safety, education and training and the need for a sound economic revitalization plan. It is expected that a more definitive statement of problems will be forthcoming from the Mayor-Council "Advance."

QUESTION:

4. What actions are you as Council Chairman, or the Council as a whole pursuing to speed up the response time of the City government for permits, registration, and complaints for D.C. citizens?

ANSWER:

4. The D.C. Auditor has published the "Time and Public Performance Report", which contains a number of recommendations directed to the Mayor-- that if implemented should provide accurate data as to the time required for the District government to perform certain service functions including

permits and registrations. The Auditor also recommends that the Council consider setting processing time goals. In addition, the Office of Budget and Management Systems is operating a Performance Monitoring System, initiated as a pilot project last year, which is intended to monitor the service delivery activities of seventy city programs.

The Council is reviewing the D.C. Auditor's Report as well as the Mayor's Report on Improving Performance Monitoring and will make specific recommendations with respect to specific government service functions. Without identification of problems of specific permits and registrations, a more complete answer cannot be given. With respect to complaints of citizens, any complaints which come to the Chairman or Council Members are handled by them or their staff in a variety of ways including the introduction and consideration of legislation, if appropriate for the resolution of the identified problem.

QUESTION:

5. What, if any, changes do you believe are necessary in the D. C. Rent Control Law? What, if any, ill effects to the economic health and housing stock of the City have resulted from the present D. C. Rent Control Law?

ANSWER:

5. There are two types of issues that need review in the rent control area. One class consists of those procedural and administrative requirements of the program. Included in this group would be the registration requirements, time periods for Commission's review of petitions, the filing of notice requirements with the Commission and the rules of procedure for the Commission. The other category of issues would be those that address the scope of rent control whether, for example, luxury apartments should be included, what type of review authority would allow for the maximum effectiveness of the Commission, the Rent Administrator. Examination of these two categories of issues could in my opinion provide a

productive starting point. The Committee on Housing and Urban Development has held hearings on three proposed amendments for the Rental Accommodations Act.

Relatedly, you inquired as to the ill effect, if any, the present Rent Control law has upon the economic health and housing stock of the City. It would be, in my judgment, awfully difficult to quantify the effects of rent control either upon the economic life or housing starts. Certainly, the city has and continues to show remarkable growth in certain areas and some slippage in others. Whether any of that can be directly attributed to rent control is a matter for speculation. The City is in the process of contracting for a study at the request of the Council, the purpose of which is to determine the causal relationship between rent control in the District and tightening up of vacancy rates and new starts in multi-family rental units, if any.

QUESTION:

6. What are the priority bills which the Council hopes to act on between now and the end of this session? How do those bills relate to the long-term problems you previously described?

ANSWER:

6. The Council is in the process of assessing (but has not completed) its legislative priorities to be accomplished before the end of the first session. Legislation which addresses the critical housing shortage and other related problems is of primary concern as well as providing legislative and budgetary solutions to the problems of D. C. General and Forest Haven. In the period between September, 1976 and January, 1977, the Council will spend the major portion of its time reviewing the fiscal year 1978 budget.

QUESTION:

7. Does the Council find itself usually responding to crisis situations at the expense of longer term legislation and policy making?

ANSWER:

7. The first elected Council of the District of Columbia has been in office less than a year and a half. It assumed extensive legislative powers as well as extensive problems. This first period has been spent responding to a great many crisis. A major portion of that time has also been spent in reviewing two proposed city budgets and two budget amendments. It is felt that the Council is now able to begin to define long term legislative and policy-making goals instead of responding to symptoms of problems, to identify and address the major issues of the City.

QUESTION:

8. How and by whom are the City Council Committee staff levels determined? Why was a request made for a GS-7 and GS-11 for all Committee staffs rather than a request based on each Committee's need or work load?

ANSWER:

8. Council Committee staff levels are determined by the Council after consideration of recommendations made by the Council's Committee on Administration and personnel.

If the Council were to request staff based upon each Committee's need or workload, the Council's budget would more than double. Because of the City's fiscal constraints, such a request was not felt to be feasible. Instead it was decided by the Council to equitably distribute Council staff and to request what was considered to be minimal staffing for any Committee for the fiscal years 1976 and 1977. In preparation for the fiscal year 1978 budget request, the Committee on Administration and Personnel will assess with the Council available staffing and future needs and a different system may be proposed.

QUESTION:

9. Do the Members have equal access to support staff?

ANSWER:

9. It is the policy of the Council, as implemented by the Secretary, to provide all Council Members with equal access to support staff. This system has worked well for the Council and its committees. Considerable savings in time and money have been made through the consolidated service delivery.

QUESTION:

10. How many professionals (not support or clerical) are on as CETA's?

ANSWER:

10. As of May, 1976, the Council had 48 CETA funded positions. Although the definition of "professional" may be interpreted differently, about 31 of the 48 are assigned responsibilities that are not usually considered support or clerical. It is the intent in accordance with the purpose of the CETA program to provide an opportunity for CETA staff to move into regularly appropriated positions if and when such positions become available.

QUESTION:

11. How are these allocated?

ANSWER:

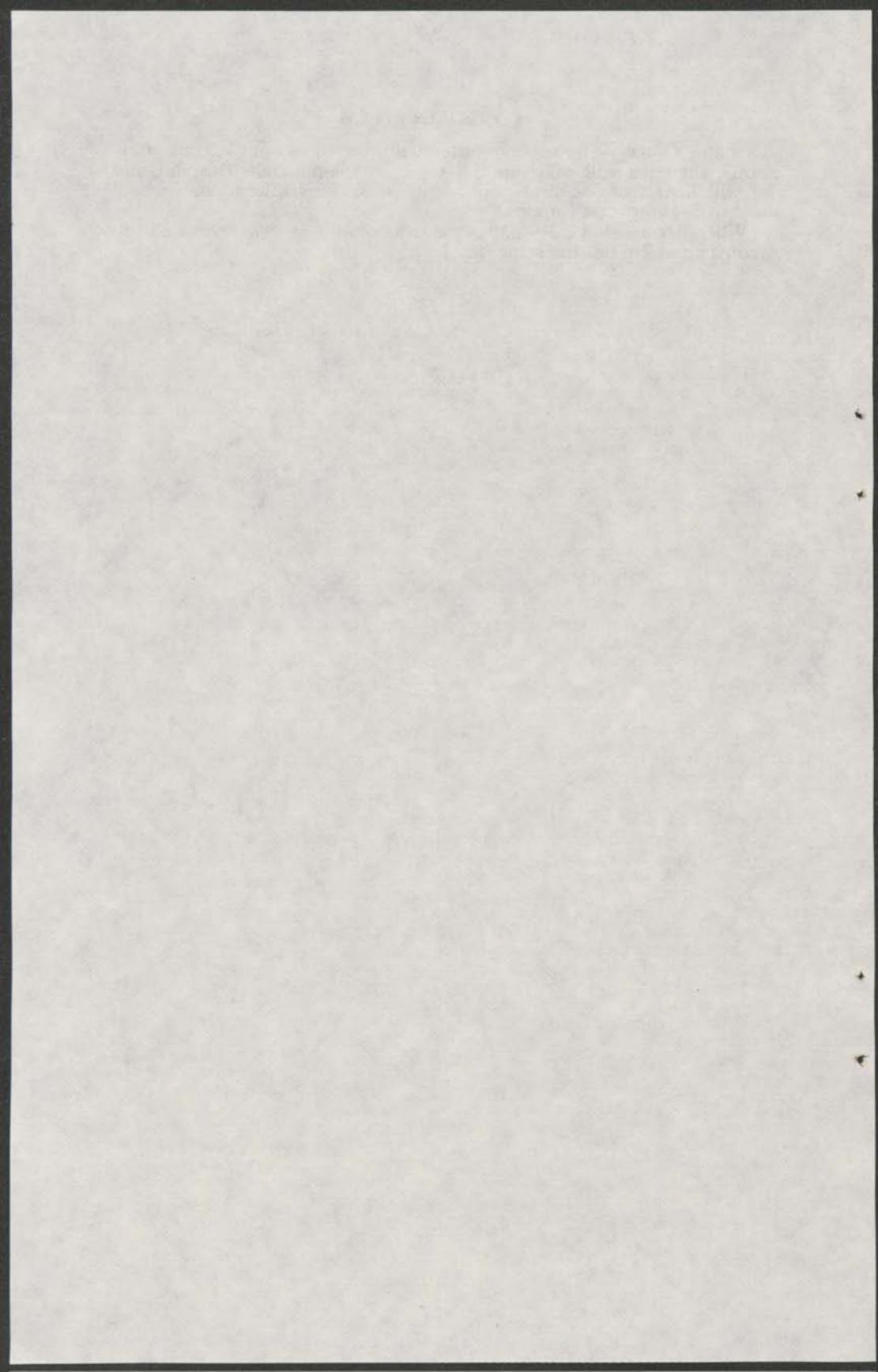
11. Current assignments of CETA personnel are:

Council committees	28
Committee support	2
Legislative Support Services	6
Recording services	1
Clerical assistance	6
General Counsel's office	1
Commission - Residential	
Mgt.	1
Public Service Unit	<u>3</u>
	48

SUBCOMMITTEE RECESS

Senator CHILES. The subcommittee will now recess until 2 this afternoon, when we will take up the topic of Glenn Dale Hospital and we will hear from several public witnesses. This afternoon, we will meet in S-146 of the Capitol.

[Whereupon, at 12:30 p.m., the subcommittee was recessed, to reconvene at 2 p.m., the same day.]



(AFTERNOON SESSION, 2 O'CLOCK, MONDAY, MAY 24, 1976.)

DISTRICT OF COLUMBIA

DEPARTMENT OF HUMAN RESOURCES—GLENN DALE HOSPITAL

NONDEPARTMENTAL WITNESSES

STATEMENTS OF:

DR. FREDERICK LEWIS, GLENN DALE
MRS. ARSENA PERRY, GLENN DALE
MRS. JEAN CICERO, GLENN DALE

STATEMENT OF DR. F. D. LEWIS

Senator CHILES. The subcommittee will come to order, and continue our hearing this afternoon with testimony regarding Glenn Dale Hospital.

Since the city witnesses are not present yet, we will start off with a panel of Glenn Dale employees. Dr. Lewis, Mrs. Perry, and Mrs. Cicero, will you come up? Doctor, do you want to lead off?

Dr. LEWIS. Mr. Chairman and distinguished members of the subcommittee:

First of all, I would like to take this opportunity to thank you for the privilege of allowing me to exercise my freedom of speech before this body. It appears in the Department of Human Resources that there is no available avenue for communicating my views to the top. Therefore, I come as a taxpayer.

As a taxpayer I am initially concerned with how public funds are spent but more specifically as relates to Glenn Dale Hospital, I am concerned with the fate of the patients there.

I come to you as a spokesman of one body of 11 doctors and dentists at Glenn Dale Hospital, namely, the medical staff. That body consists of Dr. Soong, Dr. J. Kim, Dr. Anandaraman, Dr. Lee, Dr. Baig and Dr. Barnes, Dr. Almeida, Dr. U. H. Lee, Dr. I. McLaren, Dr. William Maar and Dr. C. Johnson.

It is our joint feeling that the major issue relative to patient care at Glenn Dale Hospital is not reflected in proposals for a move to the Metropolitan Hotel. The major issues are rather than the Metropolitan Hotel, how we obtain manpower and how we obtain materials.

We find shortages currently in every possible department within the hospital. That shortage is in the majority, a shortage of manpower and materials.

It would appear to be folly to expend money for the purchase of real estate when the deficiency within the hospital is in manpower and materials.

A move to Metropolitan will do nothing whatsoever to improve our deficiencies. On the other hand, it will take from the Treasury money which could very well deal with the deficiencies in manpower and materials.

One could go on record and cite the major deficiencies of the Metropolitan Hotel and there are many, but I implore the committee to use its power to review the basic needs of the Department of Human Resources and it will be found that that need is in manpower and materials, and not in real estate.

Having found the major deficiency, I implore you to use your good offices to help us to fulfill that need.

PREPARED STATEMENT

I have prepared a very brief statement just to give you an overall view of my feeling and the view of the doctors and dentists at Glenn Dale Hospital. Time did not allow me to go into any amount of detail and so with that overview, I would invite any specific questions about anything that I have referenced.

Senator CHILES. All right, sir, your statement will be printed in full in the Record,

Mrs. Perry?

[The statement follows:]

Dear Mr. Chairman and distinguished members of the subcommittee; first of all I would like to take this opportunity to thank you all for the privilege of allowing me to exercise my freedom of speech before this body.

As a taxpayer I am intimately concerned with how public funds are spent. Specifically as relates to the Glenn Dale Hospital I am concerned with the fate of the patients there. I come to you as a body of one but I represent the medical staff committee of Glenn Dale Hospital, having been elected to that position by all of the doctors and dentists at Glenn Dale Hospital.

It is our joint feeling that the major issue relative to patient care is not reflected in the proposal for a move to the Metropolitan Hotel. We find shortages currently in every possible department within the hospital. That shortage is in the majority, a shortage of manpower. It would appear to be folly to expend money for the purchase of real estate, when the deficiency within the hospital is in manpower. A move to Metropolitan Hotel *will do nothing whatsoever to improve our deficiency*. On the other hand, it will take from the treasury money which could very well deal with the deficiencies in manpower and materials.

One could go on record and cite the major deficiencies of the Metropolitan Hotel and there are many, but, I implore the committee to use its power to review the basic needs of the Department of Human Resources and it will be found that that need is in manpower and material and not in real estate. Having found the major deficiency, I implore you to use your good offices to help us to fulfill that need.

For details on information which I have delivered, I invite your specific questions.

Dr. F. D. Lewis, President; Dr. B. Soong, Vice-President; Dr. J. Kim; Dr. R. Anandaraman; Dr. H. K. Lee; Dr. M. Baig; Dr. J. W. Barnes; Dr. C. Almeida; Dr. U. H. Lee; Dr. I. McLaren; Dr. W. Maar; and Dr. C. Johnson.

STATEMENT OF ARSENA PERRY

Mrs. PERRY. Thank you, Senator Chiles, for allowing us to testify before your committee. Since I submitted my testimony in advance, I will not speak to it in its entirety.

Senator CHILES. Your testimony in full will be included in the record.

[The statement follows:]

Mr. Chairman, and distinguished members of the Subcommittee, we thank you for granting us the opportunity to testify on this most important and controversial subject, the transfer of Glenn Dale Hospital to the Metropolitan Hotel in the District of Columbia. With me today at the witness table are Dr. James Barnes, M.D., Dr. Frederick Lewis, M.D., Mrs. Jean Cicero, Mrs. Ann Hoff, Mr. Charles McCombs, and Mr. Jack Blevins.

The members of the American Federation of Government Employees, Local 1015, at Glenn Dale Hospital, read in the Washington Post of Tuesday, May 11, that the House D.C. Subcommittee on Appropriations approved "\$8.4 million for the renovation of old Metropolitan Hotel to replace the City's Glenn Dale Hospital."

Mr. Joseph P. Yeldell, Director of the D.C. Department of Human Resources has been trying since 1974 to obtain Congressional approval for this move, however, until this year it has never been given the approval of the House Subcommittee. Local 1015 is still opposing this move of Glenn Dale Hospital, and we are appealing to you, the Senate Subcommittee on D.C. Appropriations, for help. The testimony, see attachments, which we presented to Congressman Natcher's Subcommittee, states our reasons for objecting to the relocation of Glenn Dale Hospital. Although the testimony is lengthy, we are hopeful that you will read it, as it brings out certain points which have gone unanswered and to us are not rational.

Local 1015 asks the following questions:

- (1) Why does the District of Columbia want to move its only fully accredited hospital? Accreditation is not transferable, and the Metropolitan Hotel, when it was a hospital, failed because it did

not meet standards for accreditation, and there is no guarantee that it could do so after moving Glenn Dale into it.

- (2) Why was the cost of renovating Glenn Dale Hospital in 1972 (according to the Dodge Report, see attachments) \$5 million, and then in 1976 said to be \$22 million, when the same architectural firm of Faulkner, Fryer, and Vanderpool made both estimates? We suggest that this latter figure proposed renovations which are unnecessary and are merely cosmetic. All of these renovations are not necessary to meet Life-Safety Codes.
- (3) Has Mr. Yeldell made it known that the Metropolitan Hotel, too, is in need of renovations? It is currently functioning as a hotel with the hospital equipment removed. How much will it cost to renovate it to meet the needs of Glenn Dale's current patient population?

One of our attachments outlines the renovations necessary for Glenn Dale Hospital. Why cannot "B" Hospital Building be maintained as an extended care facility, and "A" Hospital Building remain as a hospital? This would eliminate many of the proposed renovations and would save unnecessary spending.

This is not the first time the District government has closed a major health facility and later regretted their hasty move. Mr. Yeldell has stated publicly that Jr. Village was closed before proper planning could be made for the children. As a result, some children are being improperly placed at Laurel Children's Center, and a chaotic situation has developed

there. All of the District health and child care facilities are understaffed, with even the 60 court ordered positions at D.C. General Hospital unfilled as of May 17, 1976.

We feel that our patients will find themselves in the same situation as the helpless children, with no one to care for them. We hope that before granting this appropriation, you will carefully scrutinize this request to move Glenn Dale Hospital into the Metropolitan Hotel.

We thank you again for giving us this opportunity to appear before you today. We sincerely hope that our information has been helpful to the Committee, and we do welcome the opportunity to answer any questions which you may have.

Mrs. PERRY. I have some additional documents here I would like to submit, such as the approved medical care facility regulation of the District of Columbia, approved June 14, 1974, by the District of Columbia, and its City Council, which states regulations that do not apply to Metropolitan Hotel.

Also, I have a statement of the overtime spent within the last pay period. Mrs. Jean Cicero has a statement that she would like to read into the record. She has not submitted it to you.

Senator CHILES. All right, we will make them part of our files. Mrs. Cicero, please proceed.

STATEMENT OF JEAN CICERO

Mrs. CICERO. Mr. Chairman, as a concerned taxpayer and as an individual who is board eligible for a nursing home administrator, I wish to thank you for the privilege to freely express my concerns about the proposed move of Glenn Dale Hospital to the Metropolitan Hotel.

I would like to address myself to the five major reasons Mr. Yeldell and his advisors have outlined to purchase the Metropolitan Hotel, in order to demonstrate that their rationale constitutes one of false economy.

The first point is high standards. The Metropolitan Hotel will not provide the city with a facility that meets HEW guidelines for Federal reimbursements for skilled nursing care. When an extended care facility, Metropolitan was denied accreditation for Medicare-Medicaid by both the D.C. Licensure Committee and HEW. It failed then and there is no reason to believe that it will meet the standards now.

The physical layout of Metropolitan Hotel will not allow for more efficient and effective staffing patterns in the delivery of direct and support services. Its current physical layout cannot offer the basic needs.

Fire escapes as well as a sprinkling system are nonexistent. In the event of a fire, patients above the seventh floor cannot be evacuated because D.C. fire ladders will not extend beyond that point. Only two narrow stairways are available to bring totally or partially paralyzed patients down from the eighth and ninth floors.

Surgery, laboratory and laundry facilities are nonexistent at the Metropolitan Hotel. These services will have to be provided by another facility, either private or governmental.

Parenthetically, I might add if it is governmental, it is D.C. General that is not accredited and they can't handle their own.

X-ray facilities are woefully inadequate space-wise and do not provide enough room to perform a range of comprehensive diagnostic examinations. In addition, all X-ray equipment has been removed.

Even though all hospital equipment has been removed throughout the Metropolitan Hotel, in physical therapy and occupational therapy the walls have been removed and this area has been converted into two convention rooms.

A switchboard and paging system are nonexistent.

Recreational facilities exist only in the forms of a glass enclosed basketball court and an unenclosed ninth floor roof garden. The front door itself opens directly onto New Hampshire Avenue, a main thoroughfare.

Current carpeting would have to be removed because it constitutes a bacterial and fire hazard, and also impedes the movement of wheelchairs and stretchers.

The second point is cost savings. The purchase of Metropolitan Hotel is estimated by Mr. Yeldell to cost \$8.4 million, which constitutes a depreciation from \$9.1 million. This, however, does not allow for the:

Installation of fire escapes, sprinkling system and smoke doors. It does not allow for installation of roll-in showers and removal of over 400 bathtubs which our paralyzed patients cannot use. The approximate cost of renovating one bathroom is \$2,000.

It does not consider that laboratory specimens will have to be forwarded to a private facility, or governmental as outlined previously, causing a marked delay in vital diagnostic data, costing an enormous fee.

X-ray will have to be renovated to provide a means for stretcher and wheelchairs to enter. New equipment will have to be purchased. The walls are not strong enough to support mounted equipment. The occupational therapy and physical therapy areas will again have to be renovated, and equipment purchased.

The current sophisticated audiology equipment at Glenn Dale Hospital cannot be housed at the Metropolitan Hotel without extensive and costly renovations.

Carpets will have to be removed for health reasons and tile installed.

The cost of telephone service will rise from an average of \$35,000 a year to a minimum of \$60,000 a year.

One other significant cost factor is the loss of tax revenue on a building currently appraised at the fair market value of \$6,478,000, this in view of the imposed business tax, professional tax, and a proposed commuter tax.

Mr. Yeldell states that the cost of modernizing the Glenn Dale facilities is estimated at \$23.7 million. Please allow this figure to be placed in its proper perspective.

In 1973, the Federal authority for building and renovating health facilities in keeping with Life-Safety Codes, Hill-Burton, by the way, we have documentation in conjunction with this, in conjunction with Faulkner, Fryer and Vanderpool reviewed Glenn Dale Hospital for deficiencies to conform to 1967 HEW Life-Safety Codes. They determined that these deficiencies could be met, with a 200-bed addition, for a cost of \$5 million.

In March of 1975, the same architectural firm, under the direction of Mr. Yeldell and his associates, determined it would cost \$13.9 million to renovate and beautify Glenn Dale Hospital with a loss of 110 beds.

Three months later, in July, according to Mr. Yeldell, the current cost has escalated to \$23.7 million.

This, of course, constitutes an increase of \$10 million in 1 year. These totally unsubstantiated figures should affront your intelligence.

A net savings cannot therefore be intelligently discussed unless you wish to accept Hill-Burton's 1973 estimate, which means a savings of \$3.4 million to remain at Glenn Dale, without considering the cost of the renovations to meet Life-Safety Codes at Metropolitan Hotel, plus the purchase of equipment to accommodate this facility.

The third point is capacity. The Metropolitan Hotel will not provide 531 beds, as stated by Mr. Yeldell, for the following reasons: the basement and first floors are to be used for treatment and administration centers, with the ninth floor designated for mental health.

This leaves seven floors, each with a maximum capacity of 61 beds, so that the total bed capacity of Metropolitan Hotel is, in reality, 437 beds.

Glenn Dale Hospital, on the other hand, currently has a bed capacity of 600, and if the Hill-Burton renovation plans for \$5 million were followed, we would have an 800-bed capacity.

Concerning the fourth point, location, Mr. Yeldell has extolled the merits of having a health facility located in the inner city in order to increase visitation for the patients.

Metrobus service provides 26 bus stops daily to the door of Glenn Dale Hospital, and Glenn Dale has an abundance of free parking spaces for those visitors with cars.

Metropolitan Hotel has no parking facilities for visitors. It does have increased air and noise pollution, and a high crime rate, all negative factors associated with being located in the inner city. At Glenn Dale Hospital, air and noise pollution are nonexistent and crime is practically unheard of.

Glenn Dale Hospital has auditoriums for movies and parties and 216 acres on which the patients have cook-outs, gardens, and birthday parties, to name a few activities.

It is most difficult, at best, to try to compare the 216 acres of rural land at Glenn Dale Hospital with the nine-story high, 33,000 square feet of the Metropolitan Hotel, where one of our confused, wandering patients is only a sidewalk's width away from busy New Hampshire Avenue traffic.

As for timing, the fifth point, Mr. Yeldell has indicated that occupancy of Glenn Dale Hospital would not be complete until 1980.

If Mr. Yeldell had returned to Congress last year and requested funds for renovation, as directed by Senator Birch Bayh, construction and renovation of Glenn Dale Hospital could already have been well under way.

Secondly, wouldn't it prove financially prudent to renovate our "B" Hospital to meet 1967 Life-Safety Codes as an extended care facility, and continue to operate "A" Building as a hospital. This would enable us to collect Federal payment for both hospital and extended care patients, and we could move the patient back and forth between the two facilities as their physical condition dictates.

In conclusion, now that the false economy and inadequate medical care on the proposed move to the Metropolitan Hotel has been brought into focus, I sincerely hope you will closely evaluate the merits of moving our partially or totally paralyzed patients to the nine-story Metropolitan Hotel, which would also mean our 43 adored children would be sent to Forest Haven.

Thank you, and I invite questions.

GLENN DALE PATIENTS

Senator CHILES. How many patients are now in the facility?

Mrs. CICERO. 403. We have had to close three wards for lack of staff and lack of equipment.

Senator CHILES. You have 403 patients now and you have had to close three wards. What are the types of patients that you have?

Mrs. CICERO. Do you want to speak to that?

Dr. LEWIS. We have primarily patients with chronic diseases. They fall into the category of paralysis, stroke, chronic diseases, arthritics, hemoplegics, strokes.

Senator CHILES. What kind of waiting list do you have?

Dr. LEWIS. I can't speak to the waiting list because I am not involved in in-take of patients. Dr. Wills is in the room and I think can speak to that. He is the Executive Director of Glenn Dale.

Senator CHILES. Doctor?

STATEMENT OF DR. WILLS

Dr. WILLS. We have approximately 30 females on the waiting list, 30 males, which will take approximately two months.

Senator CHILES. It takes two months to get in?

Dr. WILLS. Right.

There is no waiting list for TB patients.

Mrs. CICERO. Are we admitting TB?

Dr. WILLS. Yes.

Senator CHILES. So you have the chronic illnesses. What about children?

Dr. LEWIS. We have children there who are severely handicapped like cerebral palsy or paralytics. They have been there for a long period of time. We have a very urgent problem with inability to staff their treatment as far as rehabilitation is concerned.

VACANT POSITIONS

Mrs. CICERO. I might point out, Senator Chiles, that Dr. Lewis is Chief of Physical Medicine and Rehabilitation and at the current time he has two physical therapists to treat those 403 patients.

Senator CHILES. Why are those positions vacant?

Dr. LEWIS. I understand the positions are frozen. This is the primary thing. Positions are frozen. I would not speak to that since we have Dr. Wills here, who is Executive Director and is more familiar with that than myself. I only know I can't get personnel.

Senator CHILES. Why is that, Dr. Wills?

Dr. WILLS. The positions were frozen in the budgetary freeze imposed by the Mayor and we have been unable to fill the vacancies. We had a total of four physical therapists.

Senator CHILES. So, you can fill vacancies but you can't hire new persons?

Dr. WILLS. We cannot fill vacancies; plus we lost one of our positions.

Senator CHILES. You lost one of the positions?

Dr. WILLS. Yes. That position is supposed to be restored, I believe.

Senator CHILES. What about 1977? What does it look like for positions in 1977?

Dr. WILLS. I believe that position is in the budget review.

Dr. LEWIS. Is that a physical therapist?

Dr. WILLS. Yes.

Dr. LEWIS. I think I asked about a physical therapist and I was informed that that vacancy was not going to be filled. There was one occupational therapist and one for a speech therapist.

RENOVATION OF GLENN DALE

Senator CHILES. Dr. Lewis, do you have any idea what a fair renovation price would be for Glenn Dale—what it would cost?

Dr. LEWIS. Dr. Wills.

Senator CHILES. Either one of you.

Dr. WILLS. The price quoted was given to us by Mr. STAROBIN. He can explain what the basis of it is.

Mr. STAROBIN. Mr. Chairman, our current estimate based on this study performed by this architect comes to a total cost of \$23,500,000.

Senator CHILES. Why did that go up \$10 million?

Mr. STAROBIN. I have heard a lot of figures kicked around. Let's sort of track that figure. There are many ways of putting these figures together. We might just as well show you how these figures are put together. This detailed estimate prepared by the firm of Faulkner, Fryor & Vanderpool and dated July 21, 1975, shows a construction cost as of that date of \$17,065,000.

Senator CHILES. This was the first figure they came up with?

Mr. STAROBIN. No. This is as of July 21. The lady mentioned that in 1975 two figures were put together, one in March and one in July. This is the July figure. It is the most current. It is the one we are working with now.

Senator CHILES. Do we have the March figure?

Mr. STAROBIN. This is the April 30 estimate, it is a detailed estimate prepared by the same firm. There is a difference between the two—the July 21 cost is \$17 million, roughly; the April 30 cost is \$15.8 million.

So there is a difference, based on refinement in the plans.

The figure of \$17,065,000 is the construction cost as of July 21, 1975. To that we must add an allowance for unforeseen contingencies. This is the construction, and changes do occur. For contingencies, we add four percent.

Then we have to add a factor for escalation in costs for the time period until we anticipate construction will actually take place. We have added two years escalation. After we get the authorization we will need a year for design and one year is essentially gone since the architect completed his report.

So we have our basic cost figure with contingency and escalation factors added which brings us to the construction cost figure of \$21.5 million. To that we add design and administration costs. The construction services allocation of 10 percent which includes the cost of the design and the cost of administration comes to \$2,150,000.

So we have the escalated construction figure \$21.5 million and \$2,150,000 for construction services, giving us a figure of \$23,650,000.

Some of the figures that were given here earlier were just raw construction figures. They did not include escalation factors and they did not include construction services, so they are not comparable.

COMPARISON OF RENOVATED GLENN DALE TO METROPOLITAN HOTEL

Senator CHILES. What kind of figures do you have on the Metropolitan Hotel?

Mr. STAROBIN. The Metropolitan Hotel, the figure indicates that it is usable essentially as it exists. It was built specifically for this purpose.

Senator CHILES. Has anybody done a study on that?

Mr. STAROBIN. Yes, a survey has been done.

Senator CHILES. Who did that?

Mr. STAROBIN. We did that.

Senator CHILES. You didn't have this other outfit do it?

Mr. STAROBIN. No. The firm—the architectural firm did not do that. We do that in coordination with the people from the Department of Human Resources. That survey indicated the hotel, Metropolitan Hotel, or facility was usable as is with certain alterations, minor alterations, fire doors, painting, and so on, for a sum of \$110,000.

Senator CHILES. Will you be coming out with a facility that is just as good as Glenn Dale would be at the end of the \$23 million renovation?

Mr. STAROBIN. Obviously, it isn't as extensive a facility. However, the Department of Human Resources indicates that it is adequate for those purposes and we must leave that to their judgment, their technical judgment is that it meets the applicable codes.

The facility may not be as extensive. I heard some discussion of various types of facilities.

LIFE SAFETY IMPROVEMENTS

Senator CHILES. How much of the \$23 million is items that are required—going back to the construction period—how much of that is needed to meet the HEW life safety standards?

Mr. STAROBIN. We have a number of things in here. First of all—by the way, to clarify the issue, the figure of 1967 has been brought into play.

At one time in the early seventies, we were representing cost figures of \$5 to \$6 million, perhaps based on the 1967 standards. I understand these standards were updated in 1973 or 1974. That is why we have a very extensive increase in those later surveys. I think it would be well to clarify.

Senator CHILES. You are dealing with new standards now: 1973-74 standards?

Mr. STAROBIN. Yes. It would be well again to know what standards are being discussed.

Senator CHILES. What I am trying to do is get where I can compare apples and apples to oranges and oranges. I want to know in the Glenn Dale, in the \$23 million figure, are we talking about things that are over and above those things that are necessary to bring it up to standard?

Mr. STAROBIN. One point has been brought to my attention. An extremely expensive item in the Glenn Dale facility is introducing air conditioning. Putting air conditioning into an old facility with massive construction like Glenn Dale is extremely expensive.

That cost obviously is unnecessary in the Metropolitan Hotel, but the air conditioning was built in at the beginning and at a significantly lower expense.

Senator CHILES. Aren't you moving the operating floor at Glenn Dale from one floor to the other? Is that required?

Mr. STAROBIN. Here I understand that an operating suite will not be required at Metropolitan.

Senator CHILES. But, is it really required to move it from one floor to the other at Glenn Dale?

Mr. STAROBIN. Yes, it is.

Senator CHILES. To meet the standard?

Mr. STAROBIN. A number of things enter into play at Glenn Dale. Space standards have changed. So where a room would accommodate a certain number of beds, it no longer will.

Therefore, we have a massive switching around of the facilities at Glenn Dale to meet new standards. Additions are called for in our cost estimates for Glenn Dale to make up for space that is lost by new space arrangements made necessary by the Medicare codes.

STATEMENT OF HON. GLADYS NOON SPELLMAN, U.S. REPRESENTATIVE FROM MARYLAND

Senator CHILES. Congresswoman Spellman is with us again. We would be delighted to hear from you now, if you would come forward.

Mrs. SPELLMAN. Thank you, Mr. Chairman.

I thank you for the opportunity of being here to testify. Glenn Dale facility is located in my congressional district, 250 acres in Prince Georges County, approximately 15 miles from Washington. The traffic, air pollution and the noise there are at a minimum. It is an old facility. But it is a lovely one. It originally was designed for a tuberculosis sanitarium, although there are other patients with other needs there at the present time.

It is the kind of facility that is needed for tuberculosis patients and those with emphysema, asthma, and the like.

It is the type of facility that works out so well for extended elderly care, a place where patients can rest in the sun and in the fresh air and truly a beautiful hospital. You have heard from the employees of the Glenn Dale Hospital and I don't want to impose upon your time by repeating the information that they presented.

Rather, I wish to advise you that I am equally concerned with the questions that they have raised and that I strongly urge the committee to investigate them before reaching any conclusion.

I have always tried throughout my years as a public official to try to work out mutually satisfactory solutions rather than just oppose concepts or projects. When there appears to be a controversy, I normally call together all the principals involved in the question. I did this some months ago when I asked the District of Columbia officials, the Prince Georges County officials, the employees of Glenn Dale to join in discussions about the future of the Glenn Dale Hospital. At that time, many of the concerns that are set forth here before you today were raised by the employees and frankly, I am still concerned that the answers to their questions haven't been adequately addressed by the D.C. Government.

I am concerned about the quality of care. Will this level be maintained at the Metropolitan Hotel facility as it is presently being given at Glenn Dale?

Certainly the quality of care ought to be improved, not diminished.

The question of safety, of course. There is an overriding one. Will the safeguards proposed be adequate to provide full protection in the event of a fire for bedfast and wheelchair patients?

As I have indicated, many patients at Glenn Dale suffer from respiratory ailments and are anxious about the air quality in downtown Washington. The green surrounding the Glenn Dale minimizes the impacts of pollutants on these patients and additionally, the pleasant, peaceful ambience of the countryside contributes to the therapeutic treatment of even the bedfast patients.

Just recently, the Council of Governments—I think there is something in the newspaper about it today—alerted the area residents that we may expect an even higher number of days during which the air quality will be grievous.

Of course, I would ask the committee to look carefully at the discrepancies in the cost projections. The chairman was so right in stating we need to compare apples with apples and oranges with oranges, but when I look at all of this, I see a whole fruit salad and I have trouble understanding what the differences are.

I would like to add this because I feel this strongly: In the event that in the wisdom of this committee, approval of the transfer appears to be in order, I would make this very strong plea. Since the Glenn Dale facility is nestled right within our community and the use to which the grounds are put have an enormous influence and impact on our area, I would ask that a requirement be imposed that before the committee commits funds for this particular item, that it receive assurance from the District of Columbia's committees that the facility will be turned over in some fashion to Prince Georges County for use for public purpose or at the very least, that a requirement be made to insure that any use of the facility will be in compliance with consultation and approval of the county government and the community.

Senator CHILES. Thank you very much for your statement.

Mrs. SPELLMAN. Thank you for the opportunity.

PLANS FOR GLENN DALE SITE

Senator CHILES. Mr. Yeldell, what do you plan to do with the 218-acre Glenn Dale facility if you moved the operation into town?

Mr. YELDELL. Senator, we have no firm plans at this time for utilization of the grounds at Glenn Dale. As has been stated here in terms of Mrs. Spellman's request, we did make it very clear in our meetings with both Mrs. Spellman and with Commissioner Kelly of Prince Georges County that we would indeed move with Prince Georges County in terms of joint utilization and joint planning, should the transfer be approved.

Mrs. SPELLMAN. May I add something to that, if I may at this point?

Senator CHILES. Yes, ma'am.

Mrs. SPELLMAN. I would know that Mr. Yeldell would feel that that is the way he would want to work. I have full faith that he would want to do that. But I would like to have full faith that anybody in that position at any time would care to work jointly with us and that is why I would ask that the committee make certain that is put into a statute.

Senator CHILES. Mr. Yeldell does make certain public appearances now and then in front of adverse crowds. Maybe you need some kind of assurance. I saw him the other day. He looked like he was under some trying circumstances.

Mr. YELDELL. That is rather par for the course lately, Senator.

[Laughter.]

Mrs. SPELLMAN. We worked together through the Metro problems and I found that he could handle them very well.

Senator CHILES. Excuse me just a minute. I will be right back.

[Brief recess.]

GLENN DALE DEED

Senator CHILES. How did D.C. acquire Glenn Dale?

Mr. YELDELL. The land was deeded, as I understand it, to the District of Columbia and it was then that the facility was constructed. As has been said, basically, it is a tuberculosis hospital.

Senator CHILES. From whom?

Mr. YELDELL. I don't remember the exact—

Senator CHILES. Was it Federal land?

Mr. YELDELL. Let me say this.

Mrs. CICERO. It was purchased by the Federal Government for the use of the D.C. Government under exclusive control of Congress.

Senator CHILES. Is there any reversion clause in the deed?

Mr. YELDELL. Actually, all land of the city is entitled to the Federal Government. I don't know that that means the Federal Government owns it.

Mr. STAROBIN. Normally when we acquire property outside of the limits of the District of Columbia, it is done through the device of title in name of the U.S. Government since obviously we have no power of condemnation outside of the District, but it is the case down at Lorton and other facilities. So title in the United States is purely a device, the United States acting on behalf of the District of Columbia.

Senator CHILES. The deed is dated 1930.

I thank the public witnesses for their good testimony.

RENOVATION OF METROPOLITAN HOTEL

Mr. Yeldell, I have a few questions I want to ask you.

The 1976 budget includes a request to purchase the Metropolitan Hotel for approximately \$8.4 million and convert it. It is only going to cost you \$120,000 to transform Metropolitan Hotel into a hospital, including all the necessary hospital facilities?

Mr. STAROBIN. Yes.

Mr. YELDELL. Can we modify that to this extent: There were some changes made by the lease holder who is currently occupying the facility.

Senator CHILES. Is that going to give you your lab and X-ray facility?

Mr. YELDELL. That is one of the areas where X-ray was removed. I think the total figure is about \$600,000 in addition to the purchase price. That is because the building was leased to another, by the holding agency, to another firm and they made adjustments to the building over and above what was done previously. At the first movement, it would have cost us only the installation of smoke doors. That has been altered now by the X-ray equipment and some other things that have been done. But the total figure is \$600,000 as we understand it now.

Senator CHILES. Who has given you that figure?

Mr. YELDELL. Our people in General Services. We were just trying to get that squared away this morning before you left, Senator. We feel the figure is \$693,000.

Senator CHILES. What is the full cost to renovate it to a full-service hospital?

Mr. YELDELL. The \$8.4 million included purchase of the facility and the furnishings and included the \$110,000 for smoke doors. What I am saying is we are talking about perhaps a \$500,000 figure above that to deal with the renovation by the present lease holder.

Senator CHILES. That will make it a full-service hospital?

Mr. YELDELL. That would convert it to the use for which it was intended. I wouldn't use the term full-service hospital because I think there are provisions in the facility that are not required to be onsite such as the operating room. Laboratory services would be contracted out. In terms of the utilization for which it is intended, it indeed would be adequate.

Senator CHILES. Again, you have a tough time comparing it because you have an operating room at Glenn Dale and you have a lab facility at Glenn Dale, but you are talking about you will not have those at Metropolitan. Will you contract out?

Mr. YELDELL. That is right because at Glenn Dale, where it is located now, they do utilize the operating room, whereas the hospital now will be a short distance from GW and a very short distance from D.C. General Hospital. Just as a blanket statement, if I may, Mr. Chairman, the movement concerning the purchase of the Metropolitan Hotel Extended Care Facility resulted only from a consideration of the extensive cost to renovate the present site at Glenn Dale. I don't think anyone would take argument with the fact that the facility at Glenn Dale, based on the acreage that is available, and the pleasant surroundings is extremely desirable. The situation was one of looking at ways that we could count down on cost to the District of Columbia Government, particularly in the area of capital funds. We are looking at a situation now where we can transfer the program at Glenn Dale, into Metropolitan Hospital Extended Care Facility, for a fraction of the cost that it would take us to renovate Glenn Dale. In addition, we could do it in a timeframe that is far shorter, and have an actual functioning program here that would save the District of Columbia about one-third of the cost of doing it another way.

Senator CHILES. How long will the Metropolitan facility meet your needs?

Mr. YELDELL. It is going to give us more beds there than it would give us at the present site at Glenn Dale. I have heard other figures

tossed around here. The figures that have been given to me are that we could have 531 beds functioning at the Metropolitan Hospital as opposed to the loss of beds at Glenn Dale to meet the new standards which would reduce us down to 431 beds.

So in terms of bed capacity, we should end up with a bed capacity of 100 beds greater. We would be able to do that within the year as opposed to 1980 for the construction to be finished at Glenn Dale. We do it at a savings of one-third of the cost and in addition, would receive somewhere between \$1.7 and \$2.5 million a year in reimbursement from the Federal Government on the facility qualifying as an extended care facility.

When you are looking at it on those bases and those bases alone, this is how we arrived at the decision.

I might say also that when we met with the employees, with Congresswoman Spellman and with Commissioner Kelly of PG County, all of these facts were clearly spelled out as well. Everybody agreed, I shouldn't say everybody agreed, I don't think the employees ever agreed. The Commissioner and Mrs. Spellman agreed with the financial crunch that it would be on the District and how much of a savings it would be. I think we ought to be very honest, Senator, and say that the primary objection here is that 60 percent of the employees there are Maryland residents and they prefer to work in Maryland rather than coming to the District of Columbia. I think this factor should not be discarded. We have no intent to move a facility simply to disrupt something, only where it offers the financial rewards to the District of Columbia.

I think that is the component we have dealt with here. It is those factors alone. I think anything else is really not getting to the germane issue and that is the ability to operate this program to serve these kinds of people at the least cost to the District's residents.

QUESTIONS SUBMITTED BY SENATOR MATHIAS

Senator CHILES. Senator Mathias is not able to be here. He wanted to be here on this subject. He does have some questions on Glenn Dale which we will submit for answer in the record.

[The questions and answers follow:]

DEPARTMENT OF HUMAN RESOURCES

(GLENN DALE HOSPITAL PROPOSED MOVE TO METROPOLITAN HOTEL)

I. Glenn Dale v. Metropolitan Hotel

QUESTION:

1. The Metropolitan Hotel was not specifically designed to serve as a long term health care facility. Most of the patients at Glenn Dale are permanently disabled and require long term care.

Is the Metropolitan Hotel appropriate for the type of patient currently at Glenn Dale?

How much space per patient (sq. ft.) is available at Glenn Dale? How does this compare with the Metropolitan Hotel?

ANSWER:

1. Yes. Metropolitan was designed specifically for that purpose.

Glenn Dale Hospital contains 310,000 square feet (Building A, 185,000 and Building B, 125,000). On a straight-line basis, with a bed capacity of 550, the average square footage per patient would be 564. However, this is misleading. The architect responsible for reviewing the site in light of governing regulations noticed that the actual space available for client care violates minimum HEW requirements. In order to meet HEW standards at the Glenn Dale site, it would be necessary to make structural changes that would reduce the bed capacity to 486; a 64 bed loss (550 - 486 = 64).

The Metropolitan Hotel contains 178,800 square feet. Its bed capacity of 531 results in an average square foot per patient, of 336. More importantly, the actual patient care area at Metropolitan Hospital upon inspection, meets the HEW footage requirement.

QUESTION:

2. The city was directed by the Senate report on the FY 1975 budget to prepare a plan to bring Glenn Dale into conformance with HEW life safety standards. What is the current cost estimate for compliance with these standards exclusive of other possible improvements? Was there a lower estimate in the range of \$5 million made in 1972? Why the big difference?

ANSWER:

2. The city was directed by the Senate report of Fiscal Year '75 budget to prepare a plan to bring Glenn Dale into compliance with the HEW Life Safety Standards.

The cost estimate is \$21,550,000 exclusive of the \$2,150,000 for construction services.

The estimate was \$7,735,000 in 1972.

This was the estimate for A Building alone, and it included the addition of 168 beds and the modernization of A Building. However, building costs have escalated in the intervening 4 years.

QUESTION:

3. Has the Metropolitan Hotel ever experienced a fire?
Has Glenn Dale?

Would it be more difficult to evacuate non-ambulatory patients from the nine story Metropolitan Hotel than the three story Glenn Dale buildings?

ANSWER:

3. There have been minor fires at both Glenn Dale Hospital and the Metropolitan Hotel. Only minor damages have occurred. The latest Metropolitan Hotel fire resulted from inappropriate wiring of a soda dispensing machine. Only smoke damage resulted from this electrical fire. The defective wiring was replaced and no recurrence.

Yes. It would be more difficult, however, the structure is not different from other high rise hospitals or nursing facilities.

QUESTION:

4. Will the Metropolitan Hotel have the same equipment and facilities that were available at Glen Dale? (Laboratory physical therapy, surgery, etc.) Does the cost estimate for the Metropolitan Hotel include purchase of all necessary equipment?

ANSWER:

4. The Metropolitan will not have the same facilities as Glen Dale in that it will not have a surgical suite. The reason is that surgical suites are not required in skilled care facilities or intermediate care facilities. It is planned to have laboratory and physical therapy services at Metropolitan.

If patients at Metropolitan require surgery, emergencies will be provided for at George Washington University Hospital nearby. Non-emergencies and those emergencies that can be transported by ambulance will be cared for at D. C. General Hospital.

Although Glen Dale has a surgical service, it is needed there because of the remote location of that Institution. D. C. Village, a comparable institution from the point of view of services but much larger than Glen Dale, does not have a surgical suite.

The cost estimates do not provide for the purchase of all necessary equipment. The Capital budget request contained in the District's fy 1976 budget includes a construction request of \$110,000 to provide for compliance with the Life Safety Code. This includes installation of smoke barrier doors, windows that open, fire exit signs and a fence around the roof garden.

In addition to this amount, \$490,000 is needed to provide for the following: speech therapy and audiology facility, enlarged laboratory diagnostic facility, installation of X-ray equipment, office for therapeutic dieticians, suite of offices for administrative personnel, offices for the medical staff, offices for nursing education program, expansion of dining area, 4 dental examination rooms, patient mental health suite, renovate bathroom to provide for shower, special tubs and grab bars, telephone switchboard and paging system, autoclave and bed pan washers on each floor.

QUESTION:

5. Since the Metropolitan has been used as a Hotel, are there architectural barriers that would pose problems to patients in wheelchairs?

ANSWER:

5. No. Ramps will be constructed as required.

QUESTION:

6. Can Glenn Dale's accreditation be transferred if the facility is moved to another location? Does the Metropolitan meet standards for full accreditation as a hospital or extended care facility?

ANSWER:

6. No. Glenn Dale would have to be accredited on the basis of the new facility. This is a standard requirement whenever a facility is moved to new quarters.

The Metropolitan was built as an extended care facility and can be brought into compliance for accreditation with the planned changes for working into it.

QUESTION:

7. How many Glenn Dale employees live in the immediate vicinity of the facility?

Could we expect many experienced members of the staff to retire rather than continue to work at the Metropolitan Hotel location?

ANSWER:

7. There are 53 employees living on the grounds. In addition, there is a total of 316 living in Prince George's County.

Some employees might retire; however, other persons would be employed. We cannot speculate the degree that attrition will be increased by the relocation.

II. Future use of Glenn Dale SiteQUESTION:

1. Was the title to the Glenn Dale site given by will to the Federal Government to be held for some actual use by the District?

Was it the intent of the donor, Mrs. Margaret Sharman, to leave the property for use as a health care facility?

Please submit a copy of relevant deed restrictions and terms of the bequest.

ANSWER:

1. We are unable to establish that the Glenn Dale site was "given by will to the Federal Government..." As such "the intent of the donor, Margaret Sharman," is inapplicable.

Attached are copies of the requested deeds for the subject property. Please notice that the existent site, 216 1/2 acres, was purchased from two separate owners during 1930 at a total cost of \$57,900.

(a) Margaret R. Sharman - 8/14/30 (\$42,650) for two tracts 117 1/2 acres and 39 acres.

(b) Daniel B. and Anna Belle Lloyd - 9/4/30 (\$15,250) for 60 acres.

Except for the usual easements and road construction requirements there are no restrictions; especially controlling use by the purchaser.

QUESTION:

2. What plans does the city have to use the site if the hospital is moved to the Metropolitan Hotel?

What other uses have been considered?

Do they include facilities for the Department of Corrections?

ANSWER:

2. As of today, the city has not planned subsequent use of the Glenn Dale site if the hospital is moved. Accordingly, consideration for use by the Department of Corrections has not been explored.

QUESTION:

3. What steps has the city taken to coordinate its plans for possible future use of the Glenn Dale site with the appropriate local officials and planning agencies in Prince George's County?

ANSWER:

3. Joint meetings were held between the Director, Department of Human Resources; Mrs. Gladys Spellman, Member of Congress representing the Congressional District; and Mr. Winfield Kelly, Prince George's County Executive Officer to discuss regional review of alternative uses for the Glenn Dale site. As a result of these meetings the City has agreed to consult with appropriate local officials before finalizing plans for alternative use.

QUESTION:

4. How can you make a complete evaluation of the plans to move the facility without knowing what use will be made of the Glenn Dale site?

ANSWER:

4. The City's determination to relocate its health care facility from Glenn Dale was selected in the interest of patient care. Client safety was overwhelmingly influenced by the District's inability, at this time, to commit sufficient funds, estimated now to exceed \$23 million, to correct outstanding life-safety code violations. The City's recommended alternative use will be similarly guided by (a) the present facility being considered unsafe, in its present condition; for residential use; (b) the City's future financial condition to permit the required cost for renovation and acceptable occupancy; and (c) City-wide requirements for non-residential programs. Since these factors transcended the Department of Human Resources control and indeed requires fiscal projections, they could not be considered during DHR's evaluation. Additionally, as stated above, a regional review of subsequent use for the Glenn Dale site will be conducted. This negotiation may be hampered should relocation not be established.

STATUS OF METROPOLITAN

Senator CHILES. Thank you. I am also going to direct the staff to follow up on this situation. I want the GAO to look this over and I think we ought to know the present status of Metropolitan.

[CLERK'S NOTE.—At the direction of the Chairman, the following letters received subsequent to the hearing has been made part of the record:]

LETTER FROM RICHARD C. WOLFF

JUNE 1, 1976.

DEAR SENATOR CHILES: Regarding the Metropolitan Hotel, we, T. R. T., Inc., are the holder of the lease. In addition, we have an option to purchase which we are exercising as evidenced by the attached letter from our attorneys to Washington Medical Center, the property owner.

It is our belief that this property is worth much more than the D.C. Budget is allocating and that it would take a much greater sum to reconvert the facility back to a hospital than the \$121,000 set aside in the proposed budget.

It is also likely that if settlement is forthcoming by June 25th, that we would not be willing to sell under the terms proposed and that a long and tedious and expensive condemnation suit would follow.

Therefore, we feel it is in the interest of all concerned that this matter be stricken from the record. Should it remain and be approved, and Washington Medical Center fail to convey the property to us, I feel that title would be held up for quite some time.

Hence, in any case, transfer of the facility would not be accomplished in the foreseeable future.

Thank you for your time.

Sincerely yours,

RICHARD C. WOLFF,
Executive Vice President.

LETTER FROM AARON R. FODIMAN

MAY 25, 1976.

DEAR MR. DEYERBERG: Please be advised that this firm represents Mr. Thomas R. Tornese and TRT, Inc., with regard to the Agreement dated April 14, 1975 permitting them to purchase the improvements on the above property (but not the land) for the amount of the First and Second Trusts which now encumber the land and building by assuming said loans.

Please advise us of the present balance of these loans and forward copies of the Deeds of Trust securing each loan with a copy of the Deed of Trust notes, so that we may commence our arrangements to complete the sale. We would like to have settlement on June 25, 1976.

Thank you for your attention to this matter.

Very truly yours,

AARON R. FODIMAN.

LETTER FROM GEORGE P. KELL

WASHINGTON MEDICAL CENTER, INC.
June 8, 1976.

HON. LAWTON M. CHILES,
*Chairman, District of Columbia Subcommittee of the Senate Appropriations Committee,
U.S. Senate, Washington, D.C.*

DEAR SENATOR: Washington Medical Center, Inc. is the owner of record of 1143 New Hampshire Avenue, N.W., Washington, D.C., which is the subject of an item in the Capital Expenditures section of the District of Columbia Budget for the fiscal year 1976. Washington Medical Center, Inc. is the managing partner of Metropolitan Hospital for Extended Care, a District of Columbia Limited Partnership which is the beneficial owner of the property.

Mr. Terry Peale of the Office of Budget, District of Columbia Government, contacted us yesterday and asked that we call your office to clarify certain statements made with regard to the availability of the property for purchase by the District of Columbia. We contacted Mr. Michael Hall and responded to certain questions about a letter dated June 1, 1976 to you from Mr. Richard C. Wolff, Executive Vice President of TRT, Inc. TRT, Inc. is our tenant in 1143 New Hampshire Avenue, under lease dated July 3, 1975. Mr. Hall asked that we write this letter to you.

You have received a letter from our tenant in the property, TRT, Inc. This letter, signed by Mr. Richard C. Wolff and dated June 1, 1976, enclosed a copy of a letter to our company from Mr. Aaron R. Fodiman with regard to the desire of TRT, Inc. to purchase the property.

A copy of our May 27, 1976 response to Mr. Fodiman's letter is enclosed, which I believe will help to clear what are apparently misunderstandings on this subject.

If we can furnish you additional information or be of further assistance to your committee, please contact us.

Sincerely,

GEORGE P. KELL,
Vice President.

LETTER FROM H. C. DEYERBERG

May 27, 1976.

AARON R. FODIMAN, Esquire,
COHEN, FODIMAN, PALAMARA & GOLDMAN,
Arlington, Virginia

Re Metropolitan Hotel
1143 New Hampshire Avenue, N.W.

DEAR MR. FODIMAN: This is to acknowledge receipt of your letter of May 25, 1976, regarding the desire of TRT, Inc. to purchase the improvements on the referenced property.

Please refer to page 5, paragraph 13, of the April 14, 1975, letter which you mentioned in your correspondence. Washington Medical Center is a General Partner in the indicated limited partnership entitled Metropolitan Hospital for Extended Care, which on June 12, 1975, called a meeting of the General Partners in an effort to gain the *required partnership approval* of the sale of the property. *The Partnership was unwilling to approve the sale of the property and has remained unwilling since that date.*

As a result of your letter, WMC in its role as a General Partner will again call for a meeting of the General Partners and exercise its best efforts to obtain approval of the Partnership. In the event such approval is obtained we will invite representatives of TRT, Inc. to cooperate in an effort to obtain the *additional approvals required from the holders of the First and Second Trusts.*

We will call a meeting of the General Partners during the first two weeks of June and will advise you of the decision of the Partnership relative to the sale.

The documents which you have requested will be forwarded to you promptly in the event of an affirmative decision by the Partnership.

Very truly yours,

H. C. DEYERBERG.

**STATEMENT OF W. REID THOMPSON, CHAIRMAN OF THE BOARD
AND PRESIDENT OF THE POTOMAC ELECTRIC POWER CO.**

PREPARED STATEMENT

Senator CHILES. The subcommittee will now hear the testimony of other public witnesses on both the 1976 and 1977 budget estimates. In accordance with the committee's practice, we will print the full prepared statements in the record and we will hear oral summaries limited to 5 minutes.

We will begin with Mr. Reid Thompson of the Potomac Electric Power Co. with regard to the 2-cent per kilowatt limitation of street

lighting expenditures. The city is asking the limitation be deleted, but the House Appropriations Committee recommended it be continued in the bill.

Mr. THOMPSON. Mr. Chairman, thank you, very much.

As you have indicated, we have submitted for the record my written statement.

Senator CHILES. The statement will be printed in the record.

[The statement follows:]

Mr. Chairman and Members of the Subcommittee:

I am grateful for the opportunity to appear before you as an outside witness to testify on a relatively small, but to us, a very important part of the District of Columbia's Fiscal Year 1976 Budget.

I am appearing before you today to testify in support of the proposal of the Mayor and the Council of the District of Columbia, endorsed by the District Public Service Commission, that Section 6 of the 1976 and future Appropriation Acts be eliminated. Section 6 reads as follows:

"Sec. 6. Appropriations in this act shall not be available for rates for the payment of electric current for street lighting in excess of 2¢ per kilowatt hour for current consumed."

I. LEGISLATIVE HISTORY

The history of this provision dates back prior to 1913 when Congress provided no administrative procedure or mechanism for regulating the activities of public utilities in the District of Columbia. During this period, all rates charged by public utilities were subject to static legislative rate-making. For example, in 1912, the District of Columbia government submitted to Congress the annual budget for the city which included therein a request for funds to pay gas and electric bills for "lighting avenues, streets, alleys and public spaces." As a result, maximum rates for various types of street lighting equipment and the current consumed were statutorily designated as part of the annual appropriation act.

As technology changed, the District of Columbia government asked the Congress to give them authority to adopt new forms of electric street lighting, i.e., other than those named in prior appropriations acts. To protect against unreasonable expenditures for this purpose, the Congress wisely included in that authorization a ceiling on the amount the District was permitted to pay for such "other" services out of appropriations. In the June 26, 1912 Appropriations Act (CH 182, Section 7, 37 stat. 181), for example, the ceiling for such "other" services was 11% per annum of the cost of furnishing and installing the new street lighting equipment plus charges for maintenance of the equipment.

By the creation of the Public Utilities Commission in 1913, Congress vested in the Commission the original and exclusive jurisdiction to set rates which are "... reasonable, just and non-discriminatory." Thereafter, the Public Utilities Commission, which became the Public Service Commission in 1926, established rates for electric service to all customers of electric energy including the District of Columbia

government. For over 40 years, as the technology for producing electric current became more cost efficient, the rates established by the Public Service Commission for street lighting were generally well below the appropriations ceiling imposed by Congress. In 1957, however, as the cost of electricity pushed closer to the appropriation limits, the District of Columbia government, with the support of the Public Service Commission, petitioned the House Appropriations Committee to remove the rate restrictions originally imposed by the Act of 1912. This request was designed, we understand, to avoid any ambiguity relating to unlawfulness of rates established.

As a result, the Chairman of the House District of Columbia Appropriations Subcommittee introduced, and Congress passed, a bill excising the encumbering language and inserting in lieu thereof the equivalent of Section 6 of P.L. 93-405. The legislative history, Mr. Chairman, would seem to indicate that this measure was introduced at the request and recommendation of the Public Service Commission in order:

1. "To remove any possible conflict between rates established by the Public Utilities Commission and the limitations heretofore contained in the District Appropriations Act; and
2. "To remove any questions whatsoever as to whether the limitations impinged directly or indirectly -- upon statutory, congressionally delegated rate making powers of the Public Utilities Commission."

(Hearings on D.C. Appropriations Act of 1958 before the Subcommittee of the Committee on Appropriations of the House, 85th Cong. First Sess., at 655, 1957)

At the time of the introduction of this bill in 1957, the 2c limit would not have seemed to have been an unreasonable figure. Utility companies, during the 40's and 50's, required rate increases on the average of approximately twice each decade. In 1951, a rate of 1.25c per kilowatt hour was established by the Public Service Commission for energy supplied to the Department of Highways for street lighting. At the next rate hearing in 1955, the Commission raised the level to 1.34c; in 1959, 1.46c was established. So when Congress imposed the 2c limit in 1957, the Public Service Commission had determined just two years earlier that a just and reasonable rate for energy supplied for street lighting was 1.34c. Given the average rate increases for street lighting during the preceding two decades, Congress no doubt assumed that even should such a trend continue, the rate would not approach the 2c ceiling for a great many years.

II. STATEMENT OF THE IMMEDIATE ISSUE

PEPCO is here today, as we were in 1957, to support the District of Columbia Government and the Public Service Commission in its recommendation and request that the appropriation limitation contained in Section 6 of previous appropriation acts be removed from the appropriation bill for fiscal 1976 and years subsequent. As I understand it, \$1,250,000 has been provided in the District's 1976 Budget Act to pay for the resulting increased cost of electric service to the city. In the fiscal 1977 budget request, sufficient funds have been likewise provided therein.

The immediate problem had its genesis in Formal Case No. 596 when the Public Service Commission approved a rate schedule for PEPCO calculated to enable the company to earn an overall annual rate of return from 8.3% to 8.5%. (In our most recent Case No. 630, decided November 12, 1975, the Commission increased the authorized annual rate of return to 9.1%.) Included in that rate schedule, the effective date of which was December 8, 1973, was a rate for electricity supplied for standard night-burning street lights of 2¢ per kilowatt hour plus adjustment for changes in the cost of fuel computed according to a formula known as the Fuel Rate Adjustment Clause.

The Arab oil embargo began to make itself felt on the American economy in the last quarter of 1973 and on the cost of PEPCO's fuel. As the cost of fuel increased subsequent to the adoption of the December 1973 rate schedule, it became obvious that application of the formula contained in the fuel adjustment clause when added to the "base rate" would raise the amount per kilowatt hour billed to the District of Columbia Department of Highways and Traffic to a sum in excess of 2¢. On February 14, 1974, the Department, acting upon an opinion letter issued by the Corporation Counsel, informed PEPCO that it would not pay more than 2¢, citing the limitation language contained in the appropriation act. Thus, for the period December 9, 1973 through March 31, 1976, PEPCO has billed, pursuant to rates established by the Public Service Commission after lengthy and detailed hearings, but has not been paid a total of \$2,033,957 for this part of the cost of its service.

Following the issuance of the Corporation Counsel's opinion, PEPCO immediately attempted to make known the dilemma which it faced by bringing the matter to the attention of the House District of Columbia Appropriations Subcommittee as the Subcommittee was winding up its hearings on the Fiscal 1975 budget. At a special hearing held by the House District of Columbia Appropriations Subcommittee to consider this issue, a

representative of the Mayor's office informed the Subcommittee that the District had not, as of that time, had sufficient opportunity to examine the matter and therefore was not prepared to support the excision of Section 6 limitation language.

Subsequent to that hearing, in preparation of the Fiscal 1976 budget, lengthy discussions were held between representatives of PEPCO and the Mayor during which the entire issue was explained and the implications fully explored. Simultaneous with those discussions, the company, in accordance with D. C. Code Section 43-304, submitted its request for change to the Public Service Commission for review. Thereupon, by opinion letter dated April 9, 1975, the Public Service Commission recommended that the public interest would best be served by elimination of the limiting language from future appropriations acts. The recommendation for deletion was then submitted by the Mayor to the Council and after hearing, the Council endorsed the elimination of the 2¢ language and provided for revenues in sufficient amount to cover the difference. In accordance with Section 603 of the Home Rule Bill, the budget recommendations of the District government were reviewed by the Federal Office of Management and Budget (OMB) and subsequently transmitted to the Congress. We assume that OMB thereby also endorses this legislative change. Likewise, the fiscal 1977 Budget Act provides sufficient revenues to cover the full amount of the city's projected street lighting bills for fiscal 1977.

III. PEPCO'S RESPONSIBILITY

Over the last two years the pressure of increased fuel prices coupled with other inflationary pressures has driven the cost of producing electricity to considerably higher levels than our customers had come to expect. Every rate hearing has become a forum for the airing of public grievances as well as private frustrations. The rates for street lighting service have been set after complex and detailed testimony and examination presented by all parties, including the District of Columbia government through the Department of Highways and Traffic (now the Department of Transportation).

On the one hand, the Congress has created a Public Service Commission and vested it with substantive and exclusive authority to establish rates for utility services which are "...reasonable, just and non-discriminatory." The Congress has thus delegated, appropriately, its utility rate making function, with respect to the District of Columbia, to the Public Service Commission. The 2¢ per kilowatt hour limitation on street lighting is inconsistent with that delegation. That same statute forbids any customer from receiving or accepting any rebate and upon criminal penalty,

prohibits the utility from rendering service at a rate less than that named in the authorized tariff. (Paragraph 83, 43 D.C. Code Section 904). In this case, the Public Service Commission, in December of 1973, and again in November of 1975, having held a public hearing and heard from all interested witnesses, approved a rate schedule which theoretically allows the company an opportunity to realize a reasonable rate of return. That rate schedule includes a charge for electric current for street lighting of 2¢ per kilowatt hour plus a fuel adjustment clause, the application of which makes the total rate in excess of 2¢ per kilowatt hour.

On the other hand, the District of Columbia government is faced with an appropriation limitation which does not permit the government to bear its full share of the street lighting costs. The Public Service Commission stated in its letter to this Subcommittee and in Commissioner Stratton's testimony before this Subcommittee on December 4, 1975, that if the limitation remains one of two things will necessarily occur:

1) The shortfall in revenues to the company would be distributed among the other rate payers of the District of Columbia; or

2) The Commission would have to recognize a rather substantial increase in uncollectible accounts receivable of the company and include that in the cost of service which is again passed on to the other rate payers of the District.

The question is who should pay the full cost of the District's street lighting, PEPCO's District of Columbia rate payers or the District's tax payers?

It was at my request, Mr. Chairman, that this matter was first brought to the attention of the Mayor, the Council of the District of Columbia, the Public Service Commission, and through the budget process, the Office of Management and Budget. It seems to me to be unfair and inequitable to expect District utility rate payers to bear that portion of the cost of street lighting which is in excess of 2¢ per kilowatt hour. Street lighting is a municipal service and should be paid for out of the general revenues of the District of Columbia.

Mr. Chairman, I again appreciate the opportunity to express my views, and I would be pleased to respond to any questions which you or any of the members of the Subcommittee may have.

MAYOR'S REQUEST SUPPORTED

Mr. THOMPSON. My appearance as chief executive of this company is to support the request made by the Mayor reiterated by him again this morning in testimony before your committee, that what was formerly Section 6 in the Appropriations Act be deleted.

That section restricted the payment of cost of street lighting to 2 cents a kilowatt hour as a carry-over section from deep in the history of the electric power business, starting back in the early part of the century.

With a revision of the law in 1957, the old restrictions which had been in that law with respect to contracts by the city government for electricity were all deleted with the exception of this one provision. It was retained, the reasons for it being sort of lost in antiquity, it was retained at a time when the actual cost was 1.34 cents.

So the 2-cent limitation was of no practical limit at that point and was obviously set to be a factor that was not to be reckoned with at any time within the foreseen future because the history of the rate increases have been such that it has been very minimal.

It was no problem even up to the Arab oil embargo a year or so ago when fuel costs suddenly skyrocketed. And the Public Service Commission charged by this Congress with the duty of setting fair, equitable rates for all customers found the cost of street lighting to be properly apportioned would exceed that two-cent limitation.

For the fiscal year under consideration here, 1976, the Mayor and the City Council and Public Service Commission, through all of whom we have appeared and presented full testimony in this regard, have requested of the Congress that the budget be approved, deleting that limitation.

I would say to you, Mr. Chairman, to the committee, that unless the request of the Mayor is honored, the result would be that the city would not pay approximately \$1 million owed to the Potomac Electric Power Company for street lighting under the rates set by the Public Service Commission, something slightly less than \$1 million, \$980,000, I believe, because there is no way it could be recovered.

It could not be recovered from other customers; and the rates have been fixed and the time is past. There is no retroactivity, nor could it be recovered from any other services of the District on the same basis, of course.

The Public Service Commission has been established to first determine what a reasonable rate of return is and then apportion rates among all customers. We feel, as do the Mayor and the City Council, that the Public Service Commission should not be hampered with what would be specific, in effect, legislative rate-making by the Congress.

That, I think, is the gist of the matter, Mr. Chairman.

EFFECT OF LIMITATION

Senator CHILES. The effect of this is if you don't get this change, then this rate is passed on to the other customers?

Mr. THOMPSON. No, sir. For the fiscal year under consideration here, if we don't get this change, the company would not recover it from any source. In future rate-making, if this change is not made,

the Commission would then have to take that into account and pass it on to other customers either in the form of directly passing it along or consider it as a bad debt as a cost of service; but it could not be recovered retroactively, this fiscal year's amount.

Senator CHILES. Is the company considering court action against the city?

Mr. THOMPSON. We are considering it, yes. We hope that would not be necessary. The only basis for the court action would be that the congressional prohibition or limitation would be a limitation against expending appropriated funds from the Congress and not a limitation against the city of making the payment.

The Corporation Counsel has determined, has made a contrary determination. His ruling is it says he is prohibited from making the payment and, therefore, they will not make it.

Senator CHILES. So you would litigate on the area that the limitation is against spending any Federal payment?

Mr. THOMPSON. That would be the basis of the litigation. I would certainly hope we wouldn't have to come to that sort of thing. It appears to be totally noncontroversial. No one has testified against it.

For some unaccountable reason, the House committee, as you probably know, has voted not to delete the section, but has not stated in the report why they so voted. There is a one-sentence paragraph which makes no reference to any reason therefor.

Senator CHILES. I am just looking at our earlier hearings. This is on page 411 where I was questioning Mr. Stratton of the Public Service Commission. He said in about the middle of the statement:

That fact coupled with the Corporation Counsel's interpretation that the 2-cent limitation applies not only to the base rate, but also the fuel adjustment surcharge that goes in these rates, produces a situation in which other customers in the District must make up the deficiency between what the District pays for street lighting electricity and the actual cost of it.

Mr. THOMPSON. That is true. That would be the rate-making result for future rate-making. But since rates can't be made retroactively, that couldn't take care of this fiscal year which is almost now ended.

If this limitation is not removed, what Mr. Stratton refers to, that that Commission in cases before it in the future would have to take that into account and set the additional costs of street lighting which is not paid to the city over against other customers. But they cannot do that retroactively, as I understand rate-making. So the company would, in effect, lose this.

Senator CHILES. All right, sir. Thank you.

**STATEMENT OF CRAIG HOWELL, PRESIDENT, GAY ACTIVISTS AL-
LIANCE OF WASHINGTON, D.C., INC.
ACCOMPANIED BY ROBERT HEWES**

PREPARED STATEMENTS

Senator CHILES. Our concluding witnesses on the 1976 budget will be Mr. Craig Howell and Mr. Robert Hewes. They will speak on a \$50,000 item denied by the House.

[The statements follow:]

STATEMENT OF CRAIG HOWELL

Members of the Committee:

My name is Craig Howell. I am President of the Gay Activists Alliance of Washington, D.C., Inc. (GAA/DC), an organization founded in 1971 to work for full civil rights and civil liberties for the more than 50,000 homosexual citizens of Washington through peaceful participation in the political process. With me this morning is Mr. Robert Hewes, the Coordinator of the Gay Men's VD Clinic.

We have come here because the House D.C. Appropriations Subcommittee has arbitrarily and capriciously voted to delete \$50,000 appropriated in the FY 1976 by our locally elected officials for the Gay VD Project. We are here to convince you that these funds must be restored and that the Project must emerge intact from the Conference Committee with your House counterparts. The Gay VD Project deserves your complete commitment not only because of its merits, which are overwhelming, but also because the House Subcommittee action constitutes a direct assault upon the fundamental principles of home rule in the District of Columbia.

To understand the need for the Gay VD Project, you must first understand why venereal disease is such an overwhelming public health problem among gay men. You must also understand why conventional medical services are inherently inadequate for solving this problem, and why separate specialized facilities such as the Gay Men's VD Clinic are essential. The key to such understanding is that testing and treatment for venereal disease is not the same for gay men as for non-gays, because gays, unlike heterosexual men, are susceptible to rectal and pharyngeal (throat) gonorrhea. The consequences of this basic fact of life are far-reaching.

Tests for the specifically gay forms of VD are not routinely administered, or even offered, to men appearing for VD tests at the Upshur Street Clinic or other local conventional public health facilities. The only way to receive competent and thorough treatment if you are gay is to demand those tests. But since asking for such tests is tantamount to an admission of homosexual behavior, gay men commonly fear to make such requests at non-gay facilities. This fear is particularly acute among youth, married men, workers in sensitive government positions, servicemen, and others who are always afraid that their homosexuality will be exposed. And because so many men are actually bisexual, VD in the gay community is easily passed on to the straight community. This inherent weakness of conventional approaches to VD control has been compounded in Washington by the continued mistreatment of gay men by the staff of the Upshur Street Clinic. Patients at the Gay VD Clinic have complained far too often about insults hurled at them while at the Upshur Street Clinic. A further complicating factor is that gay men, unlike their heterosexual brothers, require frequent routine checkups because the specifically gay forms of gonorrhea are often asymptomatic and thus can be passed on to others unknowingly. Conventional public health facilities, particularly those in Washington, are not geared for the increased caseload necessitated by a routine checkup program. We have also found that it is highly unrealistic to expect that the VD epidemic among gay men can be controlled through a greater emphasis on private practice physicians. This is because, as shocking as it may seem, that few doctors are even aware of the need for special tests for the specifically gay forms of gonorrhea, and that most doctors do not know the proper treatments for these forms. Furthermore, the fear of disclosing one's homosexuality can be especially acute when dealing with the family physician.

Therefore, because of the gross inadequacy of public and private conventional health services and because of the frequent refusal of gay or bisexual men to reveal themselves to heterosexuals in such a sensitive context, the VD rate among gay men in Washington and in the rest of the country is far higher than for the general population. VD in the Washington gay community has gone beyond epidemic proportions: VD is out of control. Public Health studies have shown that roughly 50% of all VD cases occur among homosexual men. Mr. John Shomo, Chief of VD Epidemiology for the D.C. Department of Human Resources, has stated that of the 430 male patients interviewed with primary and secondary syphilis in Fiscal Year 1974, 192--that is, 44.6%--named male contacts.

Is there a better way than the conventional approach? We believe so. Services by gay men for gay men is the only effective method for dealing with the VD epidemic within the gay community. The recognition of the failure of conventional health care delivery led to the formation of the Gay Men's VD Clinic in the fall of 1973.

The Gay Men's VD Clinic is operated by an all-volunteer professional and paraprofessional staff of approximately 25 gay men. Due to current budget limitations and to the limited time and facilities available at the Washington Free Clinic in Georgetown, where it has been located since its opening, the Clinic now operates only 3 hours a week, on Saturday afternoons. Despite these limitations, the Clinic already has had a major impact, as the figures on the attached table show. During calendar year 1975, more than 1500 patients were received at the Clinic; this is more than double the 1974 total of 705. The number of gonorrhea cultures taken also more than doubled, from 1525 in 1974 to 3392 in 1975. The number of gonorrhea cases detected (that is, registered "Positive" in the statistics) nearly tripled, from 82 in 1974 to 240 in 1975. If you look at the breakdown among the three forms of gonorrhea, you will find that two-thirds of them were either rectal or pharyngeal and therefore probably would not have been detected at conventional facilities. Please also note that the 240 positive gonorrhea cultures indicate that roughly 1 man in 6 had some form of the disease--a striking confirmation of the horrendous incidence of VD among gay men.

As impressive as these statistics may sound, we can not begin to emphasize enough the fact that there is a vastly larger population of gay men that needs this kind of specialized service. Based on the Kinsey study estimate that approximately 10% of the entire adult population of our country is predominantly homosexual, there are at least 50,000 homosexual people in the District of Columbia. If only half of these are men, there are at least 25,000 gay men in the city; and Kinsey indicated that there are more gay men than gay women, so the target population may be considerably larger. But we can not hope to expand the impact of the Gay Men's VD Clinic much further under existing restraints of funds and facilities. Because we have really only begun the battle against the VD epidemic in Washington, we have proposed the Gay VD Project and have requested a \$50,000 appropriation to implement it.

When the Project is finally funded--as we are confident it will--much of the money (\$12,500) will be used to renovate existing facilities at the Washington Free Clinic, primarily to provide needed additional examination rooms. A considerable amount of office equipment will also be purchased. Beyond these capital expenditures, the projected budget will allow the employment of one full-time employee, the Project Coordinator, who will be responsible for program development and the day-to-day management of the Clinic. Substantial amounts (nearly \$16,000) will be devoted to procurement of lab and pharmacy supplies. As a result of the funding for the Project, the Gay Men's VD Clinic will be able to remain open for 8 hours a week, 6 hours on Saturday and 2 hours on another night. This, in turn, will enable the Clinic to test and treat many more patients.

We want to stress the fact that the proposed \$50,000 appropriation represents an amazingly unbureaucratic and efficient use

of taxpayer funds. Because the Gay Men's VD Clinic is and will remain an essentially volunteer operation, a dollar spent to support its activities goes much further than a dollar spent for conventional public health services. Merely consider the \$10,000 salary proposed for the Project Coordinator--that is roughly equal to the salary of a GS-6, step 1 government worker. How many clinics, or any other group of 25 people, do you know that can be managed by a GS-6? As we have tried to demonstrate, there is no way that the conventional approach can solve the major public health crisis before us. Here we have a textbook example of local self-help and the spirit of volunteerism in action.

But you don't have to take just our word for the merits of the case for the Gay VD Project. I want to submit for the record the many letters of support we have received from prominent medical authorities who are most familiar with the VD problem in the District. Their clear recognition of the need for the Gay VD Project and of the tremendous contributions the Gay Men's VD Clinic has already made for public health has been a critical factor in persuading our locally elected officials to endorse the \$50,000 appropriation. We trust you will find the support of these medical authorities equally persuasive.

The merits of the case for the Gay VD Project are truly overwhelming. But as we mentioned at the start of our testimony, there is another, perhaps even more overpowering reason why the members of this Subcommittee should give unstinting support: that is, the deletion of the funds for the Project by the corresponding House group constitutes a direct assault upon the fundamental principles of home rule in the District of Columbia.

The citizens of the District of Columbia now elect our own Mayor and our own City Council. These locally elected officials, like locally elected officials everywhere else in the country, are responsible for the conduct of local political concerns. If the voters do not like the Mayor or the City Council members, they can vote them out of office when their terms expire. But as our Revolutionary ancestors discovered many times during colonial days, local self-government is not effective if representatives of distant and alien interests who can not be removed by local voters abuse their powers to interfere with local decisions affecting local interests. This point is particularly relevant where the budgetary process, or "the power of the purse," is involved.

The Gay VD Project is clearly a local concern that does not involve any substantial federal interest. Therefore, the action of the House Subcommittee was grossly irresponsible. When the Gay VD Project was presented to our first home rule City Council more than a year ago, we held many meetings and discussions with Council members to explain the Project and to answer their questions and doubts. We successfully resolved all those questions and doubts. The \$50,000 appropriation for the Project passed the City Council without opposition. Mayor Walter Washington has also accepted the Project and has assured us that he will fight to retain it on Capitol Hill. He has also included a similar appropriation for the Project in the FY 1977 budget submission to the City Council, and once again the Council has approved it. This should be the end of the story, but the House Subcommittee has tried to dictate another ending. The anti-home rule bias of the action is blatantly clear from the rationalization we heard from the staff of that Subcommittee: that the Project was a new item and therefore should be cut. This refusal by the House Subcommittee to allow our home rule government to reorder budget priorities is an intolerable attack on the basic idea of home rule itself and must be decisively rejected by the members of this Subcommittee.

There has been a great deal of rhetoric lately to the effect that people across the country resent the heavy hand of Washington politicians meddling in their local political concerns. Let me remind you in closing that we Washingtonians also resent the heavy hand of outside politicians meddling in our local political concerns.

GAY MEN'S VD CLINIC
1974 - 1975 STATISTICS

SUMMARY

	Calendar Year	
	<u>1974</u>	<u>1975</u>
PATIENTS LOGGED	705	1526
GONORRHEA Cultures	1525	3392
Urethral	523	1168
Rectal	487	1124
Pharyngeal	515	1100
POSITIVE GONORRHEA Cultures	82	240
Urethral	35	77
Rectal	40	127
Pharyngeal	9	36
SYPHILIS VDRL's	468	1064
SYPHILIS VDRL's Positive	60	96

PROPOSED BUDGET

GAY VD PROJECT

FY 1976

- | | | |
|----|--|----------|
| 1. | Salary | \$10,000 |
| | One full-time employee, the Project Coordinator, responsible for program development and the day-to-day management of the Gay Men's VD Clinic. | |
| 2. | Employee benefits | 1,500 |
| | Health insurance, FICA, DUCB, and Workmen's Compensation. | |
| 3. | Expansion of facilities at Washington Free Clinic | 12,500 |
| | Renovation of current facilities to provide needed additional examination rooms. | |
| 4. | Maintenance | 950 |
| | Utilities, pest control, property insurance, cleaning, and repairs. | |
| 5. | Communications | 1,300 |

Telephone service and postages. Includes one-time expense of \$260 for telephone installation and deposit and for a telephone answering machine.

6. Office equipment	\$ 2,150
Projected needs include desks, chairs, file cabinets, an electric typewriter, slide projector, screen, and mimeograph machine.	
7. Office supplies	1,000
8. Malpractice insurance	1,000
9. Medical supplies	15,900
Lab and pharmacy supplies. Costs proportional to the projected number of patients to be treated.	
10. Professional services	1,000
Accounting, legal, and consulting fees.	
11. Educational materials	700
Audio-visual supplies and printed matter such as books, periodicals, and pamphlets.	
12. Travel and meeting expenses	500
Costs of attending VD-related seminars and conferences and observing the operations of similar clinics.	
13. Washington Free Clinic allocation	6,000
Funds allocated to the Washington Free Clinic for the use of their Clinic's staff, facilities, and equipment.	
14. Miscellaneous	500
15. Contingency fund	<u>2,750</u>
Total Operating Budget	\$57,750
Less Projected Income	<u>-7,750</u>
Total Requested Appropriation	<u><u>\$50,000</u></u>

Appendix: Mr. Joseph Yeldell and the Gay VD Project

We have heard reports from Capitol Hill sources that the Gay VD Project has encountered some Congressional opposition due to the relative lack of enthusiasm, if not outright denunciation, expressed by Mr. Joseph Yeldell, the Director of the D.C. Department of Human Resources, which would administer the appropriation for the Gay VD Project. This news is not surprising, since we have received similar reports for several months from our friends inside the D.C. government. Mr. Yeldell's position must be heavily discounted once it is placed into its proper context.

Mr. Yeldell has never met with any of the staff from the Gay Men's VD Clinic to discuss the Project. His comments have generally reflected an abject ignorance of the purposes and rationale of the Project. It is much more important to know that the Project has in fact earned the enthusiastic endorsement of all other responsible authorities within the Department of Human Resources, particularly those who are most familiar with VD control. Mr. Yeldell's apparent motivation stems from his feud with the members of the D.C. City Council who have been sharply critical of his administration of DHR.

As we have previously noted, the Project enjoys the unanimous support of the D.C. City Council. Mayor Washington, who is Mr. Yeldell's superior (or the Director's Director), also has pledged his commitment. Mr. Yeldell's responsibility was to present to the Congressional Appropriations Subcommittees the city's budget, not to present his own personal and bureaucratic prejudices. Mr. Yeldell's failure to fulfill this basic responsibility amounts to rank insubordination. His position is completely isolated and eccentric and must be dismissed as irrelevant.

LETTER FROM WILBERT C. JORDAN

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF HUMAN RESOURCES
HEALTH SERVICES ADMINISTRATION

WASHINGTON, D. C. 20001

23 May 1976

The Honorable Lawton Chiles
Chairman, District of Columbia
Appropriations Committee
Senate Office Building
Washington, D.C. 20510

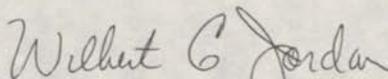
Dear Senator Chiles:

I am writing this letter in support of the \$50,000 allocated to the Washington Gay Men's venereal disease clinic that was apart of the FY 1976 D. C. budget. This item was not approved by the House sub-committee, I regret, and I am hoping that your committee will reconsider.

The Washington Gay Men's venereal disease clinic provides a much needed service in a receptive atmosphere. Whether we like it or not, there is a difference and many homosexual men would go untreated and risk complications because of the insensitivity experienced in many traditional "straight" medical facilities.

It would be a disservice to the entire community not to appropriate funds so this segment of the community can receive proper medical treatment. I hope you and your committee will act favorably on this subject.

Sincerely,



Wilbert C. Jordan, M.D.
Associate Epidemiologist &
EIS Officer

LETTER FROM WINFIELD H. SCOTT

THE
GEORGE
WASHINGTON
UNIVERSITY
MEDICAL CENTER

Assistant Dean for Education / 2300 Eye Street, N.W. / Washington, D.C. 20037

May 21, 1976

The Honorable Lawton Chiles
Chairman
District of Columbia Appropriations Subcommittee
Senate Office Building
Washington, D.C. 20510

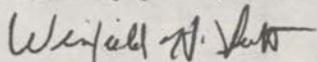
Dear Senator Chiles:

I am writing to urge the restoration of funds into the District of Columbia budget to support a Venereal Disease Clinic for Gay Men as part of the Washington Free Clinic. I understand that funds were deleted from the D.C. budget by the House of Representatives.

Venereal diseases are highly contagious but treatable. The work of this Clinic is of value, not only to its clients, but to the community as a whole, in preventing the spread of illness. It is an effective way of delivering health care services at small cost to a large number of people, and of preventing health problems for many others.

Your efforts to restore funds would be greatly appreciated.

Sincerely yours,



Winfield H. Scott, Ph.D.
Assistant Dean for Education

LETTER FROM JOHN R. PATE
GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF HUMAN RESOURCES
COMMUNITY HEALTH AND HOSPITALS ADMINISTRATION
WASHINGTON, D. C. 20001

May 24, 1976

Honorable Lawton Chiles
United States Senator
The U.S. Capitol
Washington, D.C.

Dear Senator Chiles:

A group in the Washington area has urgently requested funds to the amount of \$50,000 to support what is known as the Gay VD Project for FY 1976. This fund is to provide a clinic for the treatment of venereal disease.

I hope that as Chairman of the District of Columbia Appropriation Sub-Committee you will support this request. There is a need for this treatment facility as it would greatly relieve the overcrowded clinics operated by the health facilities of the District of Columbia Government. The venereal diseases have now become one of the Nation's greatest health problems. It is clear to me this group is trying to help reduce this health hazard among their numbers.

It would be advantageous to the community to make in-roads on these infections in every possible effort.

Your support will be greatly appreciated.

Sincerely,

John R. Pate, M.D., M.P.H.
Chief
Venereal Disease Control Branch

LETTER FROM COMER S. COPPIE

GOVERNMENT OF THE DISTRICT OF COLUMBIA
EXECUTIVE OFFICE

JUN 17 1975

Mr. Craig Howell
Vice President
Gay Activists Alliance
P. O. Box 2554
Washington, D.C. 20013

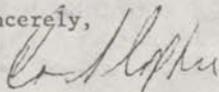
Dear Mr. Howell:

The Mayor has asked me to respond to your letters of May 4 and May 9, 1975 requesting a policy statement indicating his support of the Gay VD Project.

The Mayor has demonstrated his support of this project by his acceptance of the \$50,000 included in the FY 1976 Budget by the City Council. His further commitment is to justify and support this program before the Congress at the time of the Congressional hearings on the FY 1976 Budget.

I feel that this commitment sets forth the policy of the Mayor.

Sincerely,



Comer S. Coppie
Special Assistant to the Mayor

LETTER FROM JOHN R. SHOMO

Gay VD Project

I have reviewed the VD Project proposal submitted by the Gay Community Services Center of Washington, D.C., and I believe that it accurately identifies and factually documents the need for the establishment of VD diagnostic and treatment services for Gay men.

As reported cases of primary and secondary syphilis decreased from 874 cases in calendar year 1972 to 662 in 1974, there was a proportionate increase in the percent of male patients who named male contacts. During FY'74, 44.6% of the male patients with primary or secondary syphilis who provided locating information for their sex contacts named male contacts. An additional 9.1% of the male patients interviewed failed to provide locating information for their sex contacts, but 80% of these patients gave a history of male sex contacts. Since male patients represent 70% of all reported cases of primary and secondary syphilis and since over half of these patients name male contacts it appears that at least one-third of all reported cases represent the Gay community.

The aforementioned facts reveal that the District's Venereal Disease Control Program has successfully reduced the reported incidence of infectious syphilis in the District of Columbia, but has not achieved comparable success in the Gay population. It is important to know that approximately half of the male patients who name male contacts also name female contacts. Therefore, spread of their disease is by no means restricted to the Gay community and the success of the total venereal disease control program is very dependent upon the success achieved in the Gay community.

Statistics for the incidence of gonorrhea in the Gay community are not available but recent publications have documented that gonorrhea is very prevalent in this group and that the incidence of asymptomatic carriers and the development of resistant strains of the gonococcus occur more frequently in gay men than in "straight" men.

Other high incidence areas of the country have recognized the need and have initiated special programs for Gays. Several have met this challenge with special projects and activities similar to the Gay Community Services Center's proposal. Venereal Disease Control Officials in these areas endorse these programs and have testified to their success.

This Section has worked closely with the Gay Men's Saturday Clinic and has found this working relationship to be very beneficial to control activities. Services provided by the clinic are designed to meet the needs of Gay Men. Patients, who would not seek services at the District's Venereal Disease Clinics, are presenting to the Gay Clinic. The clinic has substantially improved this Section's success with epidemiologic activities in the Gay Community. Providing valid venereal disease information as it pertains to Gay men is an intricate component of the clinic's function and is alleviating a situation which has contributed to the high incidence of the venereal diseases in Gays.

If the District of Columbia is to conduct a successful Venereal Disease Control Program, it must address the needs of Gay men. Therefore, I encourage you to endorse the Gay Community's proposal and to forward it through proper channels for appropriate action.

LETTER FROM JEFFREY DROBIS
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
PUBLIC HEALTH SERVICE

March 4, 1975

Dear Sirs,

I would like to support the proposal of the Gay Men's V.D. Clinic. I am a physician working at the National Institutes of Health and have been working on a volunteer basis with the Washington Free Clinic for about two years and with the Gay Men's Clinic since it opened in November 1973. I helped train the paramedical personnel who work at the Clinic and have on occasion worked there myself in addition to helping formulate medical policies. As I have observed its operation, the clinic has been consistently competent and thorough in its medical procedures and advice.

Furthermore, I believe that the clinic provides a service that is unique and can have some impact on the apparent venereal disease epidemic in this area. Detection and treatment of V.D. in Gay men poses special problems. Medical evidence has accumulated recently showing that gonorrhea in the male is often without symptoms and therefore, as in women, can form a reservoir of asymptomatic carriers. Asymptomatic gonorrhea is especially common at sites--the pharynx and anus--where infection frequently occurs in Gay men. Syphilis, too, can produce only minimal or no symptoms in at least 25% of its victims, and the long-term neurological and cardiovascular sequelae of this disease pose an enormous potential for personal tragedy as well as a burden for the whole community.

The only effective means to identify and treat these asymptomatic V.D. victims is through routine screening tests. For Gay men who are sexually active such testing should probably be performed every 3-6 months to minimize the danger to themselves as well as the community at large. It is in attracting people for routine screening that the Gay Men's clinic is uniquely effective compared to more traditional facilities. First, the clinic is the only testing facility that is open on the weekend. Second, by its very nature, Gay men are assured of finding a supportive, comfortable, unhassled atmosphere. Concrete testimony that the clinic does attract those people at risk is the fact that 16 new syphilis cases have been detected, including 11 which were in the early latent stage when the victims had no symptoms.

I believe that the Gay Men's Clinic offers an alternative to existing private and public health facilities that can more effectively attract high-risk people for routine screening tests. Therefore, encouragement and expansion of its efforts could be a valuable aid to the Public Health Department's task of controlling venereal disease.

Sincerely,

Jeffrey Drobis
Jeffrey Drobis M.D.
National Institutes of Health
Building 10 Room 2B 12
Bethesda, Maryland 21214

LETTER FROM TIMOTHY J. TOMASI

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF HUMAN RESOURCES
WASHINGTON, D. C. 20001

March 24, 1975

Dear Mr. Yeldell:

I am writing this letter to commend to you the work of the Gay Men's VD Clinic. I have been aware of the Clinic's services since its beginnings in November 1973. I had the opportunity to train some of the paraprofessional medical volunteers who initiated the Clinic in August 1972 when we worked together in the Washington Free Clinic's medical program treating venereal disease. Since that time they have on occasion informally consulted with me and I can attest to the very sophisticated and confident professionalism they exhibit in their work.

My own work as a physician working in DHR's medical clinics, both at Area B, CMHC and formerly at D.C. General Hospital, confirms some of the hypotheses stressed in the funding proposal submitted to you by the Clinic. Gay men should be afforded culture test for rectal and pharyngeal gonorrhea. It is my understanding that such test are not offered on a routine basis to gay men presenting to the Upshur Street VD Clinic. Likewise, an open atmosphere must be created wherein gays will not be ridiculed or made to feel ashamed and humiliated for seeking appropriate treatment. I feel that medical personnel need to be informed of the health needs of the gay male community, and need to be instructed as to how to medically treat such needs. This is an area widely ignored by the present health program in the District. The result of which is that gay men are not receiving the best medical treatment available which is a right of every citizen in the community.

VD services designed to meet the needs of gay men is an extremely viable way to reduce the overall VD epidemic.

I urge you to give serious consideration to this proposal as I feel its implementation would prove to be of great benefit to the community.

Sincerely,

Timothy J. Tomasi, M.D.

Timothy J. Tomasi, M.D.
Chief, Medical Unit
Area B, Community
Mental Health Center

SUMMARY OF STATEMENT

Mr. HOWELL. Members of the committee, my name is Craig Howell. I am president of the Gay Activists Alliance of Washington, D.C., Inc. (GAA/DC), an organization founded in 1971 to work for full civil rights and civil liberties for the more than 50,000 homosexual citizens of Washington through peaceful participation in the political process.

With me this morning is Mr. Robert Hewes, the coordinator of the Gay Men's VD Clinic.

We have come here because the House D.C. Appropriations Subcommittee has arbitrarily and capriciously voted to delete \$50,000 appropriated in the fiscal year 1976 by our locally elected officials for the Gay VD Project.

We are here to convince you that these funds must be restored and that the Project must emerge intact from the Conference Committee with your House counterparts.

The Gay VD Project deserves your complete commitment not only because of its merits, which are overwhelming, but also because the House subcommittee action constitutes a direct assault upon the fundamental principles of home rule in the District of Columbia.

To understand the need for the Gay VD Project, you must first understand why venereal disease is such an overwhelming public health problem among gay men. You must also understand why conventional medical services are inherently inadequate for solving this problem, and why separate specialized facilities such as the Gay Men's VD Clinic are essential.

The key to such understanding is that testing and treatment for venereal disease is not the same for gay men as for non-gays, because gays, unlike heterosexual men, are susceptible to rectal and pharyngeal (throat) gonorrhea. The consequences of this basic fact of life are far-reaching.

Tests for the specifically gay forms of VD are not routinely administered, or even offered, to men appearing for VD tests at the Upshur Street Clinic or other local conventional public health facilities.

The only way to receive competent and thorough treatment if you are gay is to demand those tests. But since asking for such tests is tantamount to an admission of homosexual behavior, gay men commonly fear to make such requests at non-gay facilities.

This fear is particularly acute among youth, married men, workers in sensitive government positions, servicemen, and others who are always afraid that their homosexuality will be exposed. And because so many men are actually bisexual, VD in the gay community is easily passed on to the straight community.

This inherent weakness of conventional approaches to VD control has been compounded in Washington by the continued mistreatment of gay men by the staff of the Upshur Street Clinic. Patients at the Gay VD Clinic have complained far too often about insults hurled at them while at the Upshur Street Clinic.

A further complicating factor is that gay men, unlike their heterosexual brothers, require frequent routine checkups because the specifically gay forms of gonorrhea are often asymptomatic and thus can be passed on to others unknowingly.

Conventional public health facilities, particularly those in Washington, are not geared for the increased caseload necessitated by a routine checkup program. We have also found that it is highly unrealistic to expect that the VD epidemic among gay men can be controlled through a greater emphasis on private practice physicians. This is because, as shocking as it may seem, that few doctors are even aware of the need for special tests for the specifically gay forms of gonorrhea, and that most doctors do not know the proper treatments for these forms.

Furthermore, the fear of disclosing one's homosexuality can be especially acute when dealing with the family physician.

Therefore, because of the gross inadequacy of public and private conventional health services and because of the frequent refusal of gay or bisexual men to reveal themselves to heterosexuals in such a sensitive context, the VD rate among gay men in Washington and in the rest of the country is far higher than for the general population.

VD in the Washington gay community has gone beyond epidemic proportions: VD is out of control. Public Health studies have shown that roughly 50 percent of all VD cases occur among homosexual men.

Mr. John Shomo, Chief of VD Epidemiology for the D.C. Department of Human Resources, has stated that of the 430 male patients interviewed with primary and secondary syphilis in fiscal year 1974, 192—that is, 44.6 percent—named male contacts.

Is there a better way than the conventional approach? We believe so. Services by gay men for gay men is the only effective method for dealing with the VD epidemic within the gay community.

The recognition of the failure of conventional health care delivery led to the formation of the Gay Men's VD Clinic in the fall of 1973.

The Gay Men's VD Clinic is operated by an all-volunteer professional and paraprofessional staff of approximately 25 gay men. Due to current budget limitations and to the limited time and facilities available at the Washington Free Clinic in Georgetown, where it has been located since its opening, the Clinic now operates only three hours a week, on Saturday afternoons.

Despite these limitations, the Clinic already has had a major impact, as the figures on the attached table show.

Just looking at that table which immediately follows the statement, you will find the number of patients logged doubled, more than doubled between 1974 and 1975, from 700 to over 1,500.

The number of cultures taken also more than doubled and the number of actual cases of gonorrhea more or practically tripled.

So this shows there is a very serious VD problem within the gay community.

One person in six who was tested for gonorrhoea came out positive; an enormous, horrendous rate.

As impressive as these statistics may sound, we cannot begin to emphasize enough the fact that there is a vastly larger population of gay men that needs this kind of specialized service. Based on the Kinsey study estimate that approximately 10 percent of the entire adult population of our country is predominantly homosexual, there are at least 50,000 homosexual people in the District of Columbia.

If only half of these are men, there are at least 25,000 gay men in the city; and Kinsey indicated that there are more gay men than gay women, so the target population may be considerably larger.

But we cannot hope to expand the impact of the Gay Men's VD Clinic much further under existing restraints of funds and facilities. Because we have really only begun the battle against the VD epidemic in Washington, we have proposed the Gay VD Project and have requested a \$50,000 appropriation to implement it.

You will find a detailed breakdown of that \$50,000 at the conclusion of this statement.

We want to stress the fact that the proposed \$50,000 appropriation represents an amazingly unbureaucratic and efficient use of taxpayer funds. Because the Gay Men's VD Clinic is and will remain an essentially volunteer operation, a dollar spent to support its activities goes much further than a dollar spent for conventional public health services. Merely consider the \$10,000 salary proposed for the Project Coordinator—that is roughly equal to the salary of a GS-6, Step 1, Government worker.

How many clinics, or any other group of 25 people, do you know that can be managed by a GS-6?

As we have tried to demonstrate, there is no way that the conventional approach can solve the major public health crisis before us. Here we have a textbook example of local self-help and the spirit of volunteerism in action.

But you don't have to take just our word for the merits of the case for the Gay VD Project. I want to submit for the record the many letters of support we have received from prominent medical authorities who are most familiar with the VD problem in the District.

Their clear recognition of the need for the Gay VD Project and of the tremendous contributions the Gay Men's VD Clinic has already made for public health has been a critical factor in persuading our locally elected officials to endorse the \$50,000 appropriation.

We trust you will find the support of these medical authorities equally persuasive.

The merits of the case for the Gay VD Projects are truly overwhelming. But as we mentioned at the start of our testimony, there is another, perhaps even more overpowering reason why the members of this subcommittee should give unstinting support: that is, the deletion of the funds for the Project by the corresponding House group constitutes a direct assault upon the fundamental principles of home rule in the District of Columbia.

The citizens of the District of Columbia now elect their own Mayor or own City Council. These locally elected officials, like locally elected officials everywhere else in the country, are responsible for the conduct of local political concerns.

If the voters do not like the Mayor or the City Council members, they can vote them out of office when their terms expire. But as our Revolutionary ancestors discovered many times during colonial days, local self-government is not effective if representatives of distant and alien interests who cannot be removed by local voters abuse their powers to interfere with local decisions affecting local interests.

This point is particularly relevant where the budgetary process, or "the power of the purse," is involved.

The Gay VD Project is clearly a local concern that does not involve any substantial Federal interest. Therefore, the action of the House subcommittee was grossly irresponsible.

We have the unanimous support of the D.C. City Council. We have the support of the Mayor which has reconfirmed to us only today that he has requested members of this committee to reinstate the \$50,000. We do have the support of all the medical authorities that have looked at this. We do think that should be the end of the story and not that the House subcommittee try to dictate a different ending to the story.

ROLE OF CONGRESS

Senator CHILES. Let me say to start with, the District Committee and this subcommittee, if we took your last argument, there would be no reason for us to meet.

Mr. HOWELL. It would be a lot shorter.

Senator CHILES. There would be just no reason for us to meet. There is such a thing as what is called the Federal Payment. The Federal Payment is the money that comes from general tax dollars that goes to the city. The basis of the Federal Payment is primarily the basis of us meeting and I think if you will read the the Home Rule Charter, you will find that the Home Rule Charter specifically sets forth the procedures wherein city makes up their budget, then they come to the Congress.

We have to approve that budget. That is part of the Home Rule Charter. So I am here today following that Home Rule Charter and following the statutory laws that created it. I am also here in my capacity as watching your tax dollars that go into the general revenue fund.

So I think any action we take in regard to any portion of the budget could be challenged under your last comment, but I think you will find those are in line with Home Rule Charter and are in line with the statutory provisions that created the Home Rule Charter and in regard to our constitutional mandate, because of the general tax dollars that are going into this.

Mr. HOWELL. May I comment on that?

Senator CHILES. Sure.

Mr. HOWELL. I do want to point out I am well aware of the Federal Payment, but most of the taxes that pay for the D.C. budget come from D.C. taxpayers and that I am well aware of the statutory requirements of the Home Rule Act. I believe it is commonly recognized that the present requirement for the complete budgetary review by this committee is a weakness and it is a limitation on Home Rule.

Senator CHILES. That is your opinion?

Mr. HOWELL. Very much my opinion. I believe Home Rule, local decision by locally elected officials is the way it should be. I believe this subcommittee and the House Subcommittee should recognize to be most efficient, to satisfy the Federal obligations, they should limit themselves very strenuously to matters that are of Federal interest. We do not need the continuation of the old colonial system whereby we have these great white father figures in Washington making all the decisions. We now have locally elected officials. They are responsible to the voters.

Senator CHILES. Except they are spending part of my tax dollars and part of the people—

Mr. HOWELL. Every State gets money from the Federal Government. Every State gets an enormous payment.

Senator CHILES. Every State in regard to part of the funds that they receive if they are grant projects, they have come through approval of Congress. No State that I know gets any direct Federal payment, in fact, the District of Columbia is the only one that gets a direct Federal payment, so the States differ.

Mr. HOWELL. That is very true. Don't forget the States approve their own budgets, overall. That is what we are talking about. We are not talking about specific appropriations in the project sense that we are not coming here for \$50,000.

FUNDING OF CLINIC

Senator CHILES. I think Home Rule gives the city the authority to reprogram funds that they now have in their own hospital budgets. So I think the city could set up the funding for the clinic if they wanted to. I don't think they have to come to us.

I am not sure I understand your argument, but I am trying to understand it, as to why these special services can't be provided by the regular clinics that we now have established. Part of my concern is we are talking about funding now specifically for the \$50,000 appropriation, a narrowly defined clinic, it would seem to me, that heterosexual men could ask for their separate clinic and heterosexual women could ask for theirs, gay women could ask for their separate clinic and then we have got four working there. I am not sure how that will work.

Mr. HOWELL. We have tried to explain one section, the detailed explanation of why a separate facility is necessary. That is off the top of page 2. Because of specific forms of gay VD, they are not routinely—

Senator CHILES. Are Women's form of gay VD are different from men?

Mr. HOWELL. The problem is asking for them, to ask for them if, "You have engaged in homosexual activities?" There is an enormous prejudice against homosexuality. Most gay people don't want to tell heterosexual people they have engaged in such activities. There is a fundamental fact of life. This is one of the prices we have to pay for it.

The medical authority are well aware of this problem. That is why they have endorsed our approach. We are the only effective, this is the only effective means for handling a most serious problem. If you look at this whole section and consider all the implications thereof, it is a new idea. We have the same considerations many times with members of the D.C. City Council. We have gone over with them in great detail and given the same argument, many, many times. They finally realized what the implications are. That is why they supported it. That is why the Mayor supports it. That is why the medical authorities support it. It is a new approach. Don't jump off, don't make a commitment one way or the other, but do look at it very seriously.

We have a serious case accepted by those who are close to the problem.

Mr. HEWES. May I address it for two moments? You mentioned for example gay women. Venereal disease is almost nonexistent among women.

Senator CHILES. Why is that?

Mr. HEWES. Because both physiological anatomy and their kind of activity, they are much more restricted in the kind of non-promiscuous activity. The fact is that it has been generally proved over the country and a report which was commissioned by HEW some years ago demonstrated that the best way to deal with venereal disease is with target populations and we are dealing with a target population.

EXTENT OF VD PROBLEM

Venereal disease represents more than all of the other communicable diseases in the country, both venereal disease and homosexuality are things that are dealt with sort of under the rug. They are embarrassing. The fact is that we have probably at least 25 or 35,000 gay males in Washington, D.C. We are seeing about 50 per week in our clinic.

Appended statistics indicate that the rise in venereal disease, particularly gonorrhoea, is really frightening. It is really horrendous.

So in \$50,000 is really quite a small quite considering the rest of the budget and I think it seems rather—I think it is quite correct, to say rather capricious to drop that small an amount for something which represents the venereal disease, in more than 50 percent of the cases in the country, is related to homosexual activity, primarily men.

That is perhaps less than 15 percent of the total population. We are dealing with a significant kind of factor here. I am concerned. I worked the last 6 months with about 5 days off, about 60 hours a week in that clinic, desparately trying to keep it going. It is presently seeing 50 men a week. We need to be open at least 40 hours a week instead of 3; in order to begin to make a dent in the population here in Washington.

One more thing: Both by testimony from the patients that I have seen, personal experience both in public health clinics and private doctors, gay men do not receive adequate treatment or care, not only that, but in many cases, receive real rebuffs and embarrassing situations. I personally have had three consecutive experiences of really bad treatment at a public health clinic here in this city.

I have documentation from several patients, staff members and a couple of people who I had to refer to public health clinics through our epidemiologist who again and again come back and say they have been mistreated, rudely mistreated in public health clinics.

It is a very severe problem. There is only one possible way of dealing with it, that is with gay men dealing with gay men. \$50,000 is not a very large amount of money considering that hopefully within a year, we will be able to deal with something like 10 or 12, 15,000 patients, \$10,000 got sort of slipped under the rug somehow at Forrest Haven, \$12,000 goes for a chauffeur for the Mayor. We are going to get a medical director of a clinic for \$10,000 a year, that is quite a bargain.

Senator CHILES. Thank you for your testimony.

DISTRICT OF COLUMBIA POLICE WIVES ASSOCIATION

Subsequent to the conclusion of our hearings with the public witnesses earlier this year, the subcommittee received a statement from the D.C. Police Wives Association that will be made part of the record.

[The statement follows:]

As President of the District of Columbia Police Wives Association, Inc., I am grateful for this opportunity to have our voices added to the need to restore the cuts made in the police budget by the D.C. City Council.

The Metropolitan Police Department has a reputation as one of the finest Police Departments in the United States, yet they are faced with budgetary cuts that can only downgrade their efficiency and effectiveness.

Chief Cullinane has our support as a well-qualified Chief of Police and administrator whom we recognize as the expert in residence on police budgetary requirements, but Chief Cullinane cannot possibly be expected to perform the impossible task of maintaining a high level of service without sufficient funds.

Police officers are now faced with paper shortages, scout cars being partially immobilized, absolutely no overtime to complete a normal days work, and are not able to receive new uniform pants or shirts when old ones become worn.

A hiring freeze has limited the number of officers on the street and an even lesser number on holidays. With the tourist season and Bicentennial activities rapidly approaching, you can well understand the need for monies to cover extra hours for policemen so that another 1975 Human Kindness Day type of activity is prevented.

Without \$1.8 million being restored to the police budget immediately, there is the astounding possibility of police officers being laid off. This \$1.8 million is just to maintain the salaries of officers on the job now. This is of the utmost concern to us as wives. Our husbands are loyal, dedicated men who work long and difficult hours and should not have to worry that the City may be forced to resort to layoffs.

We are confident that this committee will recognize the needs of the Metropolitan Police Department as high priority and will make every effort to secure restoration of its diminished budget.

EMERGENCY TAXICAB COMMITTEE

Senator CHILES. In connection with the request of the city to delete the general provision, prohibiting a study of taxi meters, there will be inserted in the record a statement submitted by Irving Schlaifer. The attachments to the statement will be kept in the Committee files.

[The statement follows:]

In Re: To whether the flat-rate zone system, odometer, or, the taximeter should be used to compute the taxi fare in the District of Columbia.

Dear Senator Chiles:

Many of us have made statements in the past years before your Committee for and against taximeters. The overwhelming majority of us have always opposed having the taximeter made mandatory to replace the taxi zone system now in use. Many of us call the taximeter the legal right to steal and a fraudulent device.

Those that I speak for, have always said that the taxi zone system is far superior to any taximeter system in use because it gives the consumer maximum protection, but, that the taxi zone system now in use should be replaced with the Mileage Rate Zone System. We also agree that a second choice would be the use of the odometer.

The D. C. cab drivers have been using the odometer to determine the number of miles travelled to compute the taxi fares on all trips into nearby Maryland and Virginia ever since 1961, when it was officially ^{authorized} for use by the Washington Metropolitan Area Transit Commission. The cab passengers and the cab drivers have had no trouble using it and have been very well satisfied with this method of computing the taxi fares on such interstate trips. The odometer eliminates the need for taximeters. It makes no sense to require the D. C. taxicab industry to spend over \$5,000,000 in the sales and service of taximeters, when it can all be done with the use of the Mileage Rate Zone System or the odometer. The Mileage Rate Zone System and the odometer can be used very successfully to compute the taxi fares in D. C.

In June 1973, the U. S. Congress ordered that a D. C. Taxicab Study be made. This study cost \$15,500 and was completed in April 1974. The two University of Maryland professors that prepared it, Charles E. Olson, Ph. D. and Philip G. Kuehl, Ph. D., recommended the Mileage Rate Zone System as a suitable replacement for the taxi zone system now in use.

A little over a year later in August 1975, a D. C. Taxicab Study prepared by Dr. Anthony M. Yezer, Assistant Professor of Economics, The George Washington University, had this to say on Page 35 of this study, to be considered in the taxicab rate case, Formal Case No. 577, before the D. C. Public Service Commission:

Recommended Changes in Taxicab Regulation:

1. The present zone system should be replaced by a system based on time and distance charges as the basic fare determinants. It is possible to implement time and distant charges in a number of ways. Meters are most common, but a combination of odometer readings and clock time, or, point-to-point distance read from a map and clock time could also be used. The fare could be calculated using a combined time and distance charge, or, by calculating a time charge and distance charge separately and using the maximum of the two for determining the fare.....

Please note that the point-to-point distance read from a map is in reality the Mileage Rate Zone System.

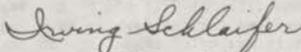
Dr. Yezer recommends three different methods that could be used to compute taxi fares. We see no reason to make only one of those methods mandatory. In the past, we have recommended that the 'rider' in the D. C. Appropriations Act be amended to make use of the Mileage Rate Zone System. We are now of the opinion that the best and fairest way to resolve this controversy is to amend the 'rider' in the D. C. Appropriations Act, making it optional for the D. C. cab companies, cab associations and the independent non-affiliated cab drivers to have the independent choice of using one of the following three methods to compute taxi fares, (1) the taximeters, (2) the odometers, and, (3) the Mileage Rate Zone System.

Hearings before the D. C. Public Service Commission need only to concern itself with what the taxi rates should be. These rates would be identical for each of the three methods that are recommended above. For example, the mileage rate could be set at rates making use of multiples in half-mile units, such as, 80¢ for the first mile and 40¢ for each additional half-mile.

By doing the above, there would be no need to waste the time of the D. C. Public Service Commission arguing over which of the three methods recommended by Dr. Yezer, should be made mandatory. All that needs to be done, is to require that each cab be clearly identified as to whether it is a meter cab, a mileage cab, or, a zone cab. Let the cab passengers be the final judge as to which cab they would prefer to use. This form of 'free enterprise' will settle the question once and for all time. This way, the choice will always be optional for both the cab driver and the cab passenger. That is the only fair way to resolve this controversy that has been going on for years. It should not be up to the D. C. Public Service Commission, or, the D. C. City Council to decide what method is best or made mandatory. This problem can be best settled in the 'market place'.

The exhibits that are included with this letter go into greater detail as to what has been discussed here. We trust that you will include these exhibits in the printed record. We want to thank you for letting us make our views known to you in regards to this taxicab controversy.

Sincerely yours,



Irving Schlaifer, Chairman
Emergency Taxicab Committee
1344 Kennedy St., N. W.
Washington, D. C. 20011

CONCLUSION OF HEARING

Senator CHILES. That concludes the hearings for fiscal year 1976, the subcommittee will recess, subject to the call of the Chair.

[Whereupon, at 3:15 p.m., Monday, May 24, the hearing was concluded and the subcommittee was recessed to reconvene at the call of the Chair.]

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