

Union Calendar No. 47

104TH CONGRESS
1ST SESSION

H. R. 1345

[Report No. 104-96]

A BILL

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

MARCH 30, 1995

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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IN THE HOUSE OF REPRESENTATIVES

MARCH 29, 1995

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

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A BILL

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

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

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

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

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

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

TITLE I—ESTABLISHMENT AND ORGANIZATION OF AUTHORITY

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

TITLE II—RESPONSIBILITIES OF AUTHORITY

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

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

Subtitle B—Issuance of Bonds

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

Subtitle C—Other Duties of Authority

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

TITLE III—MISCELLANEOUS PROVISIONS

- Sec. 301. Other District budget reforms.
- Sec. 302. Establishment of Chief Financial Officer of District of Columbia.
- Sec. 303. Revisions to powers and duties of Inspector General of District of Columbia.
- Sec. 304. Council approval of certain contracts.
- Sec. 305. Definitions.

1 SEC. 2. FINDINGS; PURPOSE.

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

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

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

1 (3) The current financial and management
2 problems of the District government have already
3 adversely affected the long-term economic health of
4 the District of Columbia by causing the migration of
5 residents and business out of the District of Colum-
6 bia and the failure of new residents and businesses
7 to move to the District of Columbia.

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

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

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

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

23 (8) The failure to improve the financial situa-
24 tion of the District government will adversely affect

1 the long-term economic health of the entire National
2 Capital region.

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

11 (b) PURPOSE.—The purposes of this Act are as
12 follows:

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

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

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

24 (4) To assist the District government in—

1 (A) restructuring its organization and
2 workforce to ensure that the residents of the
3 District of Columbia are served by a local gov-
4 ernment that is efficient and effective;

5 (B) achieving an appropriate relationship
6 with the Federal Government;

7 (C) ensuring the appropriate and efficient
8 delivery of services; and

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

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

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

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

24 (8) To provide for the review of the financial
25 impact of activities of the District government before

1 such activities are implemented or submitted for
2 Congressional review.

3 (c) RULES OF CONSTRUCTION.—Nothing in this Act
4 may be construed—

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

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

14 **TITLE I—ESTABLISHMENT AND**
15 **ORGANIZATION OF AUTHORITY**

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

19 (a) ESTABLISHMENT.—Pursuant to Article I, section
20 8, clause 17 of the Constitution of the United States, there
21 is hereby established the District of Columbia Financial
22 Responsibility and Management Assistance Authority,
23 consisting of members appointed by the President in ac-
24 cordance with subsection (b). Subject to the conditions de-
25 scribed in section 108 and except as otherwise provided

1 in this Act, the Authority is established as an entity within
2 the government of the District of Columbia, and is not
3 established as a department, agency, establishment, or in-
4 strumentality of the United States Government.

5 (b) MEMBERSHIP.—

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

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

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

1 (4) SENSE OF CONGRESS REGARDING DEAD-
2 LINE FOR APPOINTMENT.—It is the sense of Con-
3 gress that the President should appoint the members
4 of the Authority as soon as practicable after the
5 date of the enactment of this Act, but in no event
6 later than 25 days after the date of the enactment
7 of this Act.

8 (5) TERM OF SERVICE.—

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

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

18 (i) 1 member shall be appointed for a
19 term of 1 year;

20 (ii) 2 members shall be appointed for
21 a term of 2 years; and

22 (iii) 2 members shall be appointed for
23 a term of 3 years.

1 (C) REMOVAL.—The President may re-
2 move any member of the Authority only for
3 cause.

4 (c) QUALIFICATIONS FOR MEMBERSHIP.—An indi-
5 vidual meets the qualifications for membership on the Au-
6 thority if the individual—

7 (1) has knowledge and expertise in finance,
8 management, and the organization or operation of
9 business or government;

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

14 (3) is not an officer or employee of the District
15 government; and

16 (4) during the most recent taxable year prior to
17 appointment, paid personal income or business taxes
18 to the District government.

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

23 (e) ADOPTION OF BY-LAWS FOR CONDUCTING BUSI-
24 NESS OF AUTHORITY.—

1 (1) IN GENERAL.—As soon as practicable after
2 the appointment of its members, the Authority shall
3 adopt by-laws, rules, and procedures governing its
4 activities under this Act, including procedures for
5 hiring experts and consultants. Such by-laws, rules,
6 and procedures shall be public documents, and shall
7 be submitted by the Authority upon adoption to the
8 Mayor, the Council, the President, and Congress.

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

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

18 (B) implement recommendations on finan-
19 cial stability and management responsibility
20 under section 207;

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

1 (D) give consent to the appointment of the
2 Inspector General of the District of Columbia
3 under section 208(a) of the District of Colum-
4 bia Procurement Practices Act of 1985 (as
5 amended by section 303(a)).

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

13 **SEC. 102. EXECUTIVE DIRECTOR AND STAFF OF AUTHOR-**
14 **ITY.**

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

21 (b) STAFF.—With the approval of the Chair, the Ex-
22 ecutive Director may appoint and fix the pay of additional
23 personnel as the Executive Director considers appropriate,
24 except that no individual appointed by the Executive Di-

1 rector may be paid at a rate greater than the rate of pay
2 for the Executive Director.

3 (c) INAPPLICABILITY OF CERTAIN CIVIL SERVICE
4 LAWS.—The Executive Director and staff of the Authority
5 may be appointed without regard to the provisions of title
6 5, United States Code, governing appointments in the
7 competitive service, and may be paid without regard to
8 the provisions of chapter 51 and subchapter III of chapter
9 53 of that title relating to classification and General
10 Schedule pay rates.

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

17 (e) PRESERVATION OF RETIREMENT AND CERTAIN
18 OTHER RIGHTS OF FEDERAL EMPLOYEES WHO BECOME
19 EMPLOYED BY THE AUTHORITY.—

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

23 (A) may elect, for purposes of the retire-
24 ment system in which that individual last par-
25 ticipated before so separating, to have such in-

1 dividual's period of service with the Authority
2 treated in the same way as if performed in the
3 position within the Federal Government from
4 which separated, subject to the requisite em-
5 ployee deductions and agency contributions
6 being currently deposited in the appropriate
7 fund; and

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

14 (2) RETIREMENT.—

15 (A) CONTRIBUTIONS.—For purposes of
16 subparagraph (A) of paragraph (1)—

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

1 (ii) the agency contributions referred
2 to in such paragraph shall be made by the
3 Authority.

4 (B) DOUBLE COVERAGE NOT PER-
5 MITTED.—An individual who makes an election
6 under paragraph (1)(A) shall be ineligible, while
7 such election remains in effect, to participate in
8 any retirement system for employees of the gov-
9 ernment of the District of Columbia.

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

18 **SEC. 103. POWERS OF AUTHORITY.**

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

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

5 (c) OBTAINING OFFICIAL DATA.—

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

15 (2) FROM DISTRICT GOVERNMENT.—Notwith-
16 standing any other provision of law, the Authority
17 shall have the right to secure copies of such records,
18 documents, information, or data from any entity of
19 the District government necessary to enable the Au-
20 thority to carry out its responsibilities under this
21 Act. At the request of the Authority, the Authority
22 shall be granted direct access to such information
23 systems, records, documents or information or data
24 as will enable the Authority to carry out its respon-
25 sibilities under this Act. The head of the entity of

1 the District government responsible shall provide the
2 Authority with such information and assistance (in-
3 cluding granting the Authority direct access to auto-
4 mated or other information systems) as the Author-
5 ity requires under this paragraph.

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

15 (e) SUBPOENA POWER.—

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

24 (2) FAILURE TO OBEY A SUBPOENA.—If a per-
25 son refuses to obey a subpoena issued under para-

1 graph (1), the Authority may apply to a United
2 States district court for an order requiring that per-
3 son to appear before the Authority to give testimony,
4 produce evidence, or both, relating to the matter
5 under investigation. The application may be made
6 within the judicial district where the hearing is con-
7 ducted or where that person is found, resides, or
8 transacts business. Any failure to obey the order of
9 the court may be punished by the court as civil
10 contempt.

11 (3) SERVICE OF SUBPOENAS.—The subpoenas
12 of the Authority shall be served in the manner pro-
13 vided for subpoenas issued by United States district
14 court under the Federal Rules of Civil Procedure for
15 the United States district courts.

16 (4) SERVICE OF PROCESS.—All process of any
17 court to which application is be made under para-
18 graph (2) may be served in the judicial district in
19 which the person required to be served resides or
20 may be found.

21 (f) ADMINISTRATIVE SUPPORT SERVICES.—Upon the
22 request of the Authority, the Administrator of General
23 Services may provide to the Authority, on a reimbursable
24 basis, the administrative support services necessary for the
25 Authority to carry out its responsibilities under this Act.

1 (g) AUTHORITY TO ENTER INTO CONTRACTS.—The
2 Executive Director may enter into such contracts as the
3 Executive Director considers appropriate (subject to the
4 approval of the Chair) to carry out the Authority’s respon-
5 sibilities under this Act.

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

9 (i) PENALTIES.—

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

12 (A) takes any action in violation of any
13 valid order of the Authority or fails or refuses
14 to take any action required by any such order;
15 or

16 (B) prepares, presents, or certifies any in-
17 formation (including any projections or esti-
18 mates) or report for the Board or any of its
19 agents that is false or misleading, or, upon
20 learning that any such information is false or
21 misleading, fails to immediately advise the
22 Board or its agents thereof in writing,
23 shall be guilty of a misdemeanor.

24 (2) ADMINISTRATIVE DISCIPLINE.—In addition
25 to any other applicable penalty, any officer or em-

1 ployee of the District government who knowingly
2 and willfully violates paragraph (1) shall be subject
3 to appropriate administrative discipline, including
4 (when appropriate) suspension from duty without
5 pay or removal from office by order of either the
6 Mayor or Authority.

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

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

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

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

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

25 (b) PROMPT APPEAL.—

1 (1) COURT OF APPEALS.—Notwithstanding any
2 other provision of law, any order of the United
3 States District Court for the District of Columbia
4 which is issued pursuant to an action brought under
5 subsection (a) shall be reviewable only pursuant to
6 a notice of appeal to the United States Court of Ap-
7 peals for the District of Columbia Circuit.

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

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

22 (d) EXPEDITED CONSIDERATION.—It shall be the
23 duty of the United States District Court for the District
24 of Columbia, the United States Court of Appeals for the
25 District of Columbia Circuit, and the Supreme Court of

1 the United States to advance on the docket and to expedite to the greatest possible extent the disposition of any matter brought under subsection (a).

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

5 (a) ANNUAL BUDGETING PROCESS.—

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

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

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

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

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

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

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

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

22 (1) a request for reprogramming of funds under
23 subsection (c)(1); and

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

4 (c) SOURCES OF FUNDS.—

5 (1) USE OF PREVIOUSLY APPROPRIATED FUNDS
6 IN DISTRICT BUDGET.—The Mayor shall transfer
7 funds previously appropriated to the District govern-
8 ment for a fiscal year for auditing and consulting
9 services to the Authority (in such amounts as are
10 provided in the budget request of the Authority
11 under subsection (a) or, with respect to fiscal year
12 1995, the request submitted under subsection
13 (b)(1)) for the purpose of carrying out the
14 Authority's activities during the fiscal year.

15 (2) OTHER SOURCES OF FUNDS.—For provi-
16 sions describing the sources of funds available for
17 the operations of the Authority during a fiscal year
18 (in addition to any interest earned on accounts of
19 the Authority during the year), see section
20 204(b)(1)(A) (relating to the set-aside of amounts
21 requisitioned from the Treasury by the Mayor) and
22 section 213(b)(3) (relating to the use of interest ac-
23 crued from amounts in a debt service reserve fund
24 of the Authority).

1 **SEC. 107. SUSPENSION OF ACTIVITIES.**

2 (a) SUSPENSION UPON PAYMENT OF AUTHORITY
3 OBLIGATIONS.—

4 (1) IN GENERAL.—Upon the expiration of the
5 12-month period which begins on the date that the
6 Authority certifies that all obligations arising from
7 the issuance by the Authority of bonds, notes, or
8 other obligations pursuant to subtitle B of title II
9 have been discharged, and that all borrowings by the
10 Authority pursuant to title VI of the District of Co-
11 lumbia Revenue Act of 1939 (sec. 47–3401, D.C.
12 Code) have been repaid, the Authority shall suspend
13 any activities carried out under this Act and the
14 terms of the members of the Authority shall expire.

15 (2) NO SUSPENSION DURING CONTROL YEAR.—
16 The Authority may not suspend its activities pursu-
17 ant to paragraph (1) at any time during a control
18 year.

19 (b) REACTIVATION UPON INITIATION OF CONTROL
20 PERIOD.—Upon receiving notice from the Chairs of the
21 Appropriations Committees of the House of Representa-
22 tives and the Senate that a control period has been initi-
23 ated (as described in section 209) at any time after the
24 Authority suspends its activities under subsection (a), the
25 President shall appoint members of the Authority, and the
26 Authority shall carry out activities under this Act, in the

1 same manner as the President appointed members and the
2 Authority carried out activities prior to such suspension.

3 **SEC. 108. APPLICATION OF LAWS OF DISTRICT OF COLUM-**
4 **BIA TO AUTHORITY.**

5 (a) IN GENERAL.—The following laws of the District
6 of Columbia (as in effect on the date of the enactment
7 of this Act) shall apply to the members and activities of
8 the Authority:

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

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

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

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

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

23 (2) PROHIBITION AGAINST LEGISLATION AF-
24 FECTING AUTHORITY.—Section 602(a) of the Dis-
25 trict of Columbia Self-Government and Govern-

1 mental Reorganization Act (sec. 1-233(a), D.C.
2 Code) is amended—

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

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

7 (C) by adding at the end the following new
8 paragraph:

9 “(10) enact any act, resolution, or rule with re-
10 spect to the District of Columbia Financial Respon-
11 sibility and Management Assistance Authority estab-
12 lished under section 101(a) of the District of Colum-
13 bia Financial Responsibility and Management As-
14 sistance Act of 1995.”.

15 (c) AUTHORITY NOT SUBJECT TO REPRESENTATION
16 BY CORPORATION COUNSEL.—In any action brought by
17 or on behalf of the Authority, and in any action brought
18 against the Authority, the Authority shall be represented
19 by such counsel as it may select, but in no instance may
20 the Authority be represented by the Corporation Counsel
21 of the District of Columbia.

1 **TITLE II—RESPONSIBILITIES OF**
2 **AUTHORITY**

3 **Subtitle A—Establishment and En-**
4 **forcement of Financial Plan and**
5 **Budget for District Government**

6 **SEC. 201. DEVELOPMENT OF FINANCIAL PLAN AND BUDG-**
7 **ET FOR DISTRICT OF COLUMBIA.**

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

13 (b) CONTENTS OF FINANCIAL PLAN AND BUDGET.—
14 A financial plan and budget for the District of Columbia
15 for a fiscal year shall specify the budgets for the District
16 government under part D of title IV of the District of Co-
17 lumbia Self-Government and Governmental Reorganiza-
18 tion Act for the applicable fiscal year and the next 3 fiscal
19 years (including the projected revenues and expenditures
20 of each fund of the District government for such years),
21 in accordance with the following requirements:

22 (1) The financial plan and budget shall meet
23 the standards described in subsection (c) to promote
24 the financial stability of the District government.

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

4 (3) The financial plan and budget shall—

5 (A) describe lump sum expenditures by de-
6 partment by object class;

7 (B) describe capital expenditures (together
8 with a schedule of projected capital commit-
9 ments of the District government and proposed
10 sources of funding);

11 (C) contain estimates of short-term and
12 long-term debt (both outstanding and antici-
13 pated to be issued); and

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

17 (4) The financial plan and budget shall include
18 a statement describing methods of estimations and
19 significant assumptions.

20 (5) The financial plan and budget shall include
21 any other provisions and shall meet such other cri-
22 teria as the Authority considers appropriate to meet
23 the purposes of this Act, including provisions for
24 changes in personnel policies and levels for each de-
25 partment or agency of the District government,

1 changes in the structure and organization of the
2 District government, and management initiatives to
3 promote productivity, improvement in the delivery of
4 services, or cost savings.

5 (c) STANDARDS TO PROMOTE FINANCIAL STABILITY
6 DESCRIBED.—

7 (1) IN GENERAL.—The standards to promote
8 the financial stability of the District government ap-
9 plicable to the financial plan and budget for a fiscal
10 year are as follows:

11 (A) In the case of the financial plan and
12 budget for fiscal year 1996, the expenditures of
13 the District government for each fiscal year (be-
14 ginning with fiscal year 1999) may not exceed
15 the revenues of the District government for
16 each such fiscal year.

17 (B) During fiscal years 1996, 1997, and
18 1998, the District government shall make con-
19 tinuous, substantial progress towards equalizing
20 the expenditures and revenues of the District
21 government for such fiscal years (in equal an-
22 nual installments to the greatest extent pos-
23 sible).

24 (C) The District government shall provide
25 for the orderly liquidation of the cumulative

1 fund balance deficit of the District government,
2 as evidenced by financial statements prepared
3 in accordance with generally accepted account-
4 ing principles.

5 (D) If funds in accounts of the District
6 government which are dedicated for specific
7 purposes have been withdrawn from such ac-
8 counts for other purposes, the District govern-
9 ment shall fully restore the funds to such ac-
10 counts.

11 (E) The financial plan and budget shall as-
12 sure the continuing long-term financial stability
13 of the District government, as indicated by fac-
14 tors including access to short-term and long-
15 term capital markets, the efficient management
16 of the District government's workforce, and the
17 effective provision of services by the District
18 government.

19 (2) APPLICATION OF SOUND BUDGETARY PRAC-
20 TICES.—In meeting the standards described in para-
21 graph (1) with respect to a financial plan and budg-
22 et for a fiscal year, the District government shall
23 apply sound budgetary practices, including reducing
24 costs and other expenditures, improving productivity,

1 increasing revenues, or combinations of such prac-
2 tices.

3 (3) ASSUMPTIONS BASED ON CURRENT LAW.—
4 In meeting the standards described in paragraph (1)
5 with respect to a financial plan and budget for a fis-
6 cal year, the District government shall base esti-
7 mates of revenues and expenditures on Federal law
8 as in effect at the time of the preparation of the fi-
9 nancial plan and budget.

10 (d) REPEAL OF OFFSETS AGAINST FEDERAL PAY-
11 MENT AND OTHER DISTRICT REVENUES.—Section 138 of
12 the District of Columbia Appropriations Act, 1995, is
13 amended—

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

15 (2) by redesignating subsections (d) and (e) as
16 subsections (c) and (d).

17 **SEC. 202. PROCESS FOR SUBMISSION AND APPROVAL OF**
18 **FINANCIAL PLAN AND ANNUAL DISTRICT**
19 **BUDGET.**

20 (a) SUBMISSION OF PRELIMINARY FINANCIAL PLAN
21 AND BUDGET BY MAYOR.—Not later than the February
22 1 preceding a fiscal year for which the District govern-
23 ment is in a control period, the Mayor shall submit to the
24 Authority and the Council a financial plan and budget for

1 the fiscal year which meets the requirements of section
2 201.

3 (b) REVIEW BY AUTHORITY.—Upon receipt of the fi-
4 nancial plan and budget for a fiscal year from the Mayor
5 under subsection (a), the Authority shall promptly review
6 the financial plan and budget. In conducting the review,
7 the Authority may request any additional information it
8 considers necessary and appropriate to carry out its duties
9 under this subtitle.

10 (c) ACTION UPON APPROVAL OF MAYOR’S PRELIMI-
11 NARY FINANCIAL PLAN AND BUDGET.—

12 (1) CERTIFICATION TO MAYOR.—

13 (A) IN GENERAL.—If the Authority deter-
14 mines that the financial plan and budget for the
15 fiscal year submitted by the Mayor under sub-
16 section (a) meets the requirements applicable
17 under section 201—

18 (i) the Authority shall approve the fi-
19 nancial plan and budget and shall provide
20 the Mayor, the Council, the President, and
21 Congress with a notice certifying its ap-
22 proval; and

23 (ii) the Mayor shall promptly submit
24 the financial plan and budget to the Coun-
25 cil pursuant to section 442 of the District

1 of Columbia Self-Government and Govern-
2 mental Reorganization Act.

3 (B) DEEMED APPROVAL AFTER 30
4 DAYS.—

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

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

1 notice certifying approval or the statement
2 of disapproval during the 30-day period de-
3 scribed in such clause.

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

18 (3) REVIEW OF COUNCIL FINANCIAL PLAN AND
19 BUDGET BY AUTHORITY.—Upon receipt of the finan-
20 cial plan and budget for a fiscal year from the Coun-
21 cil under paragraph (2) (taking into account any
22 items or provisions disapproved by the Mayor or dis-
23 approved by the Mayor and reenacted by the Council
24 under section 404(f) of the District of Columbia
25 Self-Government and Governmental Reorganization

1 Act, as amended by subsection (f)(3)), the Authority
2 shall promptly review the financial plan and budget.
3 In conducting the review, the Authority may request
4 any additional information it considers necessary
5 and appropriate to carry out its duties under this
6 subtitle.

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

9 (A) APPROVAL OF COUNCIL'S INITIAL FI-
10 NANCIAL PLAN AND BUDGET.—If the Authority
11 determines that the financial plan and budget
12 for the fiscal year submitted by the Council
13 under paragraph (2) meets the requirements
14 applicable under section 201—

15 (i) the Authority shall approve the fi-
16 nancial plan and budget and shall provide
17 the Mayor, the Council, the President, and
18 Congress with a notice certifying its ap-
19 proval; and

20 (ii) the Council shall promptly submit
21 the financial plan and budget to the Mayor
22 for transmission to the President and Con-
23 gress under section 446 of the District of
24 Columbia Self-Government and Govern-
25 mental Reorganization Act.

1 (B) DISAPPROVAL OF COUNCIL'S INITIAL
2 BUDGET.—If the Authority determines that the
3 financial plan and budget for the fiscal year
4 submitted by the Council under paragraph (2)
5 does not meet the requirements applicable
6 under section 201, the Authority shall dis-
7 approve the financial plan and budget, and
8 shall provide the Mayor, the Council, the Presi-
9 dent, and Congress with a statement contain-
10 ing—

- 11 (i) the reasons for such disapproval;
- 12 (ii) the amount of any shortfall in the
13 budget or financial plan; and
- 14 (iii) any recommendations for revi-
15 sions to the budget the Authority considers
16 appropriate to ensure that the budget is
17 consistent with the financial plan and
18 budget.

19 (C) DEEMED APPROVAL AFTER 15 DAYS.—

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

1 the 15-day period which begins on the date
2 the Authority receives the financial plan
3 and budget from the Council under para-
4 graph (2), the Authority shall be deemed
5 to have approved the financial plan and
6 budget and to have provided the Mayor,
7 the Council, the President, and Congress
8 with the notice certifying approval de-
9 scribed in subparagraph (A)(i).

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

19 (5) AUTHORITY REVIEW OF COUNCIL’S REVISED
20 FINANCIAL PLAN AND BUDGET.—

21 (A) SUBMISSION OF COUNCIL’S REVISED
22 FINANCIAL PLAN AND BUDGET.—Not later than
23 15 days after receiving the statement from the
24 Authority under paragraph (4)(B), the Council
25 shall promptly by Act adopt a revised financial

1 plan and budget for the fiscal year which ad-
2 dresses the reasons for the Authority's dis-
3 approval cited in the statement, and shall sub-
4 mit such financial plan and budget to the
5 Mayor and the Authority.

6 (B) APPROVAL OF COUNCIL'S REVISED FI-
7 NANCIAL PLAN AND BUDGET.—If, after review-
8 ing the revised financial plan and budget for a
9 fiscal year submitted by the Council under sub-
10 paragraph (A) in accordance with the proce-
11 dures described in this subsection, the Author-
12 ity determines that the revised financial plan
13 and budget meets the requirements applicable
14 under section 201—

15 (i) the Authority shall approve the fi-
16 nancial plan and budget and shall provide
17 the Mayor, the Council, the President, and
18 Congress with a notice certifying its ap-
19 proval; and

20 (ii) the Council shall promptly submit
21 the financial plan and budget to the Mayor
22 for transmission to the President and Con-
23 gress under section 446 of the District of
24 Columbia Self-Government and Govern-
25 mental Reorganization Act.

1 (C) DISAPPROVAL OF COUNCIL'S REVISED
2 FINANCIAL PLAN AND BUDGET.—

3 (i) IN GENERAL.—If, after reviewing
4 the revised financial plan and budget for a
5 fiscal year submitted by the Council under
6 subparagraph (A) in accordance with the
7 procedures described in this subsection, the
8 Authority determines that the revised fi-
9 nancial plan and budget does not meet the
10 applicable requirements under section 201,
11 the Authority shall—

12 (I) disapprove the financial plan
13 and budget;

14 (II) provide the Mayor, the
15 Council, the President, and Congress
16 with a statement containing the rea-
17 sons for such disapproval and describ-
18 ing the amount of any shortfall in the
19 financial plan and budget; and

20 (III) approve and recommend a
21 financial plan and budget for the Dis-
22 trict government which meets the ap-
23 plicable requirements under section
24 201, and submit such financial plan

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

3 (ii) TRANSMISSION OF REJECTED FI-
4 NANCIAL PLAN AND BUDGET.—The Coun-
5 cil shall promptly submit the revised finan-
6 cial plan and budget disapproved by the
7 Authority under this subparagraph to the
8 Mayor for transmission to the President
9 and Congress under section 446 of the
10 District of Columbia Self-Government and
11 Governmental Reorganization Act.

12 (D) DEEMED APPROVAL AFTER 15 DAYS.—

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

1 President, and Congress with the notice
2 certifying approval described in subpara-
3 graph (B)(i).

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

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

18 (A) provide Congress with a notice certify-
19 ing its approval of the Council’s initial financial
20 plan and budget for the fiscal year under para-
21 graph (4)(A);

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

1 (C) submit to Congress an approved and
2 recommended financial plan and budget of the
3 Authority for the District government for the
4 fiscal year under paragraph (5)(C).

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

7 (1) STATEMENT OF DISAPPROVAL.—If the Au-
8 thority determines that the financial plan and budg-
9 et for the fiscal year submitted by the Mayor under
10 subsection (a) does not meet the requirements appli-
11 cable under section 201, the Authority shall dis-
12 approve the financial plan and budget, and shall
13 provide the Mayor and the Council with a statement
14 containing—

15 (A) the reasons for such disapproval;

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

18 (C) any recommendations for revisions to
19 the financial plan and budget the Authority
20 considers appropriate to ensure that the finan-
21 cial plan and budget meets the requirements
22 applicable under section 201.

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

1 (A) SUBMISSION OF MAYOR'S REVISED FI-
2 NANCIAL PLAN AND BUDGET.—Not later than
3 15 days after receiving the statement from the
4 Authority under paragraph (1), the Mayor shall
5 promptly submit to the Authority and the
6 Council a revised financial plan and budget for
7 the fiscal year which addresses the reasons for
8 the Authority's disapproval cited in the state-
9 ment.

10 (B) APPROVAL OF MAYOR'S REVISED FI-
11 NANCIAL PLAN AND BUDGET.—If the Authority
12 determines that the revised financial plan and
13 budget for the fiscal year submitted by the
14 Mayor under subparagraph (A) meets the re-
15 quirements applicable under section 201—

16 (i) the Authority shall approve the fi-
17 nancial plan and budget and shall provide
18 the Mayor, the Council, the President, and
19 Congress with a notice certifying its ap-
20 proval; and

21 (ii) the Mayor shall promptly submit
22 the financial plan and budget to the Coun-
23 cil pursuant to section 442 of the District
24 of Columbia Self-Government and Govern-
25 mental Reorganization Act.

1 (C) DISAPPROVAL OF MAYOR'S REVISED
2 FINANCIAL PLAN AND BUDGET.—

3 (i) IN GENERAL.—If the Authority de-
4 termines that the revised financial plan
5 and budget for the fiscal year submitted by
6 the Mayor under subparagraph (A) does
7 not meet the requirements applicable under
8 section 201, the Authority shall—

9 (I) disapprove the financial plan
10 and budget;

11 (II) shall provide the Mayor, the
12 Council, the President, and Congress
13 with a statement containing the rea-
14 sons for such disapproval; and

15 (III) recommend a financial plan
16 and budget for the District govern-
17 ment which meets the requirements
18 applicable under section 201 and sub-
19 mit such financial plan and budget to
20 the Mayor and the Council.

21 (ii) SUBMISSION OF REJECTED FINAN-
22 CIAL PLAN AND BUDGET.—The Mayor
23 shall promptly submit the revised financial
24 plan and budget disapproved by the Au-
25 thority under this subparagraph to the

1 Council pursuant to section 442 of the
2 District of Columbia Self-Government and
3 Governmental Reorganization Act.

4 (D) DEEMED APPROVAL AFTER 15 DAYS.—

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

21 (ii) EXPLANATION OF FAILURE TO
22 RESPOND.—If clause (i) applies with re-
23 spect to a financial plan and budget, the
24 Authority shall provide the Mayor, the
25 Council, the President and Congress with

1 an explanation for its failure to provide the
2 notice certifying approval or the statement
3 of disapproval during the 15-day period de-
4 scribed in such clause.

5 (3) ACTION BY COUNCIL.—

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

23 (B) REVIEW BY AUTHORITY.—The finan-
24 cial plan and budget submitted by the Council
25 under subparagraph (A) shall be subject to re-

1 view by the Authority and revision by the Coun-
2 cil in the same manner as the financial plan
3 and budget submitted by the Council after an
4 approved preliminary financial plan and budget
5 of the Mayor under paragraphs (3), (4), (5),
6 and (6) of subsection (c).

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

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

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

24 (3) EXCEPTION FOR REVISIONS NOT AFFECT-
25 ING APPROPRIATIONS.—To the extent that a pro-

1 posed revision to a financial plan and budget adopt-
2 ed by the Council pursuant to this subsection does
3 not increase the amount of spending with respect to
4 any account of the District government, the revision
5 shall become effective upon the Authority’s approval
6 of such revision (subject to review by Congress
7 under section 602 of the District of Columbia Self-
8 Government and Governmental Reorganization Act).

9 (f) CONFORMING AMENDMENT TO BUDGET PROCESS
10 REQUIREMENTS UNDER HOME RULE ACT.—

11 (1) SUBMISSION OF UNBALANCED BUDGETS.—

12 Section 603 of the District of Columbia Self-Govern-
13 ment and Governmental Reorganization Act (sec.
14 47–313, D.C. Code) is amended—

15 (A) in subsection (c), by striking “The
16 Council” the first place it appears and inserting
17 “Except as provided in subsection (f), the
18 Council”;

19 (B) in subsection (d), by striking “The
20 Mayor” and inserting “Except as provided in
21 subsection (f), the Mayor”; and

22 (C) by adding at the end the following new
23 subsection:

24 “(f) In the case of a fiscal year which is a control
25 year (as defined in section 305(4) of the District of Co-

1 lumbia Financial Responsibility and Management Assist-
2 ance Act of 1995)—

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

5 “(2) the Council may not approve, and the
6 Mayor may not forward to the President, any budget
7 which is not consistent with the financial plan and
8 budget established for the fiscal year under subtitle
9 A of title II of such Act.”.

10 (2) EXPEDITED PROCEDURES FOR DIS-
11 APPROVAL OF ITEMS AND PROVISIONS OF COUNCIL
12 BUDGET BY MAYOR.—Section 404(f) of the District
13 of Columbia Self-Government and Governmental Re-
14 organization Act (sec. 1-227(f), D.C. Code) is
15 amended by adding at the end the following new
16 sentence: “In the case of any budget act for a fiscal
17 year which is a control year (as defined in section
18 305(4) of the District of Columbia Financial Re-
19 sponsibility and Management Assistance Act of
20 1995), this subsection shall apply as if the reference
21 in the second sentence to ‘ten-day period’ were a ref-
22 erence to ‘five-day period’ and the reference in the
23 third sentence to ‘thirty calendar days’ were a ref-
24 erence to ‘5 calendar days’.”.

1 (g) PERMITTING MAYOR AND COUNCIL TO SPECIFY
2 EXPENDITURES UNDER SCHOOL BOARD BUDGET DUR-
3 ING CONTROL YEAR.—

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

18 (2) SPECIFICATION OF EXPENDITURES.—Sec-
19 tion 452 of the District of Columbia Self-Govern-
20 ment and Governmental Reorganization Act (sec.
21 31–104, D.C. Code) is amended by adding at the
22 end the following new sentence: “This section shall
23 not apply with respect to the annual budget for any
24 fiscal year which is a control year (as defined in sec-
25 tion 305(4) of the District of Columbia Financial

1 Responsibility and Management Assistance Act of
2 1995).”.

3 (h) PERMITTING SEPARATION OF EMPLOYEES IN AC-
4 CORDANCE WITH FINANCIAL PLAN AND BUDGET.—The
5 fourth sentence of section 422(3) of the District of Colum-
6 bia Self-Government and Governmental Reorganization
7 Act (sec. 1-242(3), D.C. Code) is amended by striking
8 “pursuant to procedures” and all that follows through
9 “Act of 1991” and inserting the following: “in the imple-
10 mentation of a financial plan and budget for the District
11 government approved under subtitle A of title II of the
12 District of Columbia Financial Responsibility and Man-
13 agement Assistance Act of 1995”.

14 **SEC. 203. REVIEW OF ACTIVITIES OF DISTRICT GOVERN-**
15 **MENT TO ENSURE COMPLIANCE WITH AP-**
16 **PROVED FINANCIAL PLAN AND BUDGET.**

17 (a) REVIEW OF COUNCIL ACTS.—

18 (1) SUBMISSION OF ACTS TO AUTHORITY.—The
19 Council shall submit each Act passed by the Council
20 and signed by the Mayor during a control year or
21 vetoed by the Mayor and repassed by two-thirds of
22 the Council present and voting during a control
23 year, and each Act passed by the Council and al-
24 lowed to become effective without the Mayor’s signa-
25 ture during a control year, together with the esti-

1 mate of costs accompanying such Act required under
2 section 602(c)(3) of the District of Columbia Self-
3 Government and Governmental Reorganization Act
4 (as added by section 301(d)).

5 (2) PROMPT REVIEW BY AUTHORITY.—Upon re-
6 ceipt of an Act from the Council under paragraph
7 (1), the Authority shall promptly review the Act to
8 determine whether it is consistent with the applica-
9 ble financial plan and budget approved under this
10 subtitle and with the estimate of costs accompanying
11 the Act (described in paragraph (1)).

12 (3) ACTIONS BY AUTHORITY.—

13 (A) APPROVAL.—Except as provided in
14 subparagraph (C), if the Authority determines
15 that an Act is consistent with the applicable fi-
16 nancial plan and budget, the Authority shall no-
17 tify the Council that it approves the Act, and
18 the Council shall submit the Act to Congress
19 for review in accordance with section 602(c)(1)
20 of the District of Columbia Self-Government
21 and Governmental Reorganization Act.

22 (B) FINDING OF INCONSISTENCY.—Except
23 as provided in subparagraph (C), if the Author-
24 ity determines that an Act is significantly in-

1 consistent with the applicable financial plan and
2 budget, the Authority shall—

3 (i) notify the Council that of its find-
4 ing;

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

7 (iii) to the extent the Authority con-
8 siders appropriate, provide the Council
9 with recommendations for modifications to
10 the Act.

11 (C) EXCEPTION FOR EMERGENCY ACTS.—
12 Subparagraphs (A) and (B) shall not apply
13 with respect to any act which the Council deter-
14 mines according to section 412(a) of the Dis-
15 trict of Columbia Self-Government and Govern-
16 mental Reorganization Act should take effect
17 immediately because of emergency cir-
18 cumstances.

19 (4) EFFECT OF FINDING.—If the Authority
20 makes a finding with respect to an Act under para-
21 graph (3)(B), the Council may not submit the Act
22 to Congress for review in accordance with section
23 602(c)(1) of the District of Columbia Self-Govern-
24 ment and Governmental Reorganization Act.

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

13 (6) PRELIMINARY REVIEW OF PROPOSED
14 ACTS.—At the request of the Council, the Authority
15 may conduct a preliminary review of proposed legis-
16 lation before the Council to determine whether the
17 legislation as proposed would be consistent with the
18 applicable financial plan and budget approved under
19 this subtitle, except that any such preliminary review
20 shall not be binding on the Authority in reviewing
21 any Act subsequently submitted under this sub-
22 section.

23 (b) EFFECT OF APPROVED FINANCIAL PLAN AND
24 BUDGET ON CONTRACTS AND LEASES.—

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

3 (A) IN GENERAL.—In the case of a con-
4 tract or lease described in subparagraph (B)
5 which is proposed to be entered into by the Dis-
6 trict government during a control year, the
7 Mayor (or the appropriate officer or agent of
8 the District government) shall submit the pro-
9 posed contract or lease to the Authority for re-
10 view under paragraph (1) (and the Authority
11 shall review the contract or lease pursuant to
12 paragraph (2)), and may not enter into the con-
13 tract or lease unless the Authority determines
14 that the proposed contract or lease is consistent
15 with the financial plan and budget for the fiscal
16 year.

17 (B) CONTRACTS AND LEASES DE-
18 SCRIBED.—A contract or lease described in this
19 subparagraph is—

20 (i) a labor contract entered into
21 through collective bargaining; or

22 (ii) such other type of contract or
23 lease as the Authority may specify for pur-
24 poses of this subparagraph.

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

3 (A) IN GENERAL.—In addition to the prior
4 approval of certain contracts and leases under
5 paragraph (1), the Authority may require the
6 Mayor (or the appropriate officer or agent of
7 the District government) to submit to the Au-
8 thority any other contract (including a contract
9 to carry out a grant) or lease entered into by
10 the District government during a control year
11 which is executed after the Authority has ap-
12 proved the financial plan and budget for the
13 year under section 202(b)(2), or any proposal
14 of the District government to renew, extend, or
15 modify a contract or lease during a control year
16 which is made after the Authority has approved
17 such financial plan and budget.

18 (B) REVIEW BY AUTHORITY.—The Author-
19 ity shall review each contract or lease submitted
20 under subparagraph (A) to determine if the
21 contract or lease is consistent with the financial
22 plan and budget for the fiscal year. If the Au-
23 thority determines that the contract or lease is
24 not consistent with the financial plan and budg-
25 et, the Mayor shall take such actions as are

1 within the Mayor's powers to revise the contract
2 or lease, or shall submit a proposed revision to
3 the financial plan and budget in accordance
4 with section 202(e), so that the contract or
5 lease will be consistent with the financial plan
6 and budget.

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

15 (4) SPECIAL RULE FOR CONTRACTS SUBJECT
16 TO COUNCIL APPROVAL.—In the case of a contract
17 which is required to be submitted to the Authority
18 under this subsection and which is subject to ap-
19 proval by the Council under the laws of the District
20 of Columbia, the Mayor shall submit such contract
21 to the Authority only after the Council has approved
22 the contract.

23 (c) RESTRICTIONS ON REPROGRAMMING OF
24 AMOUNTS IN BUDGET DURING CONTROL YEARS.—

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

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

19 **SEC. 204. RESTRICTIONS ON BORROWING BY DISTRICT**
20 **DURING CONTROL YEAR.**

21 (a) PRIOR APPROVAL REQUIRED.—

22 (1) IN GENERAL.—The District government
23 may not borrow money during a control year unless
24 the Authority provides prior certification that both
25 the receipt of funds through such borrowing and the

1 repayment of obligations incurred through such bor-
2 rowing are consistent with the financial plan and
3 budget for the year.

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

13 (3) BORROWING DESCRIBED.—This subsection
14 shall apply with respect to any borrowing under-
15 taken by the District government, including borrow-
16 ing through the issuance of bonds under part E of
17 title IV of the District of Columbia Self-Government
18 and Governmental Reorganization Act, the exercise
19 of authority to obtain funds from the United States
20 Treasury under title VI of the District of Columbia
21 Revenue Act of 1939 (sec. 47-3401, D.C. Code), or
22 any other means.

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

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

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

19 (i) both the receipt of funds through
20 such borrowing and the repayment of obli-
21 gations incurred through such borrowing
22 are appropriate steps to meet the needs of
23 the District government to reduce deficits
24 and discharge payment obligations; and

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

5 (b) DEPOSIT OF FUNDS OBTAINED THROUGH
6 TREASURY WITH AUTHORITY.—

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

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

21 (B) The Authority shall allocate the re-
22 mainder of such funds to the Mayor at such in-
23 tervals and in accordance with such terms and
24 conditions as it considers appropriate, consist-
25 ent with the financial plan and budget for the

1 year and with any other withholding of funds
2 by the Authority pursuant to this Act.

3 (2) OPTIONAL DEPOSIT DURING FISCAL YEAR
4 1995.—

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

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

24 (c) CONDITIONS ON REQUISITIONS FROM TREAS-
25 URY.—Title VI of the District of Columbia Revenue Act

1 of 1939 (sec. 47-3401, D.C. Code) is amended by striking
2 all after the heading and inserting the following:

3 **“SEC. 601. TRANSITIONAL PROVISION FOR SHORT-TERM**
4 **ADVANCES.**

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

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

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

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

21 “(B) as of the date on which the
22 requisitioned advance is to be made, the Au-
23 thority has not approved a financial plan and
24 budget for the District government as meeting
25 the requirements of the District of Columbia

1 Financial Responsibility and Management As-
2 sistance Act of 1995;

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

6 “(D) the District government has delivered
7 to the Secretary—

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

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

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

1 ernmental Reorganization Act for the fiscal
2 year ending September 30, 1996; and

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

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

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

19 “(i) the total amount requisitioned
20 under this subsection during the 30-day
21 period which begins on the date of the first
22 requisition made under this subsection may
23 not exceed 33¹/₃ percent of the fiscal year
24 1995 limit;

1 “(ii) the total amount requisitioned
2 under this subsection during the 60-day
3 period which begins on the date of the first
4 requisition made under this subsection may
5 not exceed 66²/₃ percent of the fiscal year
6 1995 limit; and

7 “(iii) the total amount requisitioned
8 under this subsection after the expiration
9 of 90-day period which begins on the date
10 of the first requisition made under this
11 subsection may not exceed 100 percent of
12 the fiscal year 1995 limit.

13 “(B) CONDITIONS APPLICABLE TO DES-
14 IGNATED AMOUNT.—Subparagraph (A) applies
15 if the Mayor determines that the amount des-
16 ignated in the Mayor’s requisition for such ad-
17 vance is needed to accomplish the purpose de-
18 scribed in paragraph (1).

19 “(C) AGGREGATE MAXIMUM AMOUNT OUT-
20 STANDING.—The sum of the anticipated prin-
21 cipal and interest requirements of all advances
22 made under this subsection may not be greater
23 than the fiscal year 1995 limit.

24 “(D) FISCAL YEAR 1995 LIMIT DE-
25 SCRIBED.—In this paragraph, the ‘fiscal year

1 1995 limit’ means the amount authorized to be
2 appropriated to the District of Columbia as the
3 annual Federal payment to the District of Co-
4 lumbia under title V of the District of Columbia
5 Self-Government and Governmental Reorga-
6 nization Act for the fiscal year ending Septem-
7 ber 30, 1995.

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

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

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

20 “(5) INTEREST RATE.—Each advance made
21 under this subsection shall bear interest at an an-
22 nual rate equal to the rate determined by the Sec-
23 retary at the time that the Secretary makes such ad-
24 vance taking into consideration the prevailing yield
25 on outstanding marketable obligations of the United

1 States with remaining periods to maturity com-
2 parable to the maturity of such advance, plus $\frac{1}{8}$ of
3 1 percent.

4 “(6) DEPOSIT OF ADVANCES.—

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

11 “(B) EXCEPTION.—Notwithstanding sub-
12 paragraph (A), if (in accordance with section
13 204(b)(2) of the District of Columbia Financial
14 Responsibility and Management Assistance Act
15 of 1995) the Authority delivers a letter request-
16 ing the Secretary to deposit all advances made
17 under this subsection for the account of the
18 District government in an escrow account held
19 by the Authority, each advance made under this
20 subsection for the account of the District gov-
21 ernment after the date of such letter shall be
22 deposited by the Secretary into the escrow ac-
23 count specified by the Authority in such letter.

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

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

10 “(2) TERMS AND CONDITIONS.—

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

16 “(B) EXCEPTIONS.—

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

1 “(I) subparagraph (C) (relating
2 to the last day on which advances may
3 be made) shall be applied as if the
4 reference to ‘October 1, 1995’ were a
5 reference to ‘February 1, 1996’;

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

14 “(III) the Secretary may not
15 make an advance under this sub-
16 section unless all advances made
17 under subsection (a) are fully reim-
18 bursed by withholding from the an-
19 nual Federal payment appropriated to
20 the District for the fiscal year ending
21 September 30, 1996, under title V of
22 the District of Columbia Self-Govern-
23 ment and Governmental Reorganiza-
24 tion Act, and applying toward reim-
25 bursement for such advances an

1 amount equal to the amount needed
2 to fully reimburse the Treasury for
3 such advances; and

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

12 “(ii) NEW LATEST PERMISSIBLE MA-
13 TURITY DATE.—The provisions of sub-
14 section (a)(4) shall apply with respect to
15 the maturity of advances made after Octo-
16 ber 1, 1995, in the same manner as such
17 provisions apply with respect to the matu-
18 rity of advances made before October 1,
19 1995, except that subparagraph (B) of
20 such subsection (relating to the latest per-
21 missible maturity date) shall apply as if
22 the reference to ‘October 1, 1995’ were a
23 reference to ‘October 1, 1996’.

24 “(iii) AGGREGATE MAXIMUM AMOUNT
25 OUTSTANDING.—The sum of the antici-

1 pated principal and interest requirements
2 of all advances made under this subsection
3 may not be greater than the fiscal year
4 1996 limit.

5 “(C) NEW MAXIMUM AMOUNT OUTSTAND-
6 ING.—

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

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

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

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

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

17 “(c) TRANSITIONAL SHORT-TERM ADVANCES MADE
18 ON OR AFTER FEBRUARY 1, 1996 AND BEFORE OCTOBER
19 1, 1996.—

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

1 “(2) TERMS AND CONDITIONS.—

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

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

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

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

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

1 **“SEC. 602. SHORT-TERM ADVANCES FOR SEASONAL CASH-**
2 **FLOW MANAGEMENT.**

3 “(a) IN GENERAL.—If the conditions in subsection
4 (b) are satisfied, the Secretary shall make an advance of
5 funds from time to time, out of any money in the Treasury
6 not otherwise appropriated, for the purpose of assisting
7 the District government in meeting its general expendi-
8 tures, as authorized by Congress, at times of seasonal
9 cash-flow deficiencies.

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

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

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

17 “(3) the Authority certifies to the Secretary
18 that—

19 “(A) the District government has prepared
20 and submitted a financial plan and budget for
21 the District government;

22 “(B) there is an approved financial plan
23 and budget in effect under the District of Co-
24 lumbia Financial Responsibility and Manage-
25 ment Assistance Act of 1995 for the fiscal year
26 for which the requisition is to be made;

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

4 “(D) both the receipt of funds from such
5 advance and the reimbursement of Treasury for
6 such advance are consistent with the financial
7 plan and budget for the year; and

8 “(E) such advance will not adversely affect
9 the financial stability of the District govern-
10 ment;

11 “(4) the Authority certifies to the Secretary, at
12 the time of the Mayor’s requisition for an advance,
13 the District government is effectively unable to ob-
14 tain credit in the public credit markets or elsewhere
15 in sufficient amounts and on sufficiently reasonable
16 terms to meet the District government’s financing
17 needs;

18 “(5) the Inspector General of the District of
19 Columbia certifies to the Secretary the information
20 described in paragraph (3) by providing the Sec-
21 retary with a certification conducted by an outside
22 auditor under a contract entered into pursuant to
23 section 208(a)(4) of the District of Columbia Pro-
24 curement Practices Act of 1985;

1 “(6) the Secretary receives such additional cer-
2 tifications and opinions relating to the financial posi-
3 tion of the District government as the Secretary de-
4 termines to be appropriate from such other Federal
5 agencies and instrumentalities as the Secretary de-
6 termines to be appropriate; and

7 “(7) the Secretary determines that there is rea-
8 sonable assurance of reimbursement for the advance
9 from the amount authorized to be appropriated as
10 the annual Federal payment to the District of Co-
11 lumbia under title V of the District of Columbia
12 Self-Government and Governmental Reorganization
13 Act for the fiscal year following the fiscal year in
14 which such advance is made.

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

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

21 “(2) CONDITIONS APPLICABLE TO DESIGNATED
22 AMOUNT.—Paragraph (1) applies if—

23 “(A) the Mayor determines that the
24 amount designated in the Mayor’s requisition

1 for such advance is needed to accomplish the
2 purpose described in subsection (a); and

3 “(B) the Authority—

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

6 “(ii) determines that the reimburse-
7 ment obligation of the District government
8 for an advance made under this section in
9 the amount designated in the Mayor’s req-
10 uisition is consistent with the financial
11 plan for the year.

12 “(3) MAXIMUM AMOUNT OUTSTANDING.—Not-
13 withstanding paragraph (1), the unpaid principal
14 balance of all advances made under this section in
15 any fiscal year of the District government shall not
16 at any time be greater than 150 percent of the
17 amount authorized under title V of the District of
18 Columbia Self-Government and Governmental Reor-
19 ganization Act for appropriation as the Federal pay-
20 ment to the District government for the fiscal year
21 following the fiscal year in which the advance is
22 made.

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

24 “(1) IN GENERAL.—Except as provided in para-
25 graph (3), if the condition in paragraph (2) is satis-

1 fied, each advance made under this section shall ma-
2 ture on the date designated by the Mayor in the
3 Mayor's requisition for such advance.

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

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

16 “(e) INTEREST RATE.—Each advance made under
17 this section shall bear interest at an annual rate equal to
18 a rate determined by the Secretary at the time that the
19 Secretary makes such advance taking into consideration
20 the prevailing yield on outstanding marketable obligations
21 of the United States with remaining periods to maturity
22 comparable to the maturity of such advance, plus $\frac{1}{8}$ of
23 1 percent.

24 “(f) 10 BUSINESS-DAY ZERO BALANCE REQUIRE-
25 MENT.—After the expiration of the 12-month period be-

1 ginning on the date on which the first advance is made
2 under this section, the Secretary shall not make any new
3 advance under this section unless the District government
4 has—

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

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

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

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

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

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

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

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

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

8 “(a) REIMBURSEMENT AMOUNT.—

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

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

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

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

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

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

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

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

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

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

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

1 lumbia Self-Government and Governmental Reorga-
2 nization Act, the Secretary shall withhold from such
3 annual Federal payment, and apply toward reim-
4 bursement for the payment not made, an amount
5 equal to the amount needed to fully reimburse the
6 Treasury for the payment not made.

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

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

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

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

11 **“SEC. 605. DEFINITIONS.**

12 “For purposes of this title—

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

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

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

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

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

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

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

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

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

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

24 (c) CERTIFICATION OF VARIANCE.—

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

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

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

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

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

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

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

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

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

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

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

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

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

22 (1) the management of the District govern-
23 ment’s financial affairs, including cash forecasting,
24 information technology, placing controls on expendi-
25 tures for personnel, reducing benefit costs, reforming

1 procurement practices, and placing other controls on
2 expenditures;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18 (3) Not later than 15 days after receiving the
19 transition budget from the Council under paragraph
20 (2), the Authority shall submit a report to the
21 Mayor, the Council, the President, and Congress
22 analyzing the budget (taking into account any items
23 or provisions disapproved by the Mayor or dis-
24 approved by the Mayor and reenacted by the Council
25 under section 404(f) of the District of Columbia

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

7 (b) FINANCIAL PLAN AND BUDGET.—

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

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

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

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

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

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

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

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

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

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

23 **SEC. 209. CONTROL PERIODS DESCRIBED.**

24 (a) INITIATION.—For purposes of this Act, a “control
25 period” is initiated upon the occurrence of any of the fol-

1 lowing events (as determined by the Authority based upon
2 information obtained through the Mayor, the Inspector
3 General of the District of Columbia, or such other sources
4 as the Authority considers appropriate):

5 (1) The requisitioning by the Mayor of ad-
6 vances from the Treasury of the United States for
7 the support of the District government under title
8 VI of the District of Columbia Revenue Act of 1939
9 (sec. 47-3401, D.C. Code), or the existence of any
10 unreimbursed amounts obtained pursuant to such
11 authority.

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

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

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

20 (5) The existence of a cash deficit of the Dis-
21 trict government at the end of any quarter of the
22 fiscal year in excess of the difference between the es-
23 timated revenues of the District government and the
24 estimated expenditures of the District government
25 (including repayments of temporary borrowings)

1 during the remainder of the fiscal year or the re-
2 mainder of the fiscal year together with the first 6
3 months of the succeeding fiscal year (as determined
4 by the Authority in consultation with the Chief Fi-
5 nancial Officer of the District of Columbia).

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

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

14 (b) TERMINATION.—

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

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

21 (B) for 4 consecutive fiscal years (occur-
22 ring after the date of the enactment of this Act)
23 the expenditures made by the District govern-
24 ment during each of the years did not exceed
25 the revenues of the District government during

1 such years (as determined in accordance with
2 generally accepted accounting principles, as
3 contained in the comprehensive annual financial
4 report for the District of Columbia under sec-
5 tion 448(a)(4) of the District of Columbia Self-
6 Government and Governmental Reorganization
7 Act).

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

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

15 **Subtitle B—Issuance of Bonds**

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

17 (a) IN GENERAL.—

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

1 (2) SPECIAL RULE FOR INSTRUMENTALITIES
2 WITH INDEPENDENT BORROWING AUTHORITY.—In
3 the case of an agency or instrumentality of the Dis-
4 trict government which under law has the authority
5 to issue bonds, notes, or obligations to borrow funds
6 without the enactment of an act of the Council, the
7 Authority may issue bonds, notes, or other obliga-
8 tions to borrow funds for the use or functions of
9 such agency or instrumentality at the request of the
10 head of the agency or instrumentality.

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

20 (c) USES OF FUNDS OBTAINED THROUGH BONDS.—
21 Any funds obtained through the issuance of bonds, notes,
22 or other obligations pursuant to this subtitle may be used
23 for any purpose (consistent with the applicable financial
24 plan and budget) under subtitle A for which the District
25 government may use borrowed funds under the District

1 of Columbia Self-Government and Governmental Reorga-
2 nization Act and for any other purpose which the Author-
3 ity considers appropriate.

4 **SEC. 212. PLEDGE OF SECURITY INTEREST IN REVENUES**
5 **OF DISTRICT GOVERNMENT.**

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

10 (b) DEDICATION OF REVENUE STREAM FROM DIS-
11 TRICT GOVERNMENT.—The Authority shall require the
12 Mayor—

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

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

1 **SEC. 213. ESTABLISHMENT OF DEBT SERVICE RESERVE**
2 **FUND.**

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

7 (b) REQUIREMENTS FOR FUND.—

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

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

23 (3) RESTRICTIONS ON WITHDRAWALS.—

24 (A) IN GENERAL.—Amounts in a debt
25 service reserve fund may not be withdrawn from
26 the fund at any time in an amount that would

1 reduce the amount of the fund to less than the
2 minimum reserve fund requirement established
3 for such fund in the resolution of the Authority
4 creating such fund, except for withdrawals for
5 the purpose of making payments when due of
6 principal, interest, redemption premiums and
7 sinking fund payments, if any, with respect to
8 such bonds for the payment of which other
9 moneys of the Authority are not available, and
10 for the purpose of funding the operations of the
11 Authority for a fiscal year (in such amounts
12 and under such conditions as are established
13 under the budget of the Authority for the fiscal
14 year under section 106(a)).

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

1 promote the financial stability and management
2 efficiency of the District government.

3 **SEC. 214. OTHER REQUIREMENTS FOR ISSUANCE OF**
4 **BONDS.**

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

20 (b) AMOUNTS INCLUDED IN AGGREGATE LIMIT ON
21 DISTRICT BORROWING.—Any amounts provided to the
22 District government through the issuance of bonds, notes,
23 or other obligations to borrow funds pursuant to this sub-
24 title shall be taken into account in determining whether
25 the amount of funds borrowed by the District of Columbia

1 during a fiscal year exceeds the limitation on such amount
2 provided under section 603(b) of the District of Columbia
3 Self-Government and Governmental Reorganization Act.

4 **SEC. 215. NO FULL FAITH AND CREDIT OF THE UNITED**
5 **STATES.**

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

13 **Subtitle C—Other Duties of**
14 **Authority**

15 **SEC. 221. DUTIES OF AUTHORITY DURING YEAR OTHER**
16 **THAN CONTROL YEAR.**

17 (a) IN GENERAL.—During the period beginning upon
18 the termination of a control period pursuant to section
19 209(b) and ending with the suspension of its activities
20 pursuant to section 107(a), the Authority shall conduct
21 the following activities:

22 (1) The Authority shall review the budgets of
23 the District government adopted by the Council
24 under section 446 of the District of Columbia Self-

1 Government and Governmental Reorganization Act
2 for each fiscal year occurring during such period.

3 (2) At such time prior to the enactment of such
4 budget by Congress as the Authority considers ap-
5 propriate, the Authority shall prepare a report ana-
6 lyzing the budget and submit the report to the
7 Mayor, the Council, the President, and Congress.

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

14 (4) The Authority shall carry out activities
15 under subtitle B with respect to bonds, notes, or
16 other obligations of the Authority outstanding dur-
17 ing such period.

18 (b) REQUIRING MAYOR TO SUBMIT BUDGETS TO AU-
19 THORITY.—With respect to the budget for each fiscal year
20 beginning after the date of the enactment of this Act
21 which is not a control year, at the time the Mayor submits
22 the budget of the District government adopted by the
23 Council to the President under section 446 of the District
24 of Columbia Self-Government and Governmental Reorga-

1 nization Act, the Mayor shall submit such budget to the
2 Authority.

3 **SEC. 222. GENERAL ASSISTANCE IN ACHIEVING FINANCIAL**
4 **STABILITY AND MANAGEMENT EFFICIENCY.**

5 In addition to any other actions described in this title,
6 the Authority may undertake cooperative efforts to assist
7 the District government in achieving financial stability
8 and management efficiency, including—

9 (1) assisting the District government in avoid-
10 ing defaults, eliminating and liquidating deficits,
11 maintaining sound budgetary practices, and avoiding
12 interruptions in the delivery of services;

13 (2) assisting the District government in improv-
14 ing the delivery of municipal services, the training
15 and effectiveness of personnel of the District govern-
16 ment, and the efficiency of management and super-
17 vision; and

18 (3) making recommendations to the President
19 for transmission to Congress on changes to this Act
20 or other Federal laws, or other actions of the Fed-
21 eral Government, which would assist the District
22 government in complying with an approved financial
23 plan and budget under subtitle A.

1 **SEC. 223. OBTAINING REPORTS.**

2 The Authority may require the Mayor, the Chair of
3 the Council, the Chief Financial Officer of the District of
4 Columbia, and the Inspector General of the District of Co-
5 lumbia, to prepare and submit such reports as the Author-
6 ity considers appropriate to assist it in carrying out its
7 responsibilities under this Act, including submitting copies
8 of any reports regarding revenues, expenditures, budgets,
9 costs, plans, operations, estimates, and other financial or
10 budgetary matters of the District government.

11 **SEC. 224. REPORTS AND COMMENTS.**

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

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

19 (2) the assistance provided by the Authority to
20 the District government in meeting the purposes of
21 this Act for the fiscal year; and

22 (3) any other activities of the Authority during
23 the fiscal year.

24 (b) REVIEW AND ANALYSIS OF PERFORMANCE AND
25 FINANCIAL ACCOUNTABILITY REPORTS.—

1 (1) IN GENERAL.—The Authority shall review
2 each report prepared and submitted by the Mayor
3 under section 456 of the District of Columbia Self-
4 Government and Governmental Reorganization Act
5 (as added by section 3(a) of the Federal Payment
6 Reauthorization Act of 1994), and shall submit a re-
7 port to Congress analyzing the completeness and ac-
8 curacy of such reports.

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

15 “(e) SUBMISSION OF REPORTS TO DISTRICT OF CO-
16 LUMBIA FINANCIAL RESPONSIBILITY AND MANAGEMENT
17 ASSISTANCE AUTHORITY.—In the case of any report sub-
18 mitted by the Mayor under this section for a fiscal year
19 (or any quarter of a fiscal year) which is a control year
20 under the District of Columbia Financial Responsibility
21 and Management Assistance Act of 1995, the Mayor shall
22 submit the report to the District of Columbia Financial
23 Responsibility and Management Assistance Authority es-
24 tablished under section 101(a) of such Act in addition to

1 any other individual to whom the Mayor is required to
2 submit the report under this section.”.

3 (c) COMMENTS REGARDING ACTIVITIES OF DISTRICT
4 GOVERNMENT.—At any time during a control year, the
5 Authority may submit a report to Congress describing any
6 action taken by the District government (or any failure
7 to act by the District government) which the Authority
8 determines will adversely affect the District government’s
9 ability to comply with an approved financial plan and
10 budget under subtitle A or will otherwise have a signifi-
11 cant adverse impact on the best interests of the District
12 of Columbia.

13 (d) REPORTS ON EFFECT OF FEDERAL LAWS ON
14 DISTRICT GOVERNMENT.—At any time during any year,
15 the Authority may submit a report to the Mayor, the
16 Council, the President, and Congress on the effect of laws
17 enacted by Congress on the financial stability and man-
18 agement efficiency on the financial plan and budget for
19 the year and on the District government in general.

20 (e) MAKING REPORTS PUBLICLY AVAILABLE.—The
21 Authority shall make any report submitted under this sec-
22 tion available to the public, except to the extent that the
23 Authority determines that the report contains confidential
24 material.

1 **TITLE III—MISCELLANEOUS**
2 **PROVISIONS**

3 **SEC. 301. OTHER DISTRICT BUDGET REFORMS.**

4 (a) INCLUSION OF ALL FUNDS OF DISTRICT IN
5 BUDGET OF DISTRICT GOVERNMENT.—

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

8 (A) by amending paragraph (10) to read
9 as follows:

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

18 (B) by amending paragraph (14) to read
19 as follows:

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

23 (C) by amending paragraph (15) to read
24 as follows:

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

7 (2) EFFECTIVE DATE.—The amendments made
8 by paragraph (1) shall apply with respect to reve-
9 nues, resources, and budgets of the District of Co-
10 lumbia for fiscal years beginning with fiscal year
11 1996.

12 (b) RESTRICTIONS ON REPROGRAMMING OF
13 FUNDS.—

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

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

4 (c) PERMITTING COUNCIL TO REQUEST BUDGET
5 ADJUSTMENTS FROM MAYOR.—Section 442 of the Dis-
6 trict of Columbia Self-Government and Governmental Re-
7 organization Act (sec. 47–301, D.C. Code), as amended
8 by section 202(f), is amended by adding at the end the
9 following new subsection:

10 “(e) The Mayor shall prepare and submit to the
11 Council a proposed supplemental or deficiency budget rec-
12 ommendation under subsection (c) if the Council by reso-
13 lution requests the Mayor to submit such a recommenda-
14 tion.”.

15 (d) REQUIRING BUDGETARY IMPACT STATEMENTS
16 TO ACCOMPANY ACTS OF COUNCIL.—

17 (1) IN GENERAL.—Section 602(c) of the Dis-
18 trict of Columbia Self-Government and Govern-
19 mental Reorganization Act (sec. 1–233(c), D.C.
20 Code) is amended by adding at the end the following
21 new paragraph:

22 “(3) The Council shall submit with each Act trans-
23 mitted under this subsection an estimate of the costs
24 which will be incurred by the District of Columbia as a
25 result of the enactment of the Act in each of the first 4

1 fiscal years for which the Act is in effect, together with
2 a statement of the basis for such estimate.”.

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

6 (e) EXTENSION OF AUTHORIZATION OF ANNUAL
7 FEDERAL PAYMENT.—Section 503(c) of the District of
8 Columbia Self-Government and Governmental Reorganiza-
9 tion Act (sec. 47–3406.1(c), D.C. Code), as added by sec-
10 tion 2 of the Federal Payment Reauthorization Act of
11 1994, is amended by striking “fiscal year 1996” and in-
12 serting “each of the fiscal years 1996, 1997, 1998, and
13 1999”.

14 **SEC. 302. ESTABLISHMENT OF CHIEF FINANCIAL OFFICER**
15 **OF DISTRICT OF COLUMBIA.**

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

20 “CHIEF FINANCIAL OFFICER OF THE DISTRICT OF
21 COLUMBIA

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

23 “(1) IN GENERAL.—There is hereby established
24 within the executive branch of the government of the
25 District of Columbia an Office of the Chief Financial
26 Officer of the District of Columbia (hereafter re-

1 ferred to as the ‘Office’), which shall be headed by
2 the Chief Financial Officer of the District of Colum-
3 bia (hereafter referred to as the ‘Chief Financial
4 Officer’).

5 “(2) OFFICE OF THE TREASURER.—The Office
6 shall include the Office of the Treasurer, which shall
7 be headed by the Treasurer of the District of Colum-
8 bia, who shall be appointed by the Chief Financial
9 Officer and subject to the Chief Financial Officer’s
10 direction and control.

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

16 “(A) The Controller of the District of
17 Columbia.

18 “(B) The Office of the Budget.

19 “(C) The Office of Financial Information
20 Services.

21 “(D) The Department of Finance and
22 Revenue.

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

24 “(A) OFFICE HEADS APPOINTED BY
25 MAYOR.—With respect to the head of the Office

1 of the Budget and the head of the Department
2 of Finance and Revenue—

3 “(i) the Mayor shall appoint such in-
4 dividuals with the advice and consent of
5 the Council, subject to the approval of the
6 Authority during a control year; and

7 “(ii) during a control year, the Au-
8 thority may remove such individuals from
9 office for cause, after consultation with the
10 Mayor.

11 “(B) OFFICE HEADS APPOINTED BY CHIEF
12 FINANCIAL OFFICER.—With respect to the
13 Controller of the District of Columbia and the
14 head of the Office of Financial Information
15 Services—

16 “(i) the Chief Financial Officer shall
17 appoint such individuals subject to the ap-
18 proval of the Mayor; and

19 “(ii) the Chief Financial Officer may
20 remove such individuals from office for
21 cause, after consultation with the Mayor.

22 “(b) APPOINTMENT.—

23 “(1) IN GENERAL.—

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

4 “(i) Prior to the appointment of the
5 Chief Financial Officer, the Authority may
6 submit recommendations for the appoint-
7 ment to the Mayor.

8 “(ii) In consultation with the Author-
9 ity and the Council, the Mayor shall nomi-
10 nate an individual for appointment and no-
11 tify the Council of the nomination.

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

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

20 “(B) OTHER YEARS.—During a year other
21 than a control year, the Chief Financial Officer
22 shall be appointed by the Mayor with the advice
23 and consent of the Council. Prior to appoint-
24 ment, the Authority may submit recommenda-
25 tions for the appointment.

1 “(2) REMOVAL.—

2 “(A) CONTROL YEAR.—During a control
3 year, the Chief Financial Officer may be re-
4 moved for cause by the Authority or by the
5 Mayor with the approval of the Authority.

6 “(B) OTHER YEARS.—During a year other
7 than a control year, the Chief Financial Officer
8 shall serve at the pleasure of the Mayor, except
9 that the Chief Financial Officer may only be re-
10 moved for cause.

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

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

19 “(1) Preparing the financial plan and budget
20 for the use of the Mayor for purposes of subtitle A
21 of title II of the District of Columbia Financial Re-
22 sponsibility and Management Assistance Act of
23 1995.

1 “(2) Preparing the budgets of the District of
2 Columbia for the year for the use of the Mayor for
3 purposes of part D.

4 “(3) Assuring that all financial information pre-
5 sented by the Mayor is presented in a manner, and
6 is otherwise consistent with, the requirements of the
7 District of Columbia Financial Responsibility and
8 Management Assistance Act of 1995.

9 “(4) Implementing appropriate procedures and
10 instituting such programs, systems, and personnel
11 policies within the Officer’s authority, to ensure that
12 budget, accounting and personnel control systems
13 and structures are synchronized for budgeting and
14 control purposes on a continuing basis.

15 “(5) With the approval of the Authority,
16 preparing and submitting to the Mayor and the
17 Council—

18 “(A) annual estimates of all revenues of
19 the District of Columbia (without regard to the
20 source of such revenues), including proposed
21 revenues, which shall be binding on the Mayor
22 and the Council for purposes of preparing and
23 submitting the budget of the District govern-
24 ment for the year under part D, except that the
25 Mayor and the Council may prepare the budget

1 based on estimates of revenues which are lower
2 than those prepared by the Chief Financial
3 Officer; and

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

6 “(6) Supervising and assuming responsibility
7 for financial transactions to ensure adequate control
8 of revenues and resources, and to ensure that appro-
9 priations are not exceeded.

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

12 “(A) full disclosure of the financial impact
13 of the activities of the District government;

14 “(B) adequate financial information need-
15 ed by the District government for management
16 purposes;

17 “(C) effective control over, and account-
18 ability for, all funds, property, and other assets
19 of the District of Columbia; and

20 “(D) reliable accounting results to serve as
21 the basis for preparing and supporting agency
22 budget requests and controlling the execution of
23 the budget.

24 “(8) Submitting to the Council a financial
25 statement of the District government, containing

1 such details and at such times as the Council may
2 specify.

3 “(9) Supervising and assuming responsibility
4 for the assessment of all property subject to assess-
5 ment and special assessments within the corporate
6 limits of the District of Columbia for taxation, pre-
7 paring tax maps, and providing such notice of taxes
8 and special assessments (as may be required by
9 law).

10 “(10) Supervising and assuming responsibility
11 for the levying and collection of all taxes, special as-
12 sements, licensing fees, and other revenues of the
13 District of Columbia (as may be required by law),
14 and receiving all amounts paid to the District of Co-
15 lumbia from any source (including the Authority).

16 “(11) Maintaining custody of all public funds
17 belonging to or under the control of the District gov-
18 ernment (or any department or agency of the Dis-
19 trict government), and depositing all amounts paid
20 in such depositories and under such terms and con-
21 ditions as may be designated by the Council or the
22 Authority.

23 “(12) Maintaining custody of all investment
24 and invested funds of the District government or in
25 possession of the District government in a fiduciary

1 capacity, and maintaining the safekeeping of all
2 bonds and notes of the District government and the
3 receipt and delivery of District government bonds
4 and notes for transfer, registration, or exchange.

5 “(13) Apportioning the total of all appropria-
6 tions and funds made available during the year for
7 obligation so as to prevent obligation or expenditure
8 in a manner which would result in a deficiency or a
9 need for supplemental appropriations during the
10 year, and (with respect to appropriations and funds
11 available for an indefinite period and all authoriza-
12 tions to create obligations by contract in advance of
13 appropriations) apportioning the total of such appro-
14 priations, funds, or authorizations in the most effec-
15 tive and economical manner.

16 “(14) Certifying all contracts (whether directly
17 or through delegation) prior to execution as to the
18 availability of funds to meet the obligations expected
19 to be incurred by the District government under
20 such contracts during the year.

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

1 “(16) Certifying and approving prior to pay-
2 ment all bills, invoices, payrolls, and other evidences
3 of claims, demands, or charges against the District
4 government, and determining the regularity, legality,
5 and correctness of such bills, invoices, payrolls,
6 claims, demands, or charges.

7 “(17) In coordination with the Inspector Gen-
8 eral of the District of Columbia, performing internal
9 audits of accounts and operations and records of the
10 District government, including the examination of
11 any accounts or records of financial transactions,
12 giving due consideration to the effectiveness of ac-
13 counting systems, internal control, and related ad-
14 ministrative practices of the departments and agen-
15 cies of the District government.

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

18 “(1) Exercising responsibility for the adminis-
19 tration and supervision of the District of Columbia
20 Treasurer (except that the Chief Financial Officer
21 may delegate any portion of such responsibility as
22 the Chief Financial Officer considers appropriate
23 and consistent with efficiency).

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

4 “(3) Administering the cash management pro-
5 gram of the District government, including the in-
6 vestment of surplus funds in governmental and non-
7 governmental interest-bearing securities and ac-
8 counts.

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

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

13 “(6) Preparing appropriate annual, quarterly,
14 and monthly financial reports of the accounting and
15 financial operations of the District government.

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

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

1 “(1) Assisting the Chief Financial Officer in re-
2 porting revenues received by the District govern-
3 ment, including submitting annual and quarterly re-
4 ports concerning the cash position of the District
5 government not later than 60 days after the last day
6 of the quarter (or year) involved. Such reports shall
7 include:

8 “(A) Comparative reports of revenue and
9 other receipts by source, including tax, nontax,
10 and Federal revenues, grants and reimburse-
11 ments, capital program loans, and advances.
12 Each source shall be broken down into specific
13 components.

14 “(B) Statements of the cash flow of the
15 District government for the preceding quarter
16 or year, including receipts, disbursements, net
17 changes in cash inclusive of the beginning bal-
18 ance, cash and investment, and the ending bal-
19 ance, inclusive of cash and investment. Such
20 statements shall reflect the actual, planned, bet-
21 ter or worse dollar amounts and the percentage
22 change with respect to the current quarter,
23 year-to-date, and fiscal year.

24 “(C) Quarterly cash flow forecast for the
25 quarter or year involved, reflecting receipts, dis-

1 bursements, net change in cash inclusive of the
2 beginning balance, cash and investment, and
3 the ending balance, inclusive of cash and invest-
4 ment with respect to the actual dollar amounts
5 for the quarter or year, and projected dollar
6 amounts for each of the 3 succeeding quarters.

7 “(D) Monthly reports reflecting a detailed
8 summary analysis of all District of Columbia
9 government investments, including, but not lim-
10 ited to—

11 “(i) the total of long-term and short-
12 term investments;

13 “(ii) a detailed summary analysis of
14 investments by type and amount, including
15 purchases, sales (maturities), and interest;

16 “(iii) an analysis of investment port-
17 folio mix by type and amount, including li-
18 quidity, quality/risk of each security, and
19 similar information;

20 “(iv) an analysis of investment strat-
21 egy, including near-term strategic plans
22 and projects of investment activity, as well
23 as forecasts of future investment strategies
24 based on anticipated market conditions,
25 and similar information;

1 “(v) an analysis of cash utilization, in-
2 cluding—

3 “(I) comparisons of budgeted
4 percentages of total cash to be in-
5 vested with actual percentages of cash
6 invested and the dollar amounts;

7 “(II) comparisons of the next re-
8 turn on invested cash expressed in
9 percentages (yield) with comparable
10 market indicators and established Dis-
11 trict of Columbia government yield ob-
12 jectives; and

13 “(III) comparisons of estimated
14 dollar return against actual dollar
15 yield.

16 “(E) Monthly reports reflecting a detailed
17 summary analysis of long-term and short-term
18 borrowings inclusive of debt as authorized by
19 section 603, in the current fiscal year and the
20 amount of debt for each succeeding fiscal year
21 not to exceed 5 years. All such reports shall
22 reflect—

23 “(i) the amount of debt outstanding
24 by type of instrument;

1 “(ii) the amount of authorized and
2 unissued debt, including availability of
3 short-term lines of credit, United States
4 Treasury borrowings, and similar informa-
5 tion;

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

7 “(iv) the rate of interest payable upon
8 the debt; and

9 “(v) the amount of debt service re-
10 quirements and related debt service re-
11 serves.

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

15 “(f) DEFINITIONS.—In this section—

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

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

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

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

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

23 (d) CLERICAL AMENDMENT.—The table of contents
24 of part B of title IV of the District of Columbia Self-Gov-

1 ernment and Governmental Reorganization Act is amend-
2 ed by adding at the end the following new item:

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

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

5 (a) APPOINTMENT AND TERM OF SERVICE; INDE-
6 PENDENCE OF BUDGET.—Section 208(a) of the District
7 of Columbia Procurement Practices Act of 1985 (sec. 1–
8 1182.8(a), D.C. Code) is amended by striking paragraphs
9 (1) and (2) and inserting the following:

10 “(1)(A) There is created within the executive branch
11 of the government of the District of Columbia the Office
12 of the Inspector General. The Office shall be headed by
13 an Inspector General appointed pursuant to subparagraph
14 (B), who shall serve for a term of 6 years and shall be
15 subject to removal only for cause by the Mayor (with the
16 approval of the District of Columbia Financial Respon-
17 sibility and Management Assistance Authority in a control
18 year) or (in the case of a control year) by the Authority.
19 The Inspector General may be reappointed for additional
20 terms.

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

23 “(i) Prior to the appointment of the Inspector
24 General, the Authority may submit recommendations
25 for the appointment to the Mayor.

1 “(ii) In consultation with the Authority and the
2 Council, the Mayor shall nominate an individual for
3 appointment and notify the Council of the nomina-
4 tion.

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

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

11 “(C) During a year which is not a control year, the
12 Inspector General shall be appointed by the Mayor with
13 the advice and consent of the Council. Prior to appoint-
14 ment, the Authority may submit recommendations for the
15 appointment.

16 “(D) The Inspector General shall be appointed with-
17 out regard to party affiliation and solely on the basis of
18 integrity and demonstrated ability in accounting, auditing,
19 financial management analysis, public administration, or
20 investigations.

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

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

3 “(A) The Inspector General shall prepare and
4 submit to the Mayor, for inclusion in the annual
5 budget of the District of Columbia under part D of
6 title IV of the District of Columbia Self-Government
7 and Governmental Reorganization Act for the year,
8 annual estimates of the expenditures and appropria-
9 tions necessary for the operation of the Office for
10 the year. All such estimates shall be forwarded by
11 the Mayor to the Council of the District of Columbia
12 for its action pursuant to sections 446 and 603(c)
13 of such Act, without revision but subject to rec-
14 ommendations. Notwithstanding any other provision
15 of such Act, the Council may comment or make rec-
16 ommendations concerning such estimates, but shall
17 have no authority to revise such estimates.

18 “(B) Upon receipt of the annual Federal pay-
19 ment for the District of Columbia authorized under
20 title V of the District of Columbia Self-Government
21 and Governmental Reorganization Act, the Mayor
22 shall deposit a portion of the payment (equal to the
23 estimate of necessary appropriations described in
24 subparagraph (A)) into a dedicated fund within the
25 government of the District of Columbia.

1 “(C) Amounts deposited in the dedicated fund
2 described in subparagraph (B) shall be available
3 solely for the operation of the Office, and shall be
4 paid to the Inspector General by the Mayor (acting
5 through the Chief Financial Officer of the District
6 of Columbia) in such installments and at such times
7 as the Inspector General requires.”.

8 (b) ADDITIONAL POWERS AND DUTIES.—

9 (1) IN GENERAL.—Section 208(a)(3) of the
10 District of Columbia Procurement Practices Act of
11 1985 (sec. 1-1182.8(a)(3), D.C. Code) is amend-
12 ed—

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

15 (B) by striking the period at the end of
16 subparagraph (F) and inserting a semicolon;
17 and

18 (C) by adding at the end the following new
19 subparagraphs:

20 “(G) Pursuant to a contract described in para-
21 graph (4), provide certifications under section
22 602(b)(5) of title VI of the District of Columbia
23 Revenue Act of 1939;

24 “(H) Pursuant to a contract described in para-
25 graph (4), audit the complete financial statement

1 and report on the activities of the District govern-
2 ment for such fiscal year, for the use of the Mayor
3 under section 448(a)(4) of the District of Columbia
4 Self-Government and Governmental Reorganization
5 Act; and

6 “(I) Not later than 30 days before the begin-
7 ning of each fiscal year (beginning with fiscal year
8 1996) and in consultation with the Mayor, the
9 Council, and the Authority, establish an annual plan
10 for audits to be conducted under this paragraph dur-
11 ing the fiscal year under which the Inspector Gen-
12 eral shall report only those variances which are in an
13 amount equal to or greater than \$1,000,000 or 1
14 percent of the applicable annual budget for the pro-
15 gram in which the variance is found (whichever is
16 lesser).”.

17 (2) LIMITATION ON CONTRACT WITH OUTSIDE
18 AUDITOR.—Section 208(a) of such Act (sec. 1–
19 1182.8(a), D.C. Code) is amended by adding at the
20 end the following new paragraph:

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

24 “(A) audit the financial statement and report
25 described in paragraph (3)(H) for a fiscal year, ex-

1 cept that the financial statement and report may not
2 be audited by the same auditor (or an auditor em-
3 ployed by or affiliated with the same auditor) for
4 more than 3 consecutive fiscal years; and

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

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

9 (A) by striking “(c)” and inserting
10 “(c)(1)”; and

11 (B) by adding at the end the following new
12 paragraph:

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

17 “(B) If a person refuses to obey a subpoena issued
18 under subparagraph (A), the Inspector General may apply
19 to the Superior Court of the District of Columbia for an
20 order requiring that person to appear before the Inspector
21 General to give testimony, produce evidence, or both, re-
22 lating to the matter under investigation. Any failure to
23 obey the order of the court may be punished by the Supe-
24 rior Court as civil contempt.”.

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

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

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

11 (1) LIAISON REPRESENTATIVE FOR ALL EXTER-
12 NAL AUDITS OF DISTRICT GOVERNMENT.—Section
13 208(a)(3)(B) of such Act (sec. 1–1182.8(a)(3)(B),
14 D.C. Code) is amended by striking “executive
15 branch”.

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

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

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

4 (A) in paragraph (1), by striking “the
5 Mayor and the Council” and inserting “the Au-
6 thority (or, with respect to a fiscal year which
7 is not a control year, the Mayor and the Coun-
8 cil)”; and

9 (B) in paragraph (2), by striking “the
10 Mayor” and inserting “the Authority, the
11 Mayor,”.

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

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

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

24 (d) DEFINITIONS.—Section 208 of such Act (sec. 1–
25 1182.8, D.C. Code), as amended by subsection (b)(4), is

1 amended by adding at the end the following new sub-
2 section:

3 “(g) In this section—

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

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

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

16 (e) DEADLINE FOR APPOINTMENT.—

17 (1) IN GENERAL.—Not later than 30 days after
18 its members are appointed, the Authority shall ap-
19 point the Inspector General of the District of Colum-
20 bia pursuant to section 208(a)(1) of the District of
21 Columbia Procurement Practices Act of 1985 (as
22 amended by subsection (a)).

23 (2) TRANSITION RULE.—The term of service of
24 the individual serving as the Inspector General
25 under section 208(a) of the District of Columbia

1 Procurement Practices Act of 1985 prior to the ap-
2 pointment of the Inspector General by the Authority
3 under section 208(a)(1) of such Act (as amended by
4 subsection (a)) shall expire upon the appointment of
5 the Inspector General by the Authority.

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

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

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

11 “SPECIAL RULES REGARDING CERTAIN CONTRACTS”;

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

13 “(a) CONTRACTS EXTENDING BEYOND ONE
14 YEAR.—No contract”; and

15 (3) by adding at the end the following new sub-
16 section:

17 “(b) CONTRACTS EXCEEDING CERTAIN AMOUNT.—

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

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

4 “(A) during the 10-day period beginning
5 on the date the Mayor submits the contract to
6 the Council, no member of the Council intro-
7 duces a resolution approving or disapproving
8 the contract; or

9 “(B) during the 45-calendar day period be-
10 ginning on the date the Mayor submits the con-
11 tract to the Council, the Council does not dis-
12 approve the contract.”.

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

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

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

20 **SEC. 305. DEFINITIONS.**

21 In this Act, the following definitions apply:

22 (1) The term “Authority” means the District of
23 Columbia Financial Responsibility and Management
24 Assistance Authority established under section
25 101(a).

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

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

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

9 (5) The term “District government” means the
10 government of the District of Columbia, including
11 any department, agency or instrumentality of the
12 government of the District of Columbia; any inde-
13 pendent agency of the District of Columbia estab-
14 lished under part F of title IV of the District of Co-
15 lumbia Self-Government and Governmental Reorga-
16 nization Act or any other agency, board, or commis-
17 sion established by the Mayor or the Council; the
18 courts of the District of Columbia; the Council of
19 the District of Columbia; and any other agency, pub-
20 lic authority, or public benefit corporation which has
21 the authority to receive monies directly or indirectly
22 from the District of Columbia (other than monies re-
23 ceived from the sale of goods, the provision of serv-
24 ices, or the loaning of funds to the District of Co-

1 lumbia), except that such term does not include the
2 Authority.

3 (6) The term “financial plan and budget”
4 means a financial plan and budget described in sub-
5 title A of title II, and includes the budgets of the
6 District government for the fiscal years which are
7 subject to the financial plan and budget (as de-
8 scribed in section 201(b)).

9 (7) The term “Mayor” means the Mayor of the
10 District of Columbia.

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