

107TH CONGRESS
2D SESSION

S. 2316

To make technical and conforming changes to provide for the enactment of the Independence of the Chief Financial Officer Establishment Act of 2001, to establish a reporting event notification system to assist Congress and the District of Columbia in maintaining the financial stability of the District government and avoiding the initiation of a control period, to provide the District of Columbia with autonomy over its budgets, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 25, 2002

Ms. LANDRIEU introduced the following bill; which was read twice and referred to the Committee on Governmental Affairs

A BILL

To make technical and conforming changes to provide for the enactment of the Independence of the Chief Financial Officer Establishment Act of 2001, to establish a reporting event notification system to assist Congress and the District of Columbia in maintaining the financial stability of the District government and avoiding the initiation of a control period, to provide the District of Columbia with autonomy over its budgets, and for other purposes.

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

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

2 (a) SHORT TITLE.—This Act may be cited as the
3 “District of Columbia Fiscal Integrity Act of 2002”.

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

Sec. 1. Short title; table of contents.

**TITLE I—CHIEF FINANCIAL OFFICER OF THE DISTRICT OF
COLUMBIA**

Sec. 101. Technical and conforming changes providing for enactment of Independence of the Chief Financial Officer Establishment Act of 2002.

Sec. 102. Special interim rule regarding personnel authority.

Sec. 103. Special interim rule regarding procurement authority.

Sec. 104. Special interim rule regarding preparation and submission of budget for Chief Financial Officer and Inspector General.

Sec. 105. Effective date.

TITLE II—COUNCIL OF THE DISTRICT OF COLUMBIA

Sec. 201. Procedures for reprogramming of amounts during non-control years.

Sec. 202. Repeal of requirement for Council approval of contracts exceeding \$1,000,000 during one-year period.

TITLE III—REPORTING EVENT NOTIFICATION SYSTEM

Sec. 301. Reporting event notification system.

TITLE IV—DISTRICT OF COLUMBIA BUDGET AUTONOMY

Sec. 401. Enactment of District of Columbia budget without further Congressional approval.

Sec. 402. Action by Council of District of Columbia on budget acts.

Sec. 403. Permitting employees to be hired if position authorized by act of the Council.

Sec. 404. Amendments to limitations on borrowing and spending by the District to reflect changes in budget process.

Sec. 405. Effective date.

1 **TITLE I—CHIEF FINANCIAL OF-**
 2 **FICER OF THE DISTRICT OF**
 3 **COLUMBIA**

4 **SEC. 101. TECHNICAL AND CONFORMING CHANGES PRO-**
 5 **VIDING FOR ENACTMENT OF INDEPENDENCE**
 6 **OF THE CHIEF FINANCIAL OFFICER ESTAB-**
 7 **LISHMENT ACT OF 2001.**

8 (a) IN GENERAL.—Part B of title IV of the District
 9 of Columbia Home Rule Act is amended by striking sec-
 10 tion 424 (sec. 1–204.24a et seq., D.C. Official Code).

11 (b) CLARIFICATION OF DUTIES OF CHIEF FINANCIAL
 12 OFFICER AND MAYOR.—

13 (1) RELATION TO FINANCIAL DUTIES OF
 14 MAYOR.—Section 448(a) of such Act (sec. 1–
 15 204.48(a), D.C. Official Code) is amended by strik-
 16 ing “section 603,” and inserting “section 603 and
 17 except to the extent provided under section 6 of the
 18 Independence of the Chief Financial Officer Estab-
 19 lishment Act of 2001,”.

20 (2) RELATION TO MAYOR’S DUTIES REGARDING
 21 ACCOUNTING SUPERVISION AND CONTROL.—Section
 22 449 of such Act (sec. 1–204.49, D.C. Official Code)
 23 is amended by striking “The Mayor” and inserting
 24 “Except to the extent provided under section 6 of

1 the Independence of the Chief Financial Officer Es-
 2 tablishment Act of 2001, the Mayor”.

3 (c) CONFORMING AMENDMENT.—Section 422(6) of
 4 such Act (sec. 1–204.22(6), D.C. Official Code) is amend-
 5 ed by striking the second sentence.

6 (d) CLERICAL AMENDMENT.—The table of contents
 7 for the District of Columbia Home Rule Act is amended
 8 by striking the item relating to section 424.

9 **SEC. 102. SPECIAL INTERIM RULE REGARDING PERSONNEL**

10 **AUTHORITY.**

11 (a) AUTHORITY OVER PERSONNEL OF OFFICE AND
 12 OTHER FINANCIAL PERSONNEL.—

13 (1) IN GENERAL.—Notwithstanding any provi-
 14 sion of the Independence of the Chief Financial Offi-
 15 cer Establishment Act of 2001 or any other provi-
 16 sion of law or regulation (including any law or regu-
 17 lation providing for collective bargaining or the en-
 18 forcement of any collective bargaining agreement),
 19 during the period of applicability referred to in sub-
 20 section (b) the following personnel shall be appointed
 21 by, shall serve at the pleasure of, and shall act
 22 under the direction and control of the Chief Finan-
 23 cial Officer of the District of Columbia, and shall be
 24 considered at-will employees not covered by the Dis-

1 trict of Columbia Government Comprehensive Merit
2 Personnel Act of 1978:

3 (A) The counsel to the Office of the Chief
4 Financial Officer of the District of Columbia
5 and other attorneys employed by the Office.

6 (B) Personnel of the Office not described
7 in subparagraph (A).

8 (C) The heads and all personnel of the of-
9 fices described in paragraph (2), together with
10 all other District of Columbia accounting, budg-
11 et, and financial management personnel (includ-
12 ing personnel of independent agencies but not
13 including personnel of the legislative or judicial
14 branches of the District government).

15 (2) OFFICES DESCRIBED.—The offices referred
16 to in this subparagraph are as follows:

17 (A) The Office of the Treasurer (or any
18 successor office).

19 (B) The Controller of the District of Co-
20 lumbia (or any successor office).

21 (C) The Office of the Budget (or any suc-
22 cessor office).

23 (D) The Office of Financial Information
24 Services (or any successor office).

1 (E) The Department of Finance and Rev-
 2 enue (or any successor office).

3 (F) The District of Columbia Lottery and
 4 Charitable Games Control Board.

5 (b) PERIOD OF APPLICABILITY.—The period of appli-
 6 cability referred to in this subsection is the 2-year period
 7 which begins on the effective date described in section 105.

8 **SEC. 103. SPECIAL INTERIM RULE REGARDING PROCURE-**
 9 **MENT AUTHORITY.**

10 (a) EXCLUSION FROM PROCUREMENT CONTRACTING
 11 AUTHORITY OF MAYOR.—Notwithstanding any provision
 12 of the Independence of the Chief Financial Officer Estab-
 13 lishment Act of 2001 or any other provision of law, during
 14 the period of applicability described in subsection (b)—

15 (1) the Mayor of the District of Columbia may
 16 not enter into any contract, or issue any order, rule,
 17 or regulation, with respect to the procurement of
 18 goods and services by or on behalf of the Chief Fi-
 19 nancial Officer of the District of Columbia;

20 (2) the Chief Financial Officer may waive the
 21 application of any provision of the District of Co-
 22 lumbia Procurement Practices Act of 1986 with re-
 23 spect to any contract entered into by the Chief Fi-
 24 nancial Officer for the procurement of goods and

1 services for the use of the Office of the Chief Finan-
 2 cial Officer; and

3 (3) any contract entered into by the Chief Fi-
 4 nancial Officer for the procurement of goods and
 5 services for the use of the Office shall be effective
 6 without review by the Mayor or Council of the Dis-
 7 trict of Columbia.

8 (b) PERIOD OF APPLICABILITY.—The period of appli-
 9 cability referred to in this subsection is the 2-year period
 10 which begins on the effective date described in section 105.

11 **SEC. 104. SPECIAL INTERIM RULE REGARDING PREPARA-**
 12 **TION AND SUBMISSION OF BUDGET FOR**
 13 **CHIEF FINANCIAL OFFICER AND INSPECTOR**
 14 **GENERAL.**

15 (a) IN GENERAL.—

16 (1) PREPARATION.—The Chief Financial Offi-
 17 cer of the District of Columbia and the Inspector
 18 General of the District of Columbia shall each pre-
 19 pare and annually submit to the Mayor of the Dis-
 20 trict of Columbia, for inclusion in the annual budget
 21 of the District of Columbia government for a fiscal
 22 year, annual estimates of the expenditures and ap-
 23 propriations necessary for the year for the operation
 24 of the Office of the Chief Financial Officer or the
 25 Office of the Inspector General (as the case may be).

1 (2) SUBMISSION TO COUNCIL.—In addition to
 2 the items relating to the Office of the Chief Finan-
 3 cial Officer and the Office of the Inspector General
 4 which are included in the annual budget submitted
 5 by the Mayor to the Council of the District of Co-
 6 lumbia under section 442 of the District of Colum-
 7 bia Home Rule Act, the Mayor shall forward to the
 8 Council without revision (at the time the Mayor sub-
 9 mits the budget) the estimates prepared under para-
 10 graph (1).

11 (3) PROVIDING INDEPENDENT INFORMATION
 12 TO COUNCIL.—The Chief Financial Officer and the
 13 Inspector General may provide independent testi-
 14 mony and other information to the Council regard-
 15 ing the estimates forwarded under paragraph (2).

16 (b) PERIOD OF APPLICABILITY.—This section shall
 17 apply with respect to the first 2 fiscal years which begin
 18 after the effective date described in section 105.

19 **SEC. 105. EFFECTIVE DATE.**

20 Except as otherwise provided, this title and the
 21 amendments made by this title shall take effect upon the
 22 approval by the Mayor of the District of Columbia of the
 23 Independence of the Chief Financial Officer Establish-
 24 ment Act of 2001 (or, in the event of a veto of such Act

1 by the Mayor, upon action by the Council of the District
 2 of Columbia to override the veto).

3 **TITLE II—COUNCIL OF THE**
 4 **DISTRICT OF COLUMBIA**

5 **SEC. 201. PROCEDURES FOR REPROGRAMMING OF**
 6 **AMOUNTS DURING NON-CONTROL YEARS.**

7 (a) IN GENERAL.—Subpart 1 of part D of title IV
 8 of the District of Columbia Home Rule Act is amended
 9 by inserting after section 446 the following new section:

10 “REPROGRAMMING OF AMOUNTS IN BUDGET AFTER
 11 ADOPTION

12 “SEC. 446A. (a) YEARS OTHER THAN CONTROL
 13 YEARS.—

14 “(1) IN GENERAL.—After the adoption of the
 15 annual budget for a fiscal year which is not a con-
 16 trol year, no reprogramming of amounts in the
 17 budget may occur unless—

18 “(A) the Mayor submits a request for such
 19 reprogramming to the Chief Financial Officer
 20 of the District of Columbia;

21 “(B) the Chief Financial Officer transmits
 22 to the Council a statement approving the re-
 23 quest and containing an analysis of the effect of
 24 the proposed reprogramming on the financial
 25 plan and budget for the fiscal year; and

1 “(C) the Council approves the request
2 after receiving the statement described in sub-
3 paragraph (B) from the Chief Financial Officer.

4 “(2) DEEMED APPROVAL BY CFO AFTER 10
5 DAYS.—If the Chief Financial Officer does not
6 transmit to the Council a statement described in
7 paragraph (1)(B) (or a statement disapproving the
8 request for reprogramming) during the 10-day pe-
9 riod which begins on the date the Chief Financial
10 Officer receives the request for reprogramming from
11 the Mayor, the Chief Financial Officer shall be
12 deemed to have approved the request and to have
13 transmitted a statement approving the request to
14 the Council.

15 “(b) CONTROL YEARS.—After the adoption of the an-
16 nual budget for a fiscal year which is a control year (be-
17 ginning with the annual budget for fiscal year 1995), no
18 reprogramming of amounts in the budget may occur un-
19 less the Mayor submits to the Council a request for such
20 reprogramming and the Council approves the request, but
21 only if any additional expenditures provided under such
22 request for an activity are offset by reductions in expendi-
23 tures for another activity.

24 “(c) CONTROL YEAR DEFINED.—In this section, the
25 term ‘control year’ has the meaning given such term in

1 section 305(4) of the District of Columbia Financial Re-
 2 sponsibility and Management Assistance Act of 1995.”.

3 (b) CONFORMING AMENDMENT.—Section 446 of
 4 such Act (sec. 1–204.46, D.C. Official Code) is amended
 5 by striking the last sentence.

6 (c) CLERICAL AMENDMENT.—The table of sections
 7 for subpart 1 of part D of title IV of the District of Co-
 8 lumbia Home Rule Act is amended by inserting after the
 9 item relating to section 446 the following new item:

“Sec. 446A. Reprogramming of amounts in budget after adoption.”.

10 **SEC. 202. REPEAL OF REQUIREMENT FOR COUNCIL AP-**
 11 **PROVAL OF CONTRACTS EXCEEDING**
 12 **\$1,000,000 DURING ONE-YEAR PERIOD.**

13 Section 451 of the District of Columbia Home Rule
 14 Act (sec. 1–204.51, D.C. Official Code) is amended—

15 (1) by striking subsection (b); and

16 (2) by redesignating subsections (c) and (d) as
 17 subsections (b) and (c).

18 **TITLE III—REPORTING EVENT**
 19 **NOTIFICATION SYSTEM**

20 **SEC. 301. REPORTING EVENT NOTIFICATION SYSTEM.**

21 (a) IN GENERAL.—Subtitle A of title II of the Dis-
 22 trict of Columbia Financial Responsibility and Manage-
 23 ment Assistance Act of 1995 (sec. 47–392.01 et seq., D.C.
 24 Official Code) is amended by adding at the end the fol-
 25 lowing new section:

1 **“SEC. 210. REPORTING EVENT NOTIFICATION SYSTEM.**

2 “(a) ESTABLISHMENT OF SYSTEM.—

3 “(1) IN GENERAL.—Not later than 30 days
4 after the date of the enactment of the District of
5 Columbia Fiscal Integrity Act of 2001, the Chief Fi-
6 nancial Officer of the District of Columbia shall de-
7 velop a reporting event notification system under
8 which the Chief Financial Officer shall, on an ongo-
9 ing basis—

10 “(A) monitor the financial performance of
11 the District government, economic trends in the
12 Washington metropolitan area, and other fac-
13 tors affecting the financial stability of the Dis-
14 trict of Columbia;

15 “(B) on the basis of such factors, deter-
16 mine whether an event is likely to occur which
17 will result in the initiation of a control period
18 (as provided in section 209(a)) if the District of
19 Columbia does not take prompt and sufficient
20 steps to respond to the event; and

21 “(C) notify the Mayor and Congress upon
22 making a determination described in subpara-
23 graph (B).

24 “(2) CONSULTATION.—The Chief Financial Of-
25 ficer shall develop the reporting event notification
26 system. In developing the system, the Chief Finan-

1 cial Officer shall consult with the Mayor, the Coun-
2 cil, the Inspector General of the District of Colum-
3 bia, the Comptroller General, and the Director of
4 the Office of Management and Budget.

5 “(3) SUBMISSION TO CONGRESS.—The report-
6 ing event notification system developed under this
7 subsection shall take effect upon the expiration of
8 the 30-day period which begins on the date the Chief
9 Financial Officer submits a detailed description of
10 the system to the Committees on Appropriations of
11 the House of Representatives and Senate, the Com-
12 mittee on Government Reform of the House of Rep-
13 resentatives, and the Committee on Governmental
14 Affairs of the Senate.

15 “(b) RESPONSE BY MAYOR.—

16 “(1) IN GENERAL.—If the Mayor receives a no-
17 tification from the Chief Financial Officer under
18 subsection (a)(1)(C), the Mayor shall develop an ac-
19 tion plan to respond to the event which is the sub-
20 ject of the notification, and shall include in the
21 plan—

22 “(A) a description of the event and the
23 causes of the event;

1 “(B) an assessment of the risk to the fi-
 2 nancial stability of the District government
 3 caused by the event; and

4 “(C) a list of actions the District will take
 5 to respond to the event, including—

6 “(i) who is responsible for each action;

7 “(ii) the timeframe for each action;

8 and

9 “(iii) performance measures to assess
 10 progress with regard to each action.

11 “(2) DEADLINE.—The Mayor shall develop the
 12 action plan required under paragraph (1) as soon as
 13 practicable after receiving the notification from the
 14 Chief Financial Officer, but in no event later than
 15 15 days after receiving the notification.

16 “(3) SUBMISSION.—The Mayor shall submit
 17 each action plan developed under this subsection to
 18 the President, the Council, the Committees on Ap-
 19 propriations of the House of Representatives and
 20 Senate, the Committee on Government Reform of
 21 the House of Representatives, and the Committee on
 22 Governmental Affairs of the Senate.”.

23 (b) CLERICAL AMENDMENT.—The table of sections
 24 for subtitle A of title II of such Act is amended by adding
 25 at the end the following new item:

“Sec. 210. Reporting event notification system.”.

1 **TITLE IV—DISTRICT OF**
 2 **COLUMBIA BUDGET AUTONOMY**

3 **SEC. 401. ENACTMENT OF DISTRICT OF COLUMBIA BUDGET**
 4 **WITHOUT FURTHER CONGRESSIONAL AP-**
 5 **PROVAL.**

6 (a) IN GENERAL.—Section 446 of the District of Co-
 7 lumbia Home Rule Act (sec. 1–204.46, D.C. Official Code)
 8 is amended by striking the third, fourth, and fifth sen-
 9 tences and inserting the following: “Any such act by the
 10 Council adopting the annual budget or any supplements
 11 thereto shall take effect upon the transmittal of the act
 12 by the Council to the Congress. Except as provided in sec-
 13 tion 445A(b), section 467(d), section 471(c), section
 14 472(d), section 475(e), section 483(d), and subsections
 15 (f), (g), (h)(3), and (i)(3) of section 490, no amount may
 16 be obligated or expended by any officer or employee of the
 17 District of Columbia government unless such amount has
 18 been approved by an act of the Council (and then only
 19 in accordance with such authorization) and a copy of such
 20 act has been transmitted by the Chairman to the Con-
 21 gress.”.

22 (b) CONFORMING AMENDMENTS.—(1) Section
 23 412(a) of such Act (sec. 1–204.12(a), D.C. Official Code)
 24 is amended by striking “(other than an act to which sec-
 25 tion 446 applies)”.

1 (2) Section 602(c)(1) of such Act (sec. 1–
 2 206.02(c)(1), D.C. Official Code) is amended in the first
 3 sentence by striking “section 462(c) and section
 4 472(d)(1)” and inserting “sections 446, 462(c), and
 5 472(d)(1)”.

6 (c) CLERICAL AMENDMENTS.—(1) The heading of
 7 section 446 of such Act is amended to read as follows:
 8 “ENACTMENT OF BUDGET BY THE COUNCIL”.

9 (2) The item relating to section 446 in the table of
 10 contents of such Act is amended to read as follows:

“Sec. 446. Enactment of budget by the Council.”.

11 **SEC. 402. ACTION BY COUNCIL OF DISTRICT OF COLUMBIA**
 12 **ON BUDGET ACTS.**

13 Section 404(f) of the District of Columbia Home Rule
 14 Act (sec. 1–204.4(f), D.C. Official Code) is amended by
 15 striking “transmitted by the Chairman to the President
 16 of the United States” both places it appears and inserting
 17 “incorporated in such Act”.

18 **SEC. 403. PERMITTING EMPLOYEES TO BE HIRED IF POSI-**
 19 **TION AUTHORIZED BY ACT OF THE COUNCIL.**

20 Section 447 of the District of Columbia Home Rule
 21 Act (sec. 1–204.47, D.C. Official Code) is amended—

22 (1) by striking “Act of Congress” and inserting
 23 “act of the Council” both places it appears; and

24 (2) by striking “Acts of Congress” and insert-
 25 ing “acts of the Council”.

1 **SEC. 404. AMENDMENTS TO LIMITATIONS ON BORROWING**
 2 **AND SPENDING BY THE DISTRICT TO RE-**
 3 **FLECT CHANGES IN BUDGET PROCESS.**

4 (a) **FEDERAL AUTHORITY OVER BUDGET-MAKING**
 5 **PROCESS.**—Section 603 of the District of Columbia Home
 6 Rule Act (sec. 1–206.03, D.C. Official Code) is
 7 amended—

8 (1) by striking subsections (a) and (d); and

9 (2) by redesignating subsections (b), (c), and
 10 (e) as subsections (a), (b), and (c).

11 (b) **CONFORMING AMENDMENTS.**—(1) Section
 12 443(8) of such Act (sec. 1–204.43(8), D.C. Official Code)
 13 is amended by striking “section 603(b)” and inserting
 14 “section 603(a)”.

15 (2) Section 445 of such Act (sec. 1–204.46, D.C. Of-
 16 ficial Code) is amended by striking “603(c)” and inserting
 17 “603(b)”.

18 (3) Section 445A of such Act (sec. 1–204.45a, D.C.
 19 Official Code) is amended by striking “603(c)” and insert-
 20 ing “603(b)”.

21 (4) Section 461(a)(1) of such Act (sec. 1–
 22 204.61(a)(1), D.C. Official Code) is amended by striking
 23 “section 603(b)” and inserting “section 603(a)”.

24 (5) Section 475(b) of such Act (sec. 1–204.75(b),
 25 D.C. Official Code) is amended by striking “section
 26 603(b)” and inserting “section 603(a)”.

1 (6) Section 487(a) of such Act (sec. 1–204.87(a),
2 D.C. Official Code) is amended by striking “section
3 603(b)” and inserting “section 603(a)”.

4 (7) Section 490(i) of such Act (sec. 1–204.90(i), D.C.
5 Official Code) is amended by striking “section 603(b)”
6 and inserting “section 603(a)”.

7 **SEC. 405. EFFECTIVE DATE.**

8 The amendments made by this title shall apply to
9 budgets of the District of Columbia for fiscal years begin-
10 ning on or after October 1, 2003.

○