

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

# **H. R. 2607**

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## **AN ACT**

Making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1998, and for other purposes.

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## AN ACT

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1       *Be it enacted by the Senate and House of Representa-*  
 2 *tives of the United States of America in Congress assembled,*  
 3 That the following sums are appropriated, out of any  
 4 money in the Treasury not otherwise appropriated, for the  
 5 District of Columbia for the fiscal year ending September  
 6 30, 1998, and for other purposes, namely:

7           **TITLE I—FISCAL YEAR 1998**  
 8                   **APPROPRIATIONS**

9                           FEDERAL FUNDS

10       FEDERAL CONTRIBUTION TO THE OPERATIONS OF THE  
 11                           NATION’S CAPITAL

12       For a Federal contribution to the District of Colum-  
 13 bia towards the costs of the operation of the government  
 14 of the District of Columbia, \$180,000,000; as authorized  
 15 by section 11601 of the National Capital Revitalization  
 16 and Self-Government Improvement Act of 1997, Public  
 17 Law 105–33.

18                           OFFICE OF THE INSPECTOR GENERAL

19       For the Office of the Inspector General, \$2,000,000,  
 20 to prevent and detect fraud, waste, and abuse in the pro-  
 21 grams and operations of all functions, activities, and enti-  
 22 ties within the government of the District of Columbia.

23                           METROPOLITAN POLICE DEPARTMENT

24       For the Metropolitan Police Department,  
 25 \$5,400,000, for a 5 percent pay increase for sworn officers

1 who perform primarily nonadministrative public safety  
2 services and are certified by the Chief of Police as having  
3 met certain minimum standards referred to in section 148  
4 of this Act.

5 FIRE AND EMERGENCY MEDICAL SERVICES

6 DEPARTMENT

7 For the Fire and Emergency Medical Services De-  
8 partment, \$2,600,000, for a 5 percent pay increase for  
9 uniformed fire fighters.

10 FEDERAL CONTRIBUTION TO PUBLIC SCHOOLS

11 For the public schools of the District of Columbia,  
12 \$1,000,000, which shall be paid to the District Education  
13 and Learning Technologies Advancement (DELTA) Coun-  
14 cil established by section 2604 of the District of Columbia  
15 School Reform Act of 1995, Public Law 104–134, within  
16 10 days of the effective date of the appointment of a ma-  
17 jority of the Council’s members.

18 FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA

19 CORRECTIONS TRUSTEE OPERATIONS

20 For payment to the District of Columbia Corrections  
21 Trustee for the administration and operation of correc-  
22 tional facilities, \$169,000,000, as authorized by the Na-  
23 tional Capital Revitalization and Self-Government Im-  
24 provement Act of 1997, Public Law 105–33.

1 PAYMENT TO THE DISTRICT OF COLUMBIA CORREC-  
2 TIONS TRUSTEE FOR CORRECTIONAL FACILITIES,  
3 CONSTRUCTION AND REPAIR

4 For payment to the District of Columbia Corrections  
5 Trustee for Correctional Facilities, \$302,000,000, to re-  
6 main available until expended, of which not less than  
7 \$294,900,000 is available for transfer to the Federal Pris-  
8 on System, as authorized by section 11202 of the National  
9 Capital Revitalization and Self-Government Improvement  
10 Act of 1997; and \$7,100,000 shall be for security improve-  
11 ments and repairs at the Lorton Correctional Complex.

12 EXECUTIVE OFFICE OF THE PRESIDENT

13 FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA

14 CRIMINAL JUSTICE SYSTEM

15 (INCLUDING TRANSFER OF FUNDS)

16 Pursuant to the National Capital Revitalization and  
17 Self-Government Improvement Act of 1997 (Public Law  
18 105–33) \$146,000,000 for the Office of Management and  
19 Budget, of which: (1) not to exceed \$121,000,000 shall  
20 be transferred to the Joint Committee on Judicial Admin-  
21 istration in the District of Columbia for operation of the  
22 District of Columbia Courts; (2) not to exceed \$2,000,000  
23 shall be transferred to the District of Columbia Truth in  
24 Sentencing Commission to implement section 11211 of the  
25 National Capital Revitalization and Self-Government Im-  
26 provement Act of 1997; (3) not to exceed \$22,200,000

1 shall be transferred to the Pretrial Services, Defense Serv-  
2 ices, Parole, Adult Probation, and Offender Supervision  
3 Trustee for expenses relating to pretrial services, defense  
4 services, parole, adult probation and offender supervision  
5 in the District of Columbia, and for operating expenses  
6 of the Trustee; and (4) not to exceed \$800,000 shall be  
7 transferred to the United States Parole Commission to im-  
8 plement section 11231 of the National Capital Revitaliza-  
9 tion and Self-Government Improvement Act of 1997.

10 UNITED STATES PARK POLICE

11 For payment to the United States Park Police for  
12 policing services performed within the District of Colum-  
13 bia, \$12,500,000.

14 FEDERAL CONTRIBUTION TO THE DISTRICT OF  
15 COLUMBIA SCHOLARSHIP FUND

16 For the District of Columbia Scholarship Fund,  
17 \$7,000,000, as authorized by section 342 of this Act for  
18 scholarships to students of low-income families in the Dis-  
19 trict of Columbia to enable them to have educational  
20 choice.

21 DIVISION OF EXPENSES

22 The following amounts are appropriated for the Dis-  
23 trict of Columbia for the current fiscal year out of the  
24 general fund of the District of Columbia, except as other-  
25 wise specifically provided.

## 1 DISTRICT OF COLUMBIA TAXPAYERS RELIEF FUND

2 For the District of Columbia Taxpayers Relief Fund,  
3 an amount equal to the difference between the amount of  
4 District of Columbia local revenues provided under this  
5 Act and the actual amount of District of Columbia local  
6 revenues generated during fiscal year 1998 (as determined  
7 and certified by the Chief Financial Officer of the District  
8 of Columbia): *Provided*, That such amount shall be depos-  
9 ited into an escrow account held by the District of Colum-  
10 bia Financial Responsibility and Management Assistance  
11 Authority, which shall allocate the funds to the Mayor,  
12 or such other District official as the Authority may deem  
13 appropriate, in amounts and in a manner consistent with  
14 the requirements of this Act: *Provided further*, That these  
15 funds shall only be used to offset reductions in District  
16 of Columbia local revenues as a result of reductions in Dis-  
17 trict of Columbia taxes or fees enacted by the Council of  
18 the District of Columbia (based upon the recommenda-  
19 tions of the District of Columbia Tax Revision Commis-  
20 sion and the Business Regulatory Reform Commission)  
21 and effective no later than October 1, 1998.

## 22 DISTRICT OF COLUMBIA DEFICIT REDUCTION FUND

23 For the District of Columbia Deficit Reduction Fund,  
24 \$200,000,000, to be deposited into an escrow account held  
25 by the District of Columbia Financial Responsibility and

1 Management Assistance Authority, which shall allocate  
2 the funds to the Mayor, or such other District official as  
3 the Authority may deem appropriate, at such intervals and  
4 in accordance with such terms and conditions as the Au-  
5 thority considers appropriate: *Provided*, That an addi-  
6 tional amount shall be deposited into the Fund each  
7 month equal to the amount saved by the District of Co-  
8 lumbia during the previous month as a result of cost-sav-  
9 ing initiatives of the Mayor of the District of Columbia  
10 (described in the fiscal year 1998 budget submission of  
11 June 1997), as determined and certified by the Chief Fi-  
12 nancial Officer of the District of Columbia: *Provided fur-*  
13 *ther*, That the District government shall make every effort  
14 to implement such cost-saving initiatives so that the total  
15 amount saved by the District of Columbia during all  
16 months of fiscal year 1998 as a result of such initiatives  
17 is equal to or greater than \$100,000,000: *Provided fur-*  
18 *ther*, That the Chief Financial Officer shall submit a re-  
19 port to Congress not later than January 1, 1998, on a  
20 timetable for the implementation of such initiatives under  
21 which all such initiatives shall be implemented by not later  
22 than September 30, 1998: *Provided further*, That amounts  
23 in the Fund shall only be used for reduction of the accu-  
24 mulated general fund deficit existing as of September 30,  
25 1997.



## 1 GOVERNMENTAL DIRECTION AND SUPPORT

2 Governmental direction and support, \$119,177,000  
3 and 1,479 full-time equivalent positions (including  
4 \$98,316,000, and 1,400 full-time equivalent positions  
5 from local funds, \$14,013,000 and 9 full-time equivalent  
6 positions from Federal funds, and \$6,848,000 and 70 full-  
7 time equivalent positions from other funds): *Provided*,  
8 That not to exceed \$2,500 for the Mayor, \$2,500 for the  
9 Chairman of the Council of the District of Columbia, and  
10 \$2,500 for the City Administrator shall be available from  
11 this appropriation for official purposes: *Provided further*,  
12 That any program fees collected from the issuance of debt  
13 shall be available for the payment of expenses of the debt  
14 management program of the District of Columbia: *Pro-*  
15 *vided further*, That no revenues from Federal sources shall  
16 be used to support the operations or activities of the State-  
17 hood Commission and Statehood Compact Commission:  
18 *Provided further*, That the District of Columbia shall iden-  
19 tify the sources of funding for Admission to Statehood  
20 from its own locally-generated revenues: *Provided further*,  
21 That \$240,000 shall be available for citywide special elec-  
22 tions: *Provided further*, That all employees permanently  
23 assigned to work in the Office of the Mayor shall be paid  
24 from funds allocated to the Office of the Mayor.

## 1           ECONOMIC DEVELOPMENT AND REGULATION

2           Economic development and regulation, \$120,072,000  
3 and 1,283 full-time equivalent positions (including  
4 \$40,377,000 and 561 full-time equivalent positions from  
5 local funds, \$42,065,000 and 526 full-time equivalent po-  
6 sitions from Federal funds, and \$25,630,000 and 196 full-  
7 time equivalent positions from other funds and  
8 \$12,000,000 collected in the form of Business Improve-  
9 ment Districts tax revenue collected by the District of Co-  
10 lumbia on behalf of business improvement districts pursu-  
11 ant to the Business Improvement Districts Act of 1996,  
12 effective May 29, 1996 (D.C. Law 11-134; D.C. Code,  
13 sec. 1-2271 et seq.) and the Business Improvement Dis-  
14 tricts Temporary Amendment Act of 1997 (Bill 12-230).

## 15                           PUBLIC SAFETY AND JUSTICE

16           Public safety and justice, including purchase of 135  
17 passenger-carrying vehicles for replacement only, includ-  
18 ing 130 for police-type use and five for fire-type use, with-  
19 out regard to the general purchase price limitation for the  
20 current fiscal year, \$502,970,000 and 9,719 full-time  
21 equivalent positions (including \$483,557,000 and 9,642  
22 full-time equivalent positions from local funds,  
23 \$13,519,000 and 73 full-time equivalent positions from  
24 Federal funds, and \$5,894,000 and 4 full-time equivalent  
25 positions from other funds): *Provided*, That the Metropoli-

1 tan Police Department is authorized to replace not to ex-  
2 ceed 25 passenger-carrying vehicles and the Department  
3 of Fire and Emergency Medical Services of the District  
4 of Columbia is authorized to replace not to exceed five pas-  
5 senger-carrying vehicles annually whenever the cost of re-  
6 pair to any damaged vehicle exceeds three-fourths of the  
7 cost of the replacement: *Provided further*, That not to ex-  
8 ceed \$500,000 shall be available from this appropriation  
9 for the Chief of Police for the prevention and detection  
10 of crime: *Provided further*, That the Metropolitan Police  
11 Department shall provide quarterly reports to the Com-  
12 mittees on Appropriations of the House and Senate on ef-  
13 forts to increase efficiency and improve the professional-  
14 ism in the department: *Provided further*, That notwith-  
15 standing any other provision of law, or Mayor's Order 86-  
16 45, issued March 18, 1986, the Metropolitan Police De-  
17 partment's delegated small purchase authority shall be  
18 \$500,000: *Provided further*, That the District of Columbia  
19 government may not require the Metropolitan Police De-  
20 partment to submit to any other procurement review proc-  
21 ess, or to obtain the approval of or be restricted in any  
22 manner by any official or employee of the District of Co-  
23 lumbia government, for purchases that do not exceed  
24 \$500,000: *Provided further*, That the District of Columbia  
25 Fire Department shall provide quarterly reports to the

1 Committees on Appropriations of the House and Senate  
2 on efforts to increase efficiency and improve the profes-  
3 sionalism in the department: *Provided further*, That not-  
4 withstanding any other provision of law, or Mayor's Order  
5 86-45, issued March 18, 1986, the District of Columbia  
6 Fire Department's delegated small purchase authority  
7 shall be \$500,000: *Provided further*, That the District of  
8 Columbia government may not require the District of Co-  
9 lumbia Fire Department to submit to any other procure-  
10 ment review or contract approval process, or to obtain the  
11 approval of or be restricted in any manner by any official  
12 or employee of the District of Columbia government, for  
13 purchases that do not exceed \$500,000: *Provided further*,  
14 That the Mayor shall reimburse the District of Columbia  
15 National Guard for expenses incurred in connection with  
16 services that are performed in emergencies by the National  
17 Guard in a militia status and are requested by the Mayor,  
18 in amounts that shall be jointly determined and certified  
19 as due and payable for these services by the Mayor and  
20 the Commanding General of the District of Columbia Na-  
21 tional Guard: *Provided further*, That such sums as may  
22 be necessary for reimbursement to the District of Colum-  
23 bia National Guard under the preceding proviso shall be  
24 available from this appropriation, and the availability of  
25 the sums shall be deemed as constituting payment in ad-

1 vance for emergency services involved: *Provided further,*  
2 That the Metropolitan Police Department is authorized to  
3 maintain 3,800 sworn officers, with leave for a 50 officer  
4 attrition: *Provided further,* That no more than 15 mem-  
5 bers of the Metropolitan Police Department shall be de-  
6 tailed or assigned to the Executive Protection Unit, until  
7 the Chief of Police submits a recommendation to the  
8 Council for its review: *Provided further,* That \$100,000  
9 shall be available for inmates released on medical and geri-  
10 atric parole: *Provided further,* That not less than  
11 \$2,254,754 shall be available to support a pay raise for  
12 uniformed firefighters, when authorized by the District of  
13 Columbia Council and the District of Columbia Financial  
14 Responsibility and Management Assistance Authority,  
15 which funding will be made available as savings are  
16 achieved through actions within the appropriated budget:  
17 *Provided further,* That funds appropriated for expenses  
18 under the District of Columbia Criminal Justice Act, ap-  
19 proved September 3, 1974 (88 Stat. 1090; Public Law  
20 93-412; D.C. Code, sec. 11-2601 et seq.), for the fiscal  
21 year ending September 30, 1998, shall be available for ob-  
22 ligations incurred under the Act in each fiscal year since  
23 inception in fiscal year 1975: *Provided further,* That funds  
24 appropriated for expenses under the District of Columbia  
25 Neglect Representation Equity Act of 1984, effective

1 March 13, 1985 (D.C. Law 5–129; D.C. Code, Sec. 16–  
2 2304), for the fiscal year ending September 30, 1998,  
3 shall be available for obligations incurred under the Act  
4 in each fiscal year since inception in fiscal year 1985: *Pro-*  
5 *vided further*, That funds appropriated for expenses under  
6 the District of Columbia Guardianship, Protective Pro-  
7 ceedings, and Durable Power of Attorney Act of 1986, ef-  
8 fective February 27, 1987 (D.C. Law 6–204; D.C. Code,  
9 sec. 21–2060), for the fiscal year ending September 30,  
10 1998, shall be available for obligations incurred under the  
11 Act in each fiscal year since inception in fiscal year 1989:  
12 *Provided further*, That not to exceed \$1,500 for the Chief  
13 Judge of the District of Columbia Court of Appeals,  
14 \$1,500 for the Chief Judge of the Superior Court of the  
15 District of Columbia, and \$1,500 for the Executive Officer  
16 of the District of Columbia Courts shall be available from  
17 this appropriation for official purposes.

18 PUBLIC EDUCATION SYSTEM

19 Public education system, including the development  
20 of national defense education programs, \$673,444,000  
21 and 11,314 full-time equivalent positions (including  
22 \$531,197,000 and 9,595 full-time equivalent positions  
23 from local funds, \$112,806,000 and 1,424 full-time equiv-  
24 alent positions from Federal funds, and \$29,441,000 and  
25 295 full-time equivalent positions from other funds), to

1 be allocated as follows: \$560,114,000 and 9,979 full-time  
2 equivalent positions (including \$456,128,000 and 8,623  
3 full-time equivalent positions from local funds,  
4 \$98,491,000 and 1,251 full-time equivalent positions from  
5 Federal funds, and \$5,495,000 and 105 full-time equiva-  
6 lent positions from other funds), for the public schools of  
7 the District of Columbia; \$5,250,000 (including \$300,000  
8 for the Public Charter School Board) from local funds for  
9 public charter schools: *Provided*, That if the entirety of  
10 this allocation has not been provided as payments to one  
11 or more public charter schools by May 15, 1998, and re-  
12 mains unallocated, the funds will revert to the general  
13 fund of the District of Columbia in accordance with sec-  
14 tion 2403(a)(2)(D) of the District of Columbia School Re-  
15 form Act of 1995 (Public Law 104–134); \$8,900,000 from  
16 local funds for the District of Columbia Teachers’ Retire-  
17 ment Fund; \$1,000,000 from local funds for the District  
18 Education and Learning Technologies Advancement  
19 (DELTA) Council to be paid to the Council within 10 days  
20 of the effective date of the appointment of a majority of  
21 the Council’s members; \$70,687,000 and 872 full-time  
22 equivalent positions (including \$37,126,000 and 562 full-  
23 time equivalent positions from local funds, \$12,804,000  
24 and 156 full-time equivalent positions from Federal funds,  
25 and \$20,757,000 and 154 full-time equivalent positions

1 from other funds) for the University of the District of Co-  
2 lumbia (excluding the U.D.C. School of Law); \$3,400,000  
3 and 45 full-time equivalent positions (including \$665,000  
4 and 10 full-time equivalent positions from local funds and  
5 \$2,735,000 and 35 full-time equivalent positions from  
6 other funds) for the U.D.C. School of Law; \$22,036,000  
7 and 409 full-time equivalent positions (including  
8 \$20,424,000 and 398 full-time equivalent positions from  
9 local funds, \$1,158,000 and 10 full-time equivalent posi-  
10 tions from Federal funds, and \$454,000 and 1 full-time  
11 equivalent position from other funds) for the Public Li-  
12 brary; \$2,057,000 and 9 full-time equivalent positions (in-  
13 cluding \$1,704,000 and 2 full-time equivalent positions  
14 from local funds and \$353,000 and 7 full-time equivalent  
15 positions from Federal funds) for the Commission on the  
16 Arts and Humanities: *Provided*, That the public schools  
17 of the District of Columbia are authorized to accept not  
18 to exceed 31 motor vehicles for exclusive use in the driver  
19 education program: *Provided further*, That not to exceed  
20 \$2,500 for the Superintendent of Schools, \$2,500 for the  
21 President of the University of the District of Columbia,  
22 and \$2,000 for the Public Librarian shall be available  
23 from this appropriation for official purposes: *Provided fur-*  
24 *ther*, That not less than \$1,200,000 shall be available for  
25 local school allotments in a restricted line item: *Provided*



1 *further*, That not less than \$4,500,000 shall be available  
2 to support kindergarten aides in a restricted line item:  
3 *Provided further*, That not less than \$2,800,000 shall be  
4 available to support substitute teachers in a restricted line  
5 item: *Provided further*, That not less than \$1,788,000  
6 shall be available in a restricted line item for school coun-  
7 selors: *Provided further*, That this appropriation shall not  
8 be available to subsidize the education of nonresidents of  
9 the District of Columbia at the University of the District  
10 of Columbia, unless the Board of Trustees of the Univer-  
11 sity of the District of Columbia adopts, for the fiscal year  
12 ending September 30, 1998, a tuition rate schedule that  
13 will establish the tuition rate for nonresident students at  
14 a level no lower than the nonresident tuition rate charged  
15 at comparable public institutions of higher education in  
16 the metropolitan area: *Provided further*, That not less than  
17 \$584,000 shall be available to support high school dropout  
18 prevention programs: *Provided further*, That not less than  
19 \$295,000 shall be available for youth leadership and con-  
20 flict resolution programs: *Provided further*, That not less  
21 than \$10,000,000 shall be available to support a pay raise  
22 for principals and assistant principals of the District of  
23 Columbia Public Schools, and for teachers of the Schools  
24 with valid teaching credentials who are primarily engaged  
25 in classroom instruction during the SY 1997–1998: *Pro-*

1 *vided further*, That not less than \$250,000 shall be avail-  
 2 able to support Truancy Prevention Programs: *Provided*  
 3 *further*, That by the end of fiscal year 1998, the District  
 4 of Columbia Schools shall designate at least 2 or more  
 5 District of Columbia Public School buildings as “Commu-  
 6 nity Hubs” which, in addition to serving as educational  
 7 facilities, shall serve as multi-purpose centers that provide  
 8 opportunities to integrate support services and enable  
 9 inter-generational users to meet the lifelong learning needs  
 10 of community residents, and may support the following ac-  
 11 tivities: before and after school care; counseling; tutoring;  
 12 vocational and career training; art and sports programs;  
 13 housing assistance; family literacy; health and nutrition  
 14 programs; parent education; employment assistance; adult  
 15 education; and access to state-of-the art technology.

16 HUMAN SUPPORT SERVICES

17 Human support services, \$1,718,939,000 and 6,096  
 18 full-time equivalent positions (including \$789,350,000 and  
 19 3,583 full-time equivalent positions from local funds,  
 20 \$886,702,000 and 2,444 full-time equivalent positions  
 21 from Federal funds, and \$42,887,000 and 69 full-time  
 22 equivalent positions from other funds): *Provided*, That  
 23 \$21,089,000 of this appropriation, to remain available  
 24 until expended, shall be available solely for District of Co-  
 25 lumbia employees’ disability compensation: *Provided fur-*

1 *ther*, That a Peer Review Committee shall be established  
2 to review medical payments and the type of service re-  
3 ceived by a disability compensation claimant: *Provided fur-*  
4 *ther*, That the District of Columbia shall not provide free  
5 government services such as water, sewer, solid waste dis-  
6 posal or collection, utilities, maintenance, repairs, or simi-  
7 lar services to any legally constituted private nonprofit or-  
8 ganization (as defined in section 411(5) of Public Law  
9 100–77, approved July 22, 1987) providing emergency  
10 shelter services in the District, if the District would not  
11 be qualified to receive reimbursement pursuant to the  
12 Stewart B. McKinney Homeless Assistance Act, approved  
13 July 22, 1987 (101 Stat. 485; Public Law 100–77; 42  
14 U.S.C. 11301 et seq.).

15 PUBLIC WORKS

16 Public works, including rental of one passenger-car-  
17 rying vehicle for use by the Mayor and three passenger-  
18 carrying vehicles for use by the Council of the District of  
19 Columbia and leasing of passenger-carrying vehicles  
20 \$241,934,000 and 1,292 full-time equivalent positions (in-  
21 cluding \$227,983,000 and 1,162 full-time equivalent posi-  
22 tions from local funds, \$3,350,000 and 51 full-time equiv-  
23 alent positions from Federal funds, and \$10,601,000 and  
24 79 full-time equivalent positions from other funds): *Pro-*  
25 *vided*, That this appropriation shall not be available for

1 collecting ashes or miscellaneous refuse from hotels and  
2 places of business: *Provided further*, That \$3,000,000 shall  
3 be available for the lease financing, operation, and mainte-  
4 nance of two mechanical street sweepings, one flusher  
5 truck, 5 packer trucks, one front-end loader, and various  
6 public litter containers: *Provided further*, That \$2,400,000  
7 shall be available for recycling activities.

8 WASHINGTON CONVENTION CENTER FUND TRANSFER  
9 PAYMENT

10 For payment to the Washington Convention Center  
11 Enterprise Fund, \$5,400,000 from local funds.

12 REPAYMENT OF LOANS AND INTEREST

13 For reimbursement to the United States of funds  
14 loaned in compliance with An Act to provide for the estab-  
15 lishment of a modern, adequate, and efficient hospital cen-  
16 ter in the District of Columbia, approved August 7, 1946  
17 (60 Stat. 896; Public Law 79–648); section 1 of An Act  
18 to authorize the Commissioners of the District of Colum-  
19 bia to borrow funds for capital improvement programs and  
20 to amend provisions of law relating to Federal Govern-  
21 ment participation in meeting costs of maintaining the  
22 Nation’s Capital City, approved June 6, 1958 (72 Stat.  
23 183; Public Law 85–451; D.C. Code, sec. 9–219); section  
24 4 of An Act to authorize the Commissioners of the District  
25 of Columbia to plan, construct, operate, and maintain a

1 sanitary sewer to connect the Dulles International Airport  
2 with the District of Columbia system, approved June 12,  
3 1960 (74 Stat. 211; Public Law 86-515); sections 723  
4 and 743(f) of the District of Columbia Home Rule Act  
5 of 1973, approved December 24, 1973, as amended (87  
6 Stat. 821; Public Law 93-198; D.C. Code, sec. 47-321,  
7 note; 91 Stat. 1156; Public Law 95-131; D.C. Code, sec.  
8 9-219, note), including interest as required thereby,  
9 \$366,976,000 from local funds.

#### 10 REPAYMENT OF GENERAL FUND RECOVERY DEBT

11 For the purpose of eliminating the \$331,589,000  
12 general fund accumulated deficit as of September 30,  
13 1990, \$39,020,000 from local funds, as authorized by sec-  
14 tion 461(a) of the District of Columbia Home Rule Act,  
15 approved December 24, 1973, as amended (105 Stat. 540;  
16 Public Law 102-106; D.C. Code, sec. 47-321(a)(1)).

#### 17 PAYMENT OF INTEREST ON SHORT-TERM BORROWING

18 For payment of interest on short-term borrowing,  
19 \$12,000,000 from local funds.

#### 20 CERTIFICATES OF PARTICIPATION

21 For lease payments in accordance with the Certifi-  
22 cates of Participation involving the land site underlying  
23 the building located at One Judiciary Square, \$7,923,000.

## 1 HUMAN RESOURCES DEVELOPMENT

2 For Human resources development, including costs of  
3 increased employee training, administrative reforms, and  
4 an executive compensation system, \$6,000,000.

## 5 MANAGEMENT REFORM AND PRODUCTIVITY FUND

6 For the Management Reform and Productivity Fund,  
7 \$5,000,000, to improve management and service delivery  
8 in the District of Columbia.

## 9 CRITICAL IMPROVEMENTS AND REPAIRS TO SCHOOL

## 10 FACILITIES AND STREETS

11 For expenditures for immediate, one-time critical im-  
12 provements and repairs to school facilities (including roof,  
13 boiler, and chiller renovation or replacement) and for  
14 neighborhood and other street repairs, to be completed not  
15 later than August 1, 1998, \$30,000,000, to be derived  
16 from current local general fund operating revenues, to be  
17 expended on a pay-as-you-go basis.

## 18 DISTRICT OF COLUMBIA FINANCIAL RESPONSIBILITY

## 19 AND MANAGEMENT ASSISTANCE AUTHORITY

20 For the District of Columbia Financial Responsibility  
21 and Management Assistance Authority, established by sec-  
22 tion 101(a) of the District of Columbia Financial Respon-  
23 sibility and Management Assistance Act of 1995, approved  
24 April 17, 1995 (109 Stat. 97; Public Law 104–8),  
25 \$3,220,000.

1 WATER AND SEWER AUTHORITY AND THE WASHINGTON  
2 AQUEDUCT

3 For the Water and Sewer Authority and the Wash-  
4 ington Aqueduct, \$297,310,000 from other funds (includ-  
5 ing \$263,425,000 for the Water and Sewer Authority and  
6 \$33,885,000 for the Washington Aqueduct) of which  
7 \$41,423,000 shall be apportioned and payable to the Dis-  
8 trict's debt service fund for repayment of loans and inter-  
9 est incurred for capital improvement projects.

10 LOTTERY AND CHARITABLE GAMES ENTERPRISE FUND

11 For the Lottery and Charitable Games Enterprise  
12 Fund, established by the District of Columbia Appropria-  
13 tion Act for the fiscal year ending September 30, 1982,  
14 approved December 4, 1981 (95 Stat. 1174, 1175; Public  
15 Law 97-91), as amended, for the purpose of implementing  
16 the Law to Legalize Lotteries, Daily Numbers Games, and  
17 Bingo and Raffles for Charitable Purposes in the District  
18 of Columbia, effective March 10, 1981 (D.C. Law 3-172;  
19 D.C. Code, secs. 2-2501 et seq. and 22-1516 et seq.),  
20 \$213,500,000 and 100 full-time equivalent positions (in-  
21 cluding \$7,850,000 and 100 full-time equivalent positions  
22 for administrative expenses and \$205,650,000 for non-ad-  
23 ministrative expenses from revenue generated by the Lot-  
24 tery Board), to be derived from non-Federal District of  
25 Columbia revenues: *Provided*, That the District of Colum-

1 bia shall identify the source of funding for this appropria-  
2 tion title from the District's own locally-generated reve-  
3 nues: *Provided further*, That no revenues from Federal  
4 sources shall be used to support the operations or activi-  
5 ties of the Lottery and Charitable Games Control Board.

6 CABLE TELEVISION ENTERPRISE FUND

7 For the Cable Television Enterprise Fund, estab-  
8 lished by the Cable Television Communications Act of  
9 1981, effective October 22, 1983 (D.C. Law 5-36; D.C.  
10 Code, sec. 43-1801 et seq.), \$2,467,000 and 8 full-time  
11 equivalent positions (including \$2,135,000 and 8 full-time  
12 equivalent positions from local funds and \$332,000 from  
13 other funds).

14 PUBLIC SERVICE COMMISSION

15 For the Public Service Commission, \$4,547,000 (in-  
16 cluding \$4,250,000 from local funds, \$117,000 from Fed-  
17 eral funds, and \$180,000 from other funds).

18 OFFICE OF THE PEOPLE'S COUNSEL

19 For the Office of the People's Counsel, \$2,428,000  
20 from local funds.

21 DEPARTMENT OF INSURANCE AND SECURITIES

22 REGULATION

23 For the Department of Insurance and Securities Reg-  
24 ulation, \$5,683,000 and 89 full-time equivalent positions  
25 from other funds.



## 1 OFFICE OF BANKING AND FINANCIAL INSTITUTIONS

2 For the Office of Banking and Financial Institutions,  
3 \$600,000 (including \$100,000 from local funds and  
4 \$500,000 from other funds).

## 5 STARPLEX FUND

6 For the Starplex Fund, \$5,936,000 from other funds  
7 for expenses incurred by the Armory Board in the exercise  
8 of its powers granted by An Act To Establish A District  
9 of Columbia Armory Board, and for other purposes, ap-  
10 proved June 4, 1948 (62 Stat. 339; D.C. Code, sec. 2-  
11 301 et seq.) and the District of Columbia Stadium Act  
12 of 1957, approved September 7, 1957 (71 Stat. 619; Pub-  
13 lic Law 85-300; D.C. Code, sec. 2-321 et seq.): *Provided*,  
14 That the Mayor shall submit a budget for the Armory  
15 Board for the forthcoming fiscal year as required by sec-  
16 tion 442(b) of the District of Columbia Home Rule Act,  
17 approved December 24, 1973 (87 Stat. 824; Public Law  
18 93-198; D.C. Code, sec. 47-301(b)).

## 19 D.C. GENERAL HOSPITAL

20 For the District of Columbia General Hospital, estab-  
21 lished by Reorganization Order No. 57 of the Board of  
22 Commissioners, effective August 15, 1953, \$103,934,000  
23 of which \$44,335,000 shall be derived by transfer from  
24 the general fund and \$59,599,000 shall be derived from  
25 other funds.

## 1 D.C. RETIREMENT BOARD

2 For the D.C. Retirement Board, established by sec-  
3 tion 121 of the District of Columbia Retirement Reform  
4 Act of 1979, approved November 17, 1979 (93 Stat. 866;  
5 D.C. Code, sec. 1-711), \$4,898,000 and 8 full-time equiv-  
6 alent positions from the earnings of the applicable retire-  
7 ment funds to pay legal, management, investment, and  
8 other fees and administrative expenses of the District of  
9 Columbia Retirement Board: *Provided*, That the District  
10 of Columbia Retirement Board shall provide to the Con-  
11 gress and to the Council of the District of Columbia a  
12 quarterly report of the allocations of charges by fund and  
13 of expenditures of all funds: *Provided further*, That the  
14 District of Columbia Retirement Board shall provide the  
15 Mayor, for transmittal to the Council of the District of  
16 Columbia, an itemized accounting of the planned use of  
17 appropriated funds in time for each annual budget sub-  
18 mission and the actual use of such funds in time for each  
19 annual audited financial report.

## 20 CORRECTIONAL INDUSTRIES FUND

21 For the Correctional Industries Fund, established by  
22 the District of Columbia Correctional Industries Estab-  
23 lishment Act, approved October 3, 1964 (78 Stat. 1000;  
24 Public Law 88-622), \$3,332,000 and 50 full-time equiva-  
25 lent positions from other funds.

## 1 WASHINGTON CONVENTION CENTER ENTERPRISE FUND

2 For the Washington Convention Center Enterprise  
3 Fund, \$46,400,000 of which \$5,400,000 shall be derived  
4 by transfer from the general fund.

## 5 CAPITAL OUTLAY

6 For construction projects, \$269,330,000 (including  
7 \$105,485,000 from local funds, \$31,100,000 from the  
8 highway trust fund, and \$132,745,000 in Federal funds),  
9 as authorized by An Act authorizing the laying of water  
10 mains and service sewers in the District of Columbia, the  
11 levying of assessments therefor, and for other purposes,  
12 approved April 22, 1904 (33 Stat. 244; Public Law 58–  
13 140; D.C. Code, secs. 43–1512 through 43–1519); the  
14 District of Columbia Public Works Act of 1954, approved  
15 May 18, 1954 (68 Stat. 101; Public Law 83–364); An  
16 Act to authorize the Commissioners of the District of Co-  
17 lumbia to borrow funds for capital improvement programs  
18 and to amend provisions of law relating to Federal Gov-  
19 ernment participation in meeting costs of maintaining the  
20 Nation’s Capital City, approved June 6, 1958 (72 Stat.  
21 183; Public Law 85–451); including acquisition of sites,  
22 preparation of plans and specifications, conducting pre-  
23 liminary surveys, erection of structures, including building  
24 improvement and alteration and treatment of grounds, to  
25 remain available until expended: *Provided*, That funds for

1 use of each capital project implementing agency shall be  
2 managed and controlled in accordance with all procedures  
3 and limitations established under the Financial Manage-  
4 ment System: *Provided further*, That all funds provided  
5 by this appropriation title shall be available only for the  
6 specific projects and purposes intended: *Provided further*,  
7 That notwithstanding the foregoing, all authorizations for  
8 capital outlay projects, except those projects covered by  
9 the first sentence of section 23(a) of the Federal-Aid  
10 Highway Act of 1968, approved August 23, 1968 (82  
11 Stat. 827; Public Law 90-495; D.C. Code, sec. 7-134,  
12 note), for which funds are provided by this appropriation  
13 title, shall expire on September 30, 1999, except author-  
14 izations for projects as to which funds have been obligated  
15 in whole or in part prior to September 30, 1999: *Provided*  
16 *further*, That upon expiration of any such project author-  
17 ization the funds provided herein for the project shall  
18 lapse: *Provided further*, That the District has approved  
19 projects to finance capital related items, such as vehicles  
20 and heavy equipment, through a master lease purchase  
21 program. The District will finance \$13,052,000 of its  
22 equipment needs up to a 5 year-period. The fiscal year  
23 1998 operating budget includes a total of \$3,741,000 for  
24 the debt associated with the lease purchase.

## GENERAL PROVISIONS

1

2       SEC. 101. The expenditure of any appropriation  
3 under this Act for any consulting service through procure-  
4 ment contract, pursuant to 5 U.S.C. 3109, shall be limited  
5 to those contracts where such expenditures are a matter  
6 of public record and available for public inspection, except  
7 where otherwise provided under existing law, or under ex-  
8 isting Executive order issued pursuant to existing law.

9       SEC. 102. Except as otherwise provided in this Act,  
10 all vouchers covering expenditures of appropriations con-  
11 tained in this Act shall be audited before payment by the  
12 designated certifying official and the vouchers as approved  
13 shall be paid by checks issued by the designated disbursing  
14 official.

15       SEC. 103. Whenever in this Act, an amount is speci-  
16 fied within an appropriation for particular purposes or ob-  
17 jects of expenditure, such amount, unless otherwise speci-  
18 fied, shall be considered as the maximum amount that  
19 may be expended for said purpose or object rather than  
20 an amount set apart exclusively therefor.

21       SEC. 104. Appropriations in this Act shall be avail-  
22 able, when authorized by the Mayor, for allowances for  
23 privately-owned automobiles and motorcycles used for the  
24 performance of official duties at rates established by the  
25 Mayor: *Provided*, That such rates shall not exceed the

1 maximum prevailing rates for such vehicles as prescribed  
2 in the Federal Property Management Regulations 101–7  
3 (Federal Travel Regulations).

4       SEC. 105. Appropriations in this Act shall be avail-  
5 able for expenses of travel and for the payment of dues  
6 of organizations concerned with the work of the District  
7 of Columbia government, when authorized by the Mayor:  
8 *Provided*, That the Council of the District of Columbia  
9 and the District of Columbia Courts may expend such  
10 funds without authorization by the Mayor.

11       SEC. 106. There are appropriated from the applicable  
12 funds of the District of Columbia such sums as may be  
13 necessary for making refunds and for the payment of  
14 judgments that have been entered against the District of  
15 Columbia government: *Provided*, That nothing contained  
16 in this section shall be construed as modifying or affecting  
17 the provision of section 11(c)(3) of title XII of the District  
18 of Columbia Income and Franchise Tax Act of 1947, ap-  
19 proved March 31, 1956 (70 Stat. 78; Public Law 84–460;  
20 D.C. Code, sec. 47–1812.11(c)(3)).

21       SEC. 107. Appropriations in this Act shall be avail-  
22 able for the payment of public assistance without reference  
23 to the requirement of section 544 of the District of Colum-  
24 bia Public Assistance Act of 1982, effective April 6, 1982  
25 (D.C. Law 4–101; D.C. Code, sec. 3–205.44), and for the

1 non-Federal share of funds necessary to qualify for Fed-  
2 eral assistance under the Juvenile Delinquency Prevention  
3 and Control Act of 1968, approved July 31, 1968 (82  
4 Stat. 462; Public Law 90–445; 42 U.S.C. 3801 et seq.).

5 SEC. 108. No part of any appropriation contained in  
6 this Act shall remain available for obligation beyond the  
7 current fiscal year unless expressly so provided herein.

8 SEC. 109. No funds appropriated in this Act for the  
9 District of Columbia government for the operation of edu-  
10 cational institutions, the compensation of personnel, or for  
11 other educational purposes may be used to permit, encour-  
12 age, facilitate, or further partisan political activities.  
13 Nothing herein is intended to prohibit the availability of  
14 school buildings for the use of any community or partisan  
15 political group during non-school hours.

16 SEC. 110. None of the funds appropriated in this Act  
17 shall be made available to pay the salary of any employee  
18 of the District of Columbia government whose name, title,  
19 grade, salary, past work experience, and salary history are  
20 not available for inspection by the House and Senate Com-  
21 mittees on Appropriations, the Subcommittee on the Dis-  
22 trict of Columbia of the House Committee on Government  
23 Reform and Oversight, the Subcommittee on Oversight of  
24 Government Management and the District of Columbia of  
25 the Senate Committee on Governmental Affairs, and the

1 Council of the District of Columbia, or their duly author-  
2 ized representative.

3 SEC. 111. There are appropriated from the applicable  
4 funds of the District of Columbia such sums as may be  
5 necessary for making payments authorized by the District  
6 of Columbia Revenue Recovery Act of 1977, effective Sep-  
7 tember 23, 1977 (D.C. Law 2-20; D.C. Code, sec. 47-  
8 421 et seq.).

9 SEC. 112. No part of this appropriation shall be used  
10 for publicity or propaganda purposes or implementation  
11 of any policy including boycott designed to support or de-  
12 feat legislation pending before Congress or any State legis-  
13 lature.

14 SEC. 113. At the start of the fiscal year, the Mayor  
15 shall develop an annual plan, by quarter and by project,  
16 for capital outlay borrowings: *Provided*, That within a rea-  
17 sonable time after the close of each quarter, the Mayor  
18 shall report to the Council of the District of Columbia and  
19 the Congress the actual borrowings and spending progress  
20 compared with projections.

21 SEC. 114. The Mayor shall not borrow any funds for  
22 capital projects unless the Mayor has obtained prior ap-  
23 proval from the Council of the District of Columbia, by  
24 resolution, identifying the projects and amounts to be fi-  
25 nanced with such borrowings.



1       SEC. 115. The Mayor shall not expend any moneys  
2 borrowed for capital projects for the operating expenses  
3 of the District of Columbia government.

4       SEC. 116. None of the funds appropriated by this Act  
5 may be obligated or expended by reprogramming except  
6 pursuant to advance approval of the reprogramming  
7 granted according to the procedure set forth in the Joint  
8 Explanatory Statement of the Committee of Conference  
9 (House Report No. 96-443), which accompanied the Dis-  
10 trict of Columbia Appropriation Act, 1980, approved Octo-  
11 ber 30, 1979 (93 Stat. 713; Public Law 96-93), as modi-  
12 fied in House Report No. 98-265, and in accordance with  
13 the Reprogramming Policy Act of 1980, effective Septem-  
14 ber 16, 1980 (D.C. Law 3-100; D.C. Code, sec. 47-361  
15 et seq.): *Provided*, That for the fiscal year ending Septem-  
16 ber 30, 1998 the above shall apply except as modified by  
17 Public Law 104-8.

18       SEC. 117. None of the Federal funds provided in this  
19 Act shall be obligated or expended to provide a personal  
20 cook, chauffeur, or other personal servants to any officer  
21 or employee of the District of Columbia.

22       SEC. 118. None of the Federal funds provided in this  
23 Act shall be obligated or expended to procure passenger  
24 automobiles as defined in the Automobile Fuel Efficiency  
25 Act of 1980, approved October 10, 1980 (94 Stat. 1824;

1 Public Law 96–425; 15 U.S.C. 2001(2)), with an Environ-  
2 mental Protection Agency estimated miles per gallon aver-  
3 age of less than 22 miles per gallon: *Provided*, That this  
4 section shall not apply to security, emergency rescue, or  
5 armored vehicles.

6       SEC. 119. (a) Notwithstanding section 422(7) of the  
7 District of Columbia Home Rule Act of 1973, approved  
8 December 24, 1973 (87 Stat. 790; Public Law 93–198;  
9 D.C. Code, sec. 1–242(7)), the City Administrator shall  
10 be paid, during any fiscal year, a salary at a rate estab-  
11 lished by the Mayor, not to exceed the rate established  
12 for Level IV of the Executive Schedule under 5 U.S.C.  
13 5315.

14       (b) For purposes of applying any provision of law lim-  
15 iting the availability of funds for payment of salary or pay  
16 in any fiscal year, the highest rate of pay established by  
17 the Mayor under subsection (a) of this section for any po-  
18 sition for any period during the last quarter of calendar  
19 year 1997 shall be deemed to be the rate of pay payable  
20 for that position for September 30, 1997.

21       (c) Notwithstanding section 4(a) of the District of  
22 Columbia Redevelopment Act of 1945, approved August  
23 2, 1946 (60 Stat. 793; Public Law 79–592; D.C. Code,  
24 sec. 5–803(a)), the Board of Directors of the District of  
25 Columbia Redevelopment Land Agency shall be paid, dur-

1 ing any fiscal year, per diem compensation at a rate estab-  
2 lished by the Mayor.

3       SEC. 120. Notwithstanding any other provisions of  
4 law, the provisions of the District of Columbia Govern-  
5 ment Comprehensive Merit Personnel Act of 1978, effec-  
6 tive March 3, 1979 (D.C. Law 2-139; D.C. Code, sec. 1-  
7 601.1 et seq.), enacted pursuant to section 422(3) of the  
8 District of Columbia Home Rule Act of 1973, approved  
9 December 24, 1973 (87 Stat. 790; Public Law 93-198;  
10 D.C. Code, sec. 1-242(3)), shall apply with respect to the  
11 compensation of District of Columbia employees: *Provided*,  
12 That for pay purposes, employees of the District of Co-  
13 lumbia government shall not be subject to the provisions  
14 of title 5, United States Code.

15       SEC. 121. The Director of the Department of Admin-  
16 istrative Services may pay rentals and repair, alter, and  
17 improve rented premises, without regard to the provisions  
18 of section 322 of the Economy Act of 1932 (Public Law  
19 72-212; 40 U.S.C. 278a), based upon a determination by  
20 the Director, that by reason of circumstances set forth in  
21 such determination, the payment of these rents and the  
22 execution of this work, without reference to the limitations  
23 of section 322, is advantageous to the District in terms  
24 of economy, efficiency, and the District's best interest.

1        SEC. 122. No later than 30 days after the end of the  
2 first quarter of the fiscal year ending September 30, 1998,  
3 the Mayor of the District of Columbia shall submit to the  
4 Council of the District of Columbia the new fiscal year  
5 1998 revenue estimates as of the end of the first quarter  
6 of fiscal year 1998. These estimates shall be used in the  
7 budget request for the fiscal year ending September 30,  
8 1999. The officially revised estimates at midyear shall be  
9 used for the midyear report.

10        SEC. 123. No sole source contract with the District  
11 of Columbia government or any agency thereof may be re-  
12 newed or extended without opening that contract to the  
13 competitive bidding process as set forth in section 303 of  
14 the District of Columbia Procurement Practices Act of  
15 1985, effective February 21, 1986 (D.C. Law 6–85; D.C.  
16 Code, sec. 1–1183.3), except that the District of Columbia  
17 Public Schools may renew or extend sole source contracts  
18 for which competition is not feasible or practical, provided  
19 that the determination as to whether to invoke the com-  
20 petitive bidding process has been made in accordance with  
21 duly promulgated Emergency Transitional Education  
22 Board of Trustees rules and procedures.

23        SEC. 124. For purposes of the Balanced Budget and  
24 Emergency Deficit Control Act of 1985, approved Decem-  
25 ber 12, 1985 (99 Stat. 1037; Public Law 99–177), as

1 amended, the term “program, project, and activity” shall  
2 be synonymous with and refer specifically to each account  
3 appropriating Federal funds in this Act, and any seques-  
4 tration order shall be applied to each of the accounts rath-  
5 er than to the aggregate total of those accounts: *Provided*,  
6 That sequestration orders shall not be applied to any ac-  
7 count that is specifically exempted from sequestration by  
8 the Balanced Budget and Emergency Deficit Control Act  
9 of 1985, approved December 12, 1985 (99 Stat. 1037;  
10 Public Law 99–177), as amended.

11       SEC. 125. In the event a sequestration order is issued  
12 pursuant to the Balanced Budget and Emergency Deficit  
13 Control Act of 1985, approved December 12, 1985 (99  
14 Stat. 1037; Public Law 99–177), as amended, after the  
15 amounts appropriated to the District of Columbia for the  
16 fiscal year involved have been paid to the District of Co-  
17 lumbia, the Mayor of the District of Columbia shall pay  
18 to the Secretary of the Treasury, within 15 days after re-  
19 ceipt of a request therefor from the Secretary of the  
20 Treasury, such amounts as are sequestered by the order:  
21 *Provided*, That the sequestration percentage specified in  
22 the order shall be applied proportionately to each of the  
23 Federal appropriation accounts in this Act that are not  
24 specifically exempted from sequestration by the Balanced  
25 Budget and Emergency Deficit Control Act of 1985, ap-

1 proved December 12, 1985 (99 Stat. 1037; Public Law  
2 99–177), as amended.

3       SEC. 126. Nothing in this Act shall be construed to  
4 authorize any office, agency or entity to expend funds for  
5 programs or functions for which a reorganization plan is  
6 required but has not been approved by the Council pursu-  
7 ant to section 422(12) of the District of Columbia Home  
8 Rule Act of 1973, approved December 24, 1973 (87 Stat.  
9 790; Public Law 93–198; D.C. Code, sec. 1–242(12)) and  
10 the Governmental Reorganization Procedures Act of 1981,  
11 effective October 17, 1981 (D.C. Law 4–42; D.C. Code,  
12 secs. 1–299.1 to 1–299.7). Appropriations made by this  
13 Act for such programs or functions are conditioned on the  
14 approval by the Council of the required reorganization  
15 plans.

16       SEC. 127. (a) An entity of the District of Columbia  
17 government may accept and use a gift or donation during  
18 fiscal year 1998 if—

19           (1) the Mayor approves the acceptance and use  
20 of the gift or donation: *Provided*, That the Council  
21 of the District of Columbia may accept and use gifts  
22 without prior approval by the Mayor; and

23           (2) the entity uses the gift or donation to carry  
24 out its authorized functions or duties.

1 (b) Each entity of the District of Columbia govern-  
2 ment shall keep accurate and detailed records of the ac-  
3 ceptance and use of any gift or donation under subsection  
4 (a) of this section, and shall make such records available  
5 for audit and public inspection.

6 (c) For the purposes of this section, the term “entity  
7 of the District of Columbia government” includes an inde-  
8 pendent agency of the District of Columbia.

9 (d) This section shall not apply to the District of Co-  
10 lumbia Board of Education, which may, pursuant to the  
11 laws and regulations of the District of Columbia, accept  
12 and use gifts to the public schools without prior approval  
13 by the Mayor.

14 SEC. 128. None of the Federal funds provided in this  
15 Act may be used by the District of Columbia to provide  
16 for salaries, expenses, or other costs associated with the  
17 offices of United States Senator or United States Rep-  
18 resentative under section 4(d) of the District of Columbia  
19 Statehood Constitutional Convention Initiatives of 1979,  
20 effective March 10, 1981 (D.C. Law 3–171; D.C. Code,  
21 sec. 1–113(d)).

22 PROHIBITION AGAINST USE OF FUNDS FOR ABORTIONS

23 SEC. 129. None of the funds appropriated under this  
24 Act shall be expended for any abortion except where the  
25 life of the mother would be endangered if the fetus were

1 carried to term or where the pregnancy is the result of  
2 an act of rape or incest.

3 PROHIBITION ON DOMESTIC PARTNERS ACT

4 SEC. 130. None of the funds made available in this  
5 Act may be used to implement or enforce the Health Care  
6 Benefits Expansion Act of 1992 (D.C. Law 9–114; D.C.  
7 Code, sec. 36–1401 et seq.) or to otherwise implement or  
8 enforce any system of registration of unmarried, cohabit-  
9 ing couples (whether homosexual, heterosexual, or les-  
10 bian), including but not limited to registration for the pur-  
11 pose of extending employment, health, or governmental  
12 benefits to such couples on the same basis as such benefits  
13 are extended to legally married couples.

14 MONTHLY REPORTING REQUIREMENTS—PUBLIC SCHOOLS

15 SEC. 131. The Emergency Transitional Education  
16 Board of Trustees shall submit to the Congress, the  
17 Mayor, the District of Columbia Financial Responsibility  
18 and Management Assistance Authority, and the Council  
19 of the District of Columbia no later than fifteen (15) cal-  
20 endar days after the end of each month a report that sets  
21 forth—

22 (1) current month expenditures and obligations,  
23 year-to-date expenditures and obligations, and total  
24 fiscal year expenditure projections vs. budget broken  
25 out on the basis of control center, responsibility cen-



1 ter, agency reporting code, and object class, and for  
2 all funds, including capital financing;

3 (2) a list of each account for which spending is  
4 frozen and the amount of funds frozen, broken out  
5 by control center, responsibility center, detailed ob-  
6 ject, and agency reporting code, and for all funding  
7 sources;

8 (3) a list of all active contracts in excess of  
9 \$10,000 annually, which contains the name of each  
10 contractor; the budget to which the contract is  
11 charged broken out on the basis of control center,  
12 responsibility center, and agency reporting code; and  
13 contract identifying codes used by the D.C. Public  
14 Schools; payments made in the last month and year-  
15 to-date, the total amount of the contract and total  
16 payments made for the contract and any modifica-  
17 tions, extensions, renewals; and specific modifica-  
18 tions made to each contract in the last month;

19 (4) all reprogramming requests and reports  
20 that are required to be, and have been, submitted to  
21 the Board of Education; and

22 (5) changes made in the last month to the orga-  
23 nizational structure of the D.C. Public Schools, dis-  
24 playing previous and current control centers and re-  
25 sponsibility centers, the names of the organizational

1 entities that have been changed, the name of the  
2 staff member supervising each entity affected, and  
3 the reasons for the structural change.

4 MONTHLY REPORTING REQUIREMENTS

5 UNIVERSITY OF THE DISTRICT OF COLUMBIA

6 SEC. 132. The University of the District of Columbia  
7 shall submit to the Congress, the Mayor, the District of  
8 Columbia Financial Responsibility and Management As-  
9 sistance Authority, and the Council of the District of Co-  
10 lumbia no later than fifteen (15) calendar days after the  
11 end of each month a report that sets forth—

12 (1) current month expenditures and obligations,  
13 year-to-date expenditures and obligations, and total  
14 fiscal year expenditure projections versus budget  
15 broken out on the basis of control center, respon-  
16 sibility center, and object class, and for all funds,  
17 non-appropriated funds, and capital financing;

18 (2) a list of each account for which spending is  
19 frozen and the amount of funds frozen, broken out  
20 by control center, responsibility center, detailed ob-  
21 ject, and for all funding sources;

22 (3) a list of all active contracts in excess of  
23 \$10,000 annually, which contains the name of each  
24 contractor; the budget to which the contract is  
25 charged broken out on the basis of control center  
26 and responsibility center, and contract identifying

1 codes used by the University of the District of Co-  
2 lumbia; payments made in the last month and year-  
3 to-date, the total amount of the contract and total  
4 payments made for the contract and any modifica-  
5 tions, extensions, renewals; and specific modifica-  
6 tions made to each contract in the last month;

7 (4) all reprogramming requests and reports  
8 that have been made by the University of the Dis-  
9 trict of Columbia within the last month in compli-  
10 ance with applicable law; and

11 (5) changes made in the last month to the orga-  
12 nizational structure of the University of the District  
13 of Columbia, displaying previous and current control  
14 centers and responsibility centers, the names of the  
15 organizational entities that have been changed, the  
16 name of the staff member supervising each entity af-  
17 fected, and the reasons for the structural change.

18 ANNUAL REPORTING REQUIREMENTS

19 SEC. 133. (a) IN GENERAL.—The Emergency Tran-  
20 sitional Education Board of Trustees of the District of  
21 Columbia and the University of the District of Columbia  
22 shall annually compile an accurate and verifiable report  
23 on the positions and employees in the public school system  
24 and the university, respectively. The annual report shall  
25 set forth—

1           (1) the number of validated schedule A posi-  
2           tions in the District of Columbia Public Schools and  
3           the University of the District of Columbia for fiscal  
4           year 1996, fiscal year 1997, and thereafter on a full-  
5           time equivalent basis, including a compilation of all  
6           positions by control center, responsibility center,  
7           funding source, position type, position title, pay  
8           plan, grade, and annual salary; and

9           (2) a compilation of all employees in the Dis-  
10          trict of Columbia Public Schools and the University  
11          of the District of Columbia as of the preceding De-  
12          cember 31, verified as to its accuracy in accordance  
13          with the functions that each employee actually per-  
14          forms, by control center, responsibility center, agen-  
15          cy reporting code, program (including funding  
16          source), activity, location for accounting purposes,  
17          job title, grade and classification, annual salary, and  
18          position control number.

19          (b) SUBMISSION.—The annual report required by  
20          subsection (a) of this section shall be submitted to the  
21          Congress, the Mayor, the District of Columbia Council,  
22          the Consensus Commission, and the Authority, not later  
23          than February 15 of each year.

24                   ANNUAL BUDGETS AND BUDGET REVISIONS

25          SEC. 134. (a) No later than October 1, 1997, or with-  
26          in 15 calendar days after the date of the enactment of

1 the District of Columbia Appropriations Act, 1998, which-  
2 ever occurs later, and each succeeding year, the Emer-  
3 gency Transitional Education Board of Trustees and the  
4 University of the District of Columbia shall submit to the  
5 appropriate congressional committees, the Mayor, the Dis-  
6 trict of Columbia Council, the Consensus Commission, and  
7 the District of Columbia Financial Responsibility and  
8 Management Assistance Authority, a revised appropriated  
9 funds operating budget for the public school system and  
10 the University of the District of Columbia for such fiscal  
11 year that is in the total amount of the approved appropria-  
12 tion and that realigns budgeted data for personal services  
13 and other-than-personal services, respectively, with antici-  
14 pated actual expenditures.

15 (b) The revised budget required by subsection (a) of  
16 this section shall be submitted in the format of the budget  
17 that the Emergency Transitional Education Board of  
18 Trustees and the University of the District of Columbia  
19 submit to the Mayor of the District of Columbia for inclu-  
20 sion in the Mayor's budget submission to the Council of  
21 the District of Columbia pursuant to section 442 of the  
22 District of Columbia Home Rule Act, Public Law 93-198,  
23 as amended (D.C. Code, sec. 47-301).

24 EDUCATIONAL BUDGET APPROVAL

25 SEC. 135. The Emergency Transitional Education  
26 Board of Trustees, the Board of Trustees of the Univer-

1 city of the District of Columbia, the Board of Library  
2 Trustees, and the Board of Governors of the D.C. School  
3 of Law shall vote on and approve their respective annual  
4 or revised budgets before submission to the Mayor of the  
5 District of Columbia for inclusion in the Mayor's budget  
6 submission to the Council of the District of Columbia in  
7 accordance with section 442 of the District of Columbia  
8 Home Rule Act, Public Law 93-198, as amended (D.C.  
9 Code, sec. 47-301), or before submitting their respective  
10 budgets directly to the Council.

11 PUBLIC SCHOOL EMPLOYEE EVALUATIONS

12 SEC. 136. Notwithstanding any other provision of  
13 law, rule, or regulation, the evaluation process and instru-  
14 ments for evaluating District of Columbia Public Schools  
15 employees shall be a non-negotiable item for collective bar-  
16 gaining purposes.

17 SEC. 137. (a) Notwithstanding any other provision  
18 of law, rule, or regulation, an employee of the District of  
19 Columbia Public Schools shall be—

20 (1) classified as an Educational Service em-  
21 ployee;

22 (2) placed under the personnel authority of the  
23 Board of Education; and

24 (3) subject to all Board of Education rules.

25 (b) School-based personnel shall constitute a separate  
26 competitive area from nonschool-based personnel who shall

1 not compete with school-based personnel for retention pur-  
2 poses.

3 MISCELLANEOUS PROVISIONS RELATING TO DISTRICT OF  
4 COLUMBIA EMPLOYEES

5 SEC. 138. (a) RESTRICTIONS ON USE OF OFFICIAL  
6 VEHICLES.—(1) None of the funds made available by this  
7 Act or by any other Act may be used to provide any officer  
8 or employee of the District of Columbia with an official  
9 vehicle unless the officer or employee uses the vehicle only  
10 in the performance of the officer's or employee's official  
11 duties. For purposes of this paragraph, the term "official  
12 duties" does not include travel between the officer's or em-  
13 ployee's residence and workplace (except in the case of a  
14 police officer who resides in the District of Columbia).

15 (2) The Chief Financial Officer of the District of Co-  
16 lumbia shall submit, by December 15, 1997, an inventory,  
17 as of September 30, 1997, of all vehicles owned, leased  
18 or operated by the District of Columbia government. The  
19 inventory shall include, but not be limited to, the depart-  
20 ment to which the vehicle is assigned; the year and make  
21 of the vehicle; the acquisition date and cost; the general  
22 condition of the vehicle; annual operating and mainte-  
23 nance costs; current mileage; and whether the vehicle is  
24 allowed to be taken home by a District officer or employee  
25 and if so, the officer or employee's title and resident loca-  
26 tion.

1 (b) SOURCE OF PAYMENT FOR EMPLOYEES DE-  
2 TAILED WITHIN GOVERNMENT.—For purposes of deter-  
3 mining the amount of funds expended by any entity within  
4 the District of Columbia government during fiscal year  
5 1998 and each succeeding fiscal year, any expenditures  
6 of the District government attributable to any officer or  
7 employee of the District government who provides services  
8 which are within the authority and jurisdiction of the en-  
9 tity (including any portion of the compensation paid to  
10 the officer or employee attributable to the time spent in  
11 providing such services) shall be treated as expenditures  
12 made from the entity's budget, without regard to whether  
13 the officer or employee is assigned to the entity or other-  
14 wise treated as an officer or employee of the entity.

15 (c) MODIFICATION OF REDUCTION IN FORCE PROCE-  
16 DURES.—The District of Columbia Government Com-  
17 prehensive Merit Personnel Act of 1978 (D.C. Code, sec.  
18 1–601.1 et seq.), as amended by section 140(b) of the Dis-  
19 trict of Columbia Appropriations Act, 1997 (Public Law  
20 104–194), is amended by adding at the end the following  
21 new section:

22 **“SEC. 2408. ABOLISHMENT OF POSITIONS FOR FISCAL YEAR**  
23 **1998.**

24 “(a) Notwithstanding any other provision of law, reg-  
25 ulation, or collective bargaining agreement either in effect



1 or to be negotiated while this legislation is in effect for  
2 the fiscal year ending September 30, 1998, each agency  
3 head is authorized, within the agency head's discretion,  
4 to identify positions for abolishment.

5       “(b) Prior to February 1, 1998, each personnel au-  
6 thority (other than a personnel authority of an agency  
7 which is subject to a management reform plan under sub-  
8 title B of title XI of the Balanced Budget Act of 1997)  
9 shall make a final determination that a position within the  
10 personnel authority is to be abolished.

11       “(c) Notwithstanding any rights or procedures estab-  
12 lished by any other provision of this title, any District gov-  
13 ernment employee, regardless of date of hire, who encum-  
14 bers a position identified for abolishment shall be sepa-  
15 rated without competition or assignment rights, except as  
16 provided in this section.

17       “(d) An employee affected by the abolishment of a  
18 position pursuant to this section who, but for this section  
19 would be entitled to compete for retention, shall be entitled  
20 to one round of lateral competition pursuant to Chapter  
21 24 of the District of Columbia Personnel Manual, which  
22 shall be limited to positions in the employee's competitive  
23 level.

24       “(e) Each employee who is a bona fide resident of  
25 the District of Columbia shall have added 5 years to his

1 or her creditable service for reduction-in-force purposes.  
2 For purposes of this subsection only, a nonresident Dis-  
3 trict employee who was hired by the District government  
4 prior to January 1, 1980, and has not had a break in  
5 service since that date, or a former employee of the United  
6 States Department of Health and Human Services at  
7 Saint Elizabeths Hospital who accepted employment with  
8 the District government on October 1, 1987, and has not  
9 had a break in service since that date, shall be considered  
10 a District resident.

11 “(f) Each employee selected for separation pursuant  
12 to this section shall be given written notice of at least 30  
13 days before the effective date of his or her separation.

14 “(g) Neither the establishment of a competitive area  
15 smaller than an agency, nor the determination that a spe-  
16 cific position is to be abolished, nor separation pursuant  
17 to this section shall be subject to review except that—

18 “(1) an employee may file a complaint contest-  
19 ing a determination or a separation pursuant to title  
20 XV of this Act or section 303 of the Human Rights  
21 Act of 1977 (D.C. Code, sec. 1-2543); and

22 “(2) an employee may file with the Office of  
23 Employee Appeals an appeal contesting that the sep-  
24 aration procedures of subsections (d) and (f) were  
25 not properly applied.

1       “(h) An employee separated pursuant to this section  
2 shall be entitled to severance pay in accordance with title  
3 XI of this Act, except that the following shall be included  
4 in computing creditable service for severance pay for em-  
5 ployees separated pursuant to this section—

6               “(1) four years for an employee who qualified  
7 for veterans preference under this Act, and

8               “(2) three years for an employee who qualified  
9 for residency preference under this Act.

10       “(i) Separation pursuant to this section shall not af-  
11 fect an employee’s rights under either the Agency Reem-  
12 ployment Priority Program or the Displaced Employee  
13 Program established pursuant to Chapter 24 of the Dis-  
14 trict Personnel Manual.

15       “(j) With respect to agencies which are not subject  
16 to a management reform plan under subtitle B of title XI  
17 of the Balanced Budget Act of 1997, the Mayor shall sub-  
18 mit to the Council a listing of all positions to be abolished  
19 by agency and responsibility center by March 1, 1998 or  
20 upon the delivery of termination notices to individual em-  
21 ployees.

22       “(k) Notwithstanding the provisions of section 1708  
23 or section 2402(d), the provisions of this Act shall not be  
24 deemed negotiable.

1       “(l) A personnel authority shall cause a 30-day termi-  
2 nation notice to be served, no later than September 1,  
3 1998, on any incumbent employee remaining in any posi-  
4 tion identified to be abolished pursuant to subsection (b)  
5 of this section.

6       “(m) In the case of an agency which is subject to  
7 a management reform plan under subtitle B of title XI  
8 of the Balanced Budget Act of 1997, the authority pro-  
9 vided by this section shall be exercised to carry out the  
10 agency’s management reform plan, and this section shall  
11 otherwise be implemented solely in a manner consistent  
12 with such plan.”.

13       (d) RESTRICTING PROVIDERS FROM WHOM EMPLOY-  
14 EES MAY RECEIVE DISABILITY COMPENSATION SERV-  
15 ICES.—

16           (1) IN GENERAL.—Section 2303(a) of the Dis-  
17 trict of Columbia Comprehensive Merit Personnel  
18 Act of 1978 (D.C. Code, sec. 1–624.3(a)) is amend-  
19 ed by striking paragraph (3) and all that follows and  
20 inserting the following:

21           “(3) By or on the order of the District of Co-  
22 lumbia government medical officers and hospitals, or  
23 by or on the order of a physician or managed care  
24 organization designated or approved by the Mayor.”.

1           (2) SERVICES FURNISHED.—Section 2303 of  
2           such Act (D.C. Code, sec. 1–624.3) is amended by  
3           adding at the end the following new subsection:

4           “(c)(1) An employee to whom services, appliances, or  
5           supplies are furnished pursuant to subsection (a) shall be  
6           provided with such services, appliances, and supplies (in-  
7           cluding reasonable transportation incident thereto) by a  
8           managed care organization or other health care provider  
9           designated by the Mayor, in accordance with such rules,  
10          regulations, and instructions as the Mayor considers ap-  
11          propriate.

12          “(2) Any expenses incurred as a result of furnishing  
13          services, appliances, or supplies which are authorized by  
14          the Mayor under paragraph (1) shall be paid from the  
15          Employees’ Compensation Fund.

16          “(3) Any medical service provided pursuant to this  
17          subsection shall be subject to utilization review under sec-  
18          tion 2323.”.

19           (3) REPEAL PENALTY FOR DELAYED PAYMENT  
20           OF COMPENSATION.—Section 2324 of such Act  
21           (D.C. Code, sec. 1–624.24) is amended by striking  
22           subsection (c).

23           (4) DEFINITIONS.—Section 2301 of such Act  
24           (D.C. Code, sec. 1–624.1) is amended—

1 (A) in the first sentence of subsection (c),  
2 by inserting “and as designated by the Mayor  
3 to provide services to injured employees” after  
4 “State law”; and

5 (B) by adding at the end the following new  
6 subsection:

7 “(r)(1) The term ‘managed care organization’ means  
8 an organization of physicians and allied health profes-  
9 sionals organized to and capable of providing systematic  
10 and comprehensive medical care and treatment of injured  
11 employees which is designated by the Mayor to provide  
12 such care and treatment under this title.

13 “(2) The term ‘allied health professional’ means a  
14 medical care provider (including a nurse, physical thera-  
15 pist, laboratory technician, X-ray technician, social work-  
16 er, or other provider who provides such care within the  
17 scope of practice under applicable law) who is employed  
18 by or affiliated with a managed care organization.”.

19 (5) EFFECTIVE DATE.—The amendments made  
20 by this subsection shall apply with respect to serv-  
21 ices, supplies, or appliances furnished under title  
22 XXIII of the District of Columbia Merit Personnel  
23 Act of 1978 on or after the date of the enactment  
24 of this Act.

1 (e) APPLICATION OF BINDING ARBITRATION PROCE-  
2 DURES UNDER NEW PERSONNEL RULES.—

3 (1) IN GENERAL.—Section 11105(b)(3) of the  
4 Balanced Budget Act of 1997 is amended in the  
5 matter preceding subparagraph (A) by striking  
6 “pursuant” and inserting “in accordance with bind-  
7 ing arbitration procedures in effect under a collective  
8 bargaining agreement, or pursuant”.

9 (2) EFFECTIVE DATE.—The amendment made  
10 by paragraph (1) shall take effect as if included in  
11 the enactment of the Balanced Budget Act of 1997.

12 CEILING ON OPERATING EXPENSES AND DEFICIT

13 SEC. 139. (a) CEILING ON TOTAL OPERATING EX-  
14 PENSES.—

15 (1) IN GENERAL.—Notwithstanding any other  
16 provision of law, the total amount appropriated in  
17 this Act for operating expenses for the District of  
18 Columbia for fiscal year 1998 under the caption  
19 “DIVISION OF EXPENSES” may not exceed the lesser  
20 of—

21 (A) the sum of the total revenues of the  
22 District of Columbia for such fiscal year less  
23 \$192,741,000; or

24 (B) \$4,493,375,000 (excluding intra-District  
25 funds of \$118,269,000) of which  
26 \$2,655,232,000 is from local funds;

1           \$1,072,572,000 is from Federal grants; and  
2           \$765,571,000 in private and other funds.

3           (2) ENFORCEMENT.—The Chief Financial Offi-  
4           cer of the District of Columbia and the District of  
5           Columbia Financial Responsibility and Management  
6           Assistance Authority (hereafter in this section re-  
7           ferred to as the “Authority”) shall take such steps  
8           as are necessary to assure that the District of Co-  
9           lumbia meets the requirements of this section, in-  
10          cluding the apportioning or reprogramming by the  
11          Chief Financial Officer of the appropriations and  
12          funds made available to the District during fiscal  
13          year 1998, except that the Chief Financial Officer  
14          may not reprogram for operating expenses any funds  
15          derived from bonds, notes, or other obligations is-  
16          sued for capital projects.

17          (b) ACCEPTANCE AND USE OF GRANTS NOT IN-  
18          CLUDED IN CEILING.—

19                 (1) IN GENERAL.—Notwithstanding subsection  
20                 (a), the Mayor of the District of Columbia may ac-  
21                 cept, obligate, and expend Federal, private, and  
22                 other grants received by the District government  
23                 that are not reflected in the amounts appropriated  
24                 in this Act.



1           (2) REQUIREMENT OF CHIEF FINANCIAL OFFI-  
2           CER REPORT AND AUTHORITY APPROVAL.—No such  
3           Federal, private, or other grant may be accepted, ob-  
4           ligated, or expended pursuant to paragraph (1)  
5           until—

6                   (A) the Chief Financial Officer of the Dis-  
7                   trict submits to the Authority a report setting  
8                   forth detailed information regarding such grant;  
9                   and

10                   (B) the Authority has reviewed and ap-  
11                   proved the acceptance, obligation, and expendi-  
12                   ture of such grant in accordance with review  
13                   and approval procedures consistent with the  
14                   provisions of the District of Columbia Financial  
15                   Responsibility and Management Assistance Act  
16                   of 1995.

17           (3) PROHIBITION ON SPENDING IN ANTICIPA-  
18           TION OF APPROVAL OR RECEIPT.—No amount may  
19           be obligated or expended from the general fund or  
20           other funds of the District government in anticipa-  
21           tion of the approval or receipt of a grant under  
22           paragraph (2)(B) or in anticipation of the approval  
23           or receipt of a Federal, private, or other grant not  
24           subject to such paragraph.

1           (4) MONTHLY REPORTS.—The Chief Financial  
2           Officer of the District of Columbia shall prepare a  
3           monthly report setting forth detailed information re-  
4           garding all Federal, private, and other grants sub-  
5           ject to this subsection. Each such report shall be  
6           submitted to the Council of the District of Columbia,  
7           and to the Committees on Appropriations of the  
8           House of Representatives and the Senate, not later  
9           than 15 days after the end of the month covered by  
10          the report.

11          (c) PROHIBITING USE OF NON-APPROPRIATED  
12          FUNDS BY CERTAIN ENTITIES.—

13           (1) IN GENERAL.—Notwithstanding any other  
14           provision of law, the District of Columbia Financial  
15           Responsibility and Management Assistance Author-  
16           ity and the District of Columbia Water and Sewer  
17           Authority may not obligate or expend any funds dur-  
18           ing fiscal year 1998 or any succeeding fiscal year  
19           without approval by Act of Congress.

20           (2) REPORT ON EXPENDITURES BY FINANCIAL  
21           RESPONSIBILITY AND MANAGEMENT ASSISTANCE AU-  
22           THORITY.—Not later than November 15, 1997, the  
23           District of Columbia Financial Responsibility and  
24           Management Assistance Authority shall submit a re-  
25           port to the Committees on Appropriations of the

1 House of Representatives and the Senate, the Com-  
2 mittee on Government Reform and Oversight of the  
3 House, and the Committee on Governmental Affairs  
4 of the Senate providing an itemized accounting of all  
5 non-appropriated funds obligated or expended by the  
6 Authority at any time prior to October 1, 1997. The  
7 report shall include information on the date,  
8 amount, purpose, and vendor name, and a descrip-  
9 tion of the services or goods provided with respect  
10 to the expenditures of such funds.

11 (3) EFFECT OF EXPENDITURE OF NON-APPRO-  
12 PRIATED FUNDS.—Any obligation of funds by any  
13 officer or employee of the District of Columbia gov-  
14 ernment (including any member, officer or employee  
15 of the District of Columbia Financial Responsibility  
16 and Management Assistance Authority) in violation  
17 of the fourth sentence of section 446 of the District  
18 of Columbia Home Rule Act shall have no legal ef-  
19 fect, and the officer or employee involved shall be re-  
20 moved from office and personally liable for any  
21 amounts owed as a result of such obligation.

22 POWERS AND DUTIES OF CHIEF FINANCIAL OFFICER

23 SEC. 140. (a) CLARIFICATION OF AUTHORITY OVER  
24 FINANCIAL PERSONNEL.—

1           (1) IN GENERAL.—Section 424(a) of the Dis-  
2           trict of Columbia Home Rule Act (D.C. Code, sec.  
3           47–317.1) is amended—

4                   (A) in paragraph (2), by striking “, who  
5                   shall be appointed” and all that follows through  
6                   “direction and control”; and

7                   (B) by striking paragraph (4) and insert-  
8                   ing the following:

9                   “(4) AUTHORITY OVER FINANCIAL PERSON-  
10                  NEL.—

11                   “(A) IN GENERAL.—Notwithstanding any  
12                   other provision of law or regulation (including  
13                   any law or regulation providing for collective  
14                   bargaining or the enforcement of any collective  
15                   bargaining agreement), the heads and all per-  
16                   sonnel of the offices described in subparagraph  
17                   (B), together with all other District of Colum-  
18                   bia accounting, budget, and financial manage-  
19                   ment personnel (including personnel of inde-  
20                   pendent agencies but not including personnel of  
21                   the legislative or judicial branches of the Dis-  
22                   trict government) shall be appointed by, shall  
23                   serve at the pleasure of, and shall act under the  
24                   direction and control of the Chief Financial Of-  
25                   ficer, and shall be considered at-will employees

1 not covered by the District of Columbia Govern-  
2 ment Comprehensive Merit Personnel Act of  
3 1978.

4 “(B) OFFICES DESCRIBED.—The offices  
5 referred to in this subparagraph are as follows:

6 “(i) The Office of the Treasurer (or  
7 any successor office).

8 “(ii) The Controller of the District of  
9 Columbia (or any successor office).

10 “(iii) The Office of the Budget (or  
11 any successor office).

12 “(iv) The Office of Financial Informa-  
13 tion Services (or any successor office).

14 “(v) The Department of Finance and  
15 Revenue (or any successor office).

16 “(vi) During a control year, the Dis-  
17 trict of Columbia Lottery and Charitable  
18 Games Control Board (or any successor of-  
19 fice).

20 “(C) REMOVAL OF PERSONNEL BY AU-  
21 THORITY.—In addition to the power of the  
22 Chief Financial Officer to remove any of the  
23 personnel covered under this paragraph, the  
24 Authority may remove any such personnel for

1           cause, after written consultation with the Mayor  
2           and the Chief Financial Officer.”.

3           (2) CONFORMING AMENDMENTS.—(A) Section  
4           152(a) of the District of Columbia Appropriations  
5           Act, 1996 (Public Law 104–134; 110 Stat. 1321-  
6           102) is hereby repealed.

7           (B) Section 142(a) of the District of Columbia  
8           Appropriations Act, 1997 (Public Law 104–194;  
9           110 Stat. 2375) is hereby repealed.

10          (3) EFFECTIVE DATE.—The amendments made  
11          by this subsection shall take effect as if included in  
12          the enactment of the District of Columbia Appro-  
13          priations Act, 1996, except that the amendment  
14          made by paragraph (2)(B) shall take effect as if in-  
15          cluded in the enactment of the District of Columbia  
16          Appropriations Act, 1997.

17          (b) PERSONNEL AUTHORITY UNDER MANAGEMENT  
18 REFORM PLANS.—

19          (1) IN GENERAL.—Section 11105(b) of the Bal-  
20          anced Budget Act of 1997 is amended—

21                  (A) in paragraph (1), by striking “para-  
22                  graph (3)” and inserting “paragraphs (3) and  
23                  (4)”; and

24                  (B) by adding at the end the following new  
25                  paragraph:

1           “(4) EXCEPTION FOR PERSONNEL UNDER DI-  
2           RECTION AND CONTROL OF CHIEF FINANCIAL OFFI-  
3           CER.—This subsection shall not apply with respect  
4           to any personnel who are appointed by, serve at the  
5           pleasure of, and act under the direction and control  
6           of the Chief Financial Officer of the District of Co-  
7           lumbia pursuant to section 424(a)(4) of the District  
8           of Columbia Home Rule Act.”.

9           (2) EFFECTIVE DATE.—The amendments made  
10          by paragraph (1) shall take effect as if included in  
11          the enactment of section 11105(b) of the Balanced  
12          Budget Act of 1997.

13          (c) MONTHLY REPORTS ON REVENUES AND EX-  
14          PENDITURES; INCLUSION OF INFORMATION ON ALL ENTI-  
15          TIES OF DISTRICT GOVERNMENT.—Section 424(d) of the  
16          District of Columbia Home Rule Act (D.C. Code, sec. 47-  
17          317.4) is amended by adding at the end the following new  
18          paragraphs:

19                 “(8) Preparing monthly reports containing the  
20                 following information (and submitting such reports  
21                 to Congress, the Council, the Mayor, and the Au-  
22                 thority not later than the 21st day of the month fol-  
23                 lowing the month covered by the report):

24                         “(A) The cash flow of the District govern-  
25                         ment, including a statement of funds received

1 and disbursed for all standard categories of rev-  
2 enues and expenses.

3 “(B) The revenues and expenditures of the  
4 District government, including a comparison of  
5 the amounts projected for such revenues and  
6 expenditures in the annual budget for the fiscal  
7 year involved with actual revenues and expendi-  
8 tures during the month.

9 “(C) The obligations of funds made by or  
10 on behalf of the District government, together  
11 with a statement of accounts payable and the  
12 disbursements paid towards such accounts dur-  
13 ing the month and during the fiscal year in-  
14 volved.

15 “(9) Ensuring that any regular report on the  
16 status of the funds of the District government pre-  
17 pared by the Chief Financial Officer includes infor-  
18 mation on the funds of all entities within the Dis-  
19 trict government (including funds in any accounts of  
20 the Authority and interest earned on such ac-  
21 counts).”.

22 (d) CLARIFICATION OF GROUNDS FOR REMOVAL  
23 FROM OFFICE.—Section 424(b)(2) of the District of Co-  
24 lumbia Home Rule Act (D.C. Code, sec. 47–317.2(2)) is



1 amended by adding at the end the following new subpara-  
2 graph:

3 “(C) CONSULTATION WITH CONGRESS.—

4 The Authority or the Mayor (whichever is appli-  
5 cable) may not remove the Chief Financial Offi-  
6 cer under this paragraph unless the Authority  
7 or the Mayor (as the case may be) has con-  
8 sulted with Congress prior to the removal. Such  
9 consultation shall include at a minimum the  
10 submission of a written statement to the Com-  
11 mittees on Appropriations of the Senate and  
12 the House of Representatives, the Committee  
13 on Government Reform and Oversight of the  
14 House of Representatives, and the Committee  
15 on Governmental Affairs of the Senate, explain-  
16 ing the factual circumstances involved.”.

17 POLICE AND FIRE FIGHTER DISABILITY RETIREMENTS

18 SEC. 141. (a) DETERMINATIONS OF DISABILITY STA-  
19 TUS.—Notwithstanding any other provisions of the Dis-  
20 trict of Columbia Retirement Reform Act or any other law,  
21 rule, or regulation, for purposes of any retirement pro-  
22 gram of the District of Columbia for teachers, members  
23 of the Metropolitan Police Department, or members of the  
24 Fire Department, no individual may have disability status  
25 unless the determination of the individual’s disability sta-  
26 tus is made by a single entity designated by the District

1 to make such determinations (or, if the determination is  
2 made by any other person, if such entity approves the de-  
3 termination).

4 (b) ANALYSIS BY ENROLLED ACTUARY OF IMPACT  
5 OF DISABILITY RETIREMENTS.—Not later than January  
6 1, 1998, and every 6 months thereafter, the Mayor of the  
7 District of Columbia shall engage an enrolled actuary (to  
8 be paid by the District of Columbia Retirement Board)  
9 to provide an analysis of the actuarial impact of disability  
10 retirements occurring during the previous 6-month period  
11 on the police and fire fighter retirement programs of the  
12 District of Columbia.

13 SEC. 142. (a) COMPLIANCE WITH BUY AMERICAN  
14 ACT.—None of the funds made available in this Act may  
15 be expended by an entity unless the entity agrees that in  
16 expending the funds the entity will comply with the Buy  
17 American Act (41 U.S.C. 10a–10c).

18 (b) SENSE OF CONGRESS; REQUIREMENT REGARD-  
19 ING NOTICE.—

20 (1) PURCHASE OF AMERICAN-MADE EQUIPMENT  
21 AND PRODUCTS.—In the case of any equipment or  
22 product that may be authorized to be purchased  
23 with financial assistance provided using funds made  
24 available in this Act, it is the sense of the Congress  
25 that entities receiving the assistance should, in ex-

1 pending the assistance, purchase only American-  
2 made equipment and products to the greatest extent  
3 practicable.

4 (2) NOTICE TO RECIPIENTS OF ASSISTANCE.—

5 In providing financial assistance using funds made  
6 available in this Act, the head of each agency of the  
7 Federal or District of Columbia government shall  
8 provide to each recipient of the assistance a notice  
9 describing the statement made in paragraph (1) by  
10 the Congress.

11 (c) PROHIBITION OF CONTRACTS WITH PERSONS  
12 FALSELY LABELING PRODUCTS AS MADE IN AMERICA.—

13 If it has been finally determined by a court or Federal  
14 agency that any person intentionally affixed a label bear-  
15 ing a “Made in America” inscription, or any inscription  
16 with the same meaning, to any product sold in or shipped  
17 to the United States that is not made in the United  
18 States, the person shall be ineligible to receive any con-  
19 tract or subcontract made with funds made available in  
20 this Act, pursuant to the debarment, suspension, and ineli-  
21 gibility procedures described in sections 9.400 through  
22 9.409 of title 48, Code of Federal Regulations.

23 BUDGETS OF DEPARTMENTS OR AGENCIES SUBJECT TO  
24 COURT-APPOINTED ADMINISTRATOR

25 SEC. 143. If a department or agency of the govern-  
26 ment of the District of Columbia is under the administra-

1 tion of a court-appointed receiver or other court-appointed  
2 official during fiscal year 1998 or any succeeding fiscal  
3 year, the receiver or official shall prepare and submit to  
4 the Mayor, for inclusion in the annual budget of the Dis-  
5 trict of Columbia for the year, annual estimates of the  
6 expenditures and appropriations necessary for the mainte-  
7 nance and operation of the department or agency. All such  
8 estimates shall be forwarded by the Mayor to the Council,  
9 for its action pursuant to sections 446 and 603(c) of the  
10 District of Columbia Home Rule Act, without revision but  
11 subject to the Mayor's recommendations. Notwithstanding  
12 any provision of the District of Columbia Home Rule Act,  
13 the Council may comment or make recommendations con-  
14 cerning such annual estimates but shall have no authority  
15 under such Act to revise such estimates.

16 COMMENCING OF ADVERSE ACTIONS FOR POLICE

17 SEC. 144. Section 1601(b-1) of the District of Co-  
18 lumbia Government Comprehensive Merit Personnel Act  
19 of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C.  
20 Code, sec. 1-617.1(b-1)), is amended as follows:

21 (a) Paragraph (1) is amended by striking the phrase  
22 "Except as provided in paragraph (2)" and inserting the  
23 phrase "Except as provided in paragraphs (2) and (3)"  
24 in its place.

25 (b) A new paragraph (3) is added to read as follows:



## 1 RETIREMENT PROGRAMS

2 SEC. 147. (a) CAP ON STIPENDS OF RETIREMENT  
3 BOARD MEMBERS.—Section 121(c)(1) of the District of  
4 Columbia Retirement Reform Act (D.C. Code, sec. 1–  
5 711(c)(1)) is amended by striking the period at the end  
6 and inserting the following: “, and the total amount to  
7 which a member may be entitled under this subsection  
8 during a year (beginning with 1998) may not exceed  
9 \$5,000.”.

10 (b) RESUMPTION OF CERTAIN TERMINATED ANNU-  
11 ITIES PAID TO CHILD SURVIVORS OF DISTRICT OF CO-  
12 LUMBIA POLICE AND FIREFIGHTERS.—

13 (1) IN GENERAL.—Subsection (k)(5) of the Po-  
14 licemen and Firemen’s Retirement and Disability  
15 Act (D.C. Code, sec. 4–622(e)) is amended by add-  
16 ing at the end the following new subparagraph:

17 “(D) If the annuity of a child under subparagraph  
18 (A) or subparagraph (B) terminates because of marriage  
19 and such marriage ends, the annuity shall resume on the  
20 first day of the month in which it ends, but only if the  
21 individual is not otherwise ineligible for the annuity.”.

22 (2) EFFECTIVE DATE.—The amendment made  
23 by paragraph (1) shall apply with respect to any ter-  
24 mination of marriage taking effect on or after No-  
25 vember 1, 1993, except that benefits shall be payable

1       only with respect to amounts accruing for periods  
2       beginning on the first day of the month beginning  
3       after the later of such termination of marriage or  
4       such date of enactment.

5       PREMIUM PAY FOR CERTAIN POLICE OFFICERS

6       SEC. 148. Effective for the first full pay period fol-  
7       lowing the date of the enactment of this Act, the salary  
8       of any sworn officer of the Metropolitan Police Depart-  
9       ment shall be increased by 5 percent if—

10           (1) the officer performs primarily nonadminis-  
11           trative public safety services; and

12           (2) the officer is certified by the Chief of the  
13           Department as having met the minimum “Basic  
14           Certificate” standards transmitted by the District of  
15           Columbia Financial Responsibility and Management  
16           Assistance Authority to Congress by letter dated  
17           May 19, 1997, or (if applicable) the minimum stand-  
18           ards under any physical fitness and performance  
19           standards developed by the Department in consulta-  
20           tion with the Authority.

21       PROHIBITING INCREASE IN WELFARE PAYMENTS

22       SEC. 149. (a) IN GENERAL.—The Council of the Dis-  
23       trict of Columbia shall have no authority to enact any act,  
24       resolution, or rule during a fiscal year which increases the  
25       amount of payment which may be for any individual under  
26       the Temporary Assistance for Needy Families Program to

1 an amount greater than the amount provided under such  
2 program under the District of Columbia Public Assistance  
3 Act of 1982, as in effect on the day after the effective  
4 date of the Public Assistance Temporary Amendment Act  
5 of 1997.

6 (b) EFFECTIVE DATE.—Subsection shall apply with  
7 respect to fiscal year 1998 and each succeeding fiscal year.

8 SEC. 150. Effective as if included in the enactment  
9 of the Omnibus Consolidated Rescissions and Appropria-  
10 tions Act of 1996, section 517 of such Act (110 Stat.  
11 1321–248) is amended by striking “October 1, 1991” and  
12 inserting “the date of the enactment of this Act”.

13 LIENS OF WATER AND SEWER AUTHORITY

14 SEC. 151. (a) REQUIRING IMPOSITION OF LIEN FOR  
15 UNPAID BILLS.—The District of Columbia Water and  
16 Sewer Authority shall take action to impose a lien against  
17 each commercial property with respect to which any pay-  
18 ment owed to the Authority is past due in an aggregate  
19 amount equal to or greater than \$3,000, but only if the  
20 payment is past due for 120 or more consecutive days.

21 (b) DISPOSITION OF LIENS THROUGH PRIVATE  
22 SOURCES.—Beginning January 31, 1998, the District of  
23 Columbia Water and Sewer Authority shall dispose of all  
24 pending liens described in subsection (a) by assigning the  
25 right to collect under such liens to a private entity in ex-



1 change for a cash payment, or by issuing securities se-  
2 cured by such liens.

3 DEEMED APPROVAL OF CONTRACTS BY AUTHORITY

4 SEC. 152. Section 203(b) of the District of Columbia  
5 Financial Responsibility and Management Assistance Act  
6 of 1995 (D.C. Code, sec. 47–392.3(b)), as amended by  
7 section 5203(d) of the Omnibus Consolidated Appropria-  
8 tions Act, 1997 (Public Law 104–208; 110 Stat. 3009-  
9 1456), is amended—

10 (1) by redesignating paragraph (5) as para-  
11 graph (6); and

12 (2) by inserting after paragraph (4) the follow-  
13 ing new paragraph:

14 “(5) DEEMED APPROVAL.—

15 “(A) IN GENERAL.—If the Authority does  
16 not notify the Mayor (or the appropriate officer  
17 or agent of the District government) that it has  
18 determined that a contract or lease submitted  
19 under this subsection is consistent with the fi-  
20 nancial plan and budget or is not consistent  
21 with the financial plan and budget during the  
22 30-day period (or, if the Authority meets the  
23 requirements of subparagraph (B), such alter-  
24 native period as the Authority may elect, not to  
25 exceed 60 days) which begins on the first day  
26 after the Authority receives the contract or

1 lease, the Authority shall be deemed to have de-  
2 termined that the contract or lease is consistent  
3 with the financial plan and budget.

4 “(B) ELECTION OF LONGER PERIOD BY  
5 AUTHORITY.—The Authority meets the require-  
6 ments of this subparagraph if, prior to the expi-  
7 ration of the 30-day period described in sub-  
8 paragraph (A), the Authority provides a notice  
9 to the Mayor (or the appropriate officer or  
10 agent of the District government) and Congress  
11 which describes the period elected by the Au-  
12 thority, together with an explanation of the  
13 Authority’s decision to elect an alternative pe-  
14 riod.”.

15 FINANCIAL MANAGEMENT SYSTEM

16 SEC. 153. (a) IN GENERAL.—The Chief Financial  
17 Officer of the District of Columbia shall enter into a con-  
18 tract with a private entity under which the entity shall  
19 carry out the following activities (by contract or otherwise)  
20 on behalf of the District of Columbia:

21 (1) In accordance with the requirements of sub-  
22 section (b), the establishment and operation of an  
23 update of the present financial management system  
24 for the government of the District of Columbia by  
25 not later than June 30, 1998, to provide for the  
26 complete, accurate, and timely input and processing

1 of financial data and the generation of reliable out-  
2 put reports for financial management purposes.

3 (2) To execute a process in accordance with  
4 “best practice” procedures of the information tech-  
5 nology industry to determine the need, if any, of fur-  
6 ther improving the updated financial management  
7 system in subsection (a).

8 (b) SPECIFICATIONS FOR SHORT-TERM FINANCIAL  
9 MANAGEMENT SYSTEM IMPROVEMENTS.—For purposes  
10 of subsection (a)(1), the requirements of this subsection  
11 are as follows:

12 (1) A qualified vendor, in accordance with Of-  
13 fice of Management and Budget standards, shall up-  
14 date the District of Columbia government’s financial  
15 management system in use as of October 1, 1996.

16 (2) An information technology vendor shall op-  
17 erate the financial data center environment of the  
18 District government to ensure that its equipment  
19 and operations are compatible with the updated fi-  
20 nancial management system.

21 (3) A financial consulting vendor shall carry out  
22 an assessment of the District government employees  
23 who work with the financial management system,  
24 provide training in the operation of the updated sys-  
25 tem for those who are capable of effectively using

1 the system, and provide recommendations to the  
2 Chief Financial Officer regarding those who are not  
3 capable of effectively using the system, including  
4 recommendations for reassignment or for separation  
5 from District government employment.

6 (c) CERTIFICATION OF POLICIES AND PROCEDURES  
7 FOR ACQUISITION OF LONG-TERM FINANCIAL MANAGE-  
8 MENT SYSTEM IMPROVEMENTS.—

9 (1) IN GENERAL.—The Chief Financial Officer  
10 of the District of Columbia shall enter into a con-  
11 tract with a private entity under which the entity  
12 shall conduct an independent assessment to certify  
13 whether the District government (including the Dis-  
14 trict of Columbia Financial Responsibility and Man-  
15 agement Assistance Authority) has established and  
16 implemented policies and procedures that will result  
17 in a disciplined approach to the acquisition of a fi-  
18 nancial management system for the District govern-  
19 ment, including policies and procedures with respect  
20 to such items as—

21 (A) software acquisition planning,

22 (B) solicitation,

23 (C) requirements, development, and man-  
24 agement,

25 (D) project office management,

1 (E) contract tracking and oversight,

2 (F) evaluation of products and services  
3 provided by the contractor, and

4 (G) the method that will be used to carry  
5 out a successful transition to the delivered sys-  
6 tem by its users.

7 (2) MODEL FOR ASSESSMENT.—The independ-  
8 ent assessment shall be performed based on the  
9 Software Acquisition Capability Maturity Model de-  
10 veloped by the Software Engineering Institute or a  
11 comparable methodology.

12 (3) REVIEW OF ASSESSMENT.—A copy of the  
13 independent assessment shall be provided to the  
14 Comptroller General, the Director of the Office of  
15 Management and Budget, and the Inspector General  
16 of the District of Columbia, who shall review and  
17 prepare a report on the assessment.

18 (d) RESTRICTIONS ON SPENDING FOR OTHER FI-  
19 NANCIAL MANAGEMENT SYSTEM PROCUREMENT AND DE-  
20 VELOPMENT.—

21 (1) IN GENERAL.—None of the funds made  
22 available under this or any other Act may be used  
23 to improve or replace the financial management sys-  
24 tem of the government of the District of Columbia  
25 (including the procuring of hardware and installa-

1       tion of new software, conversion, testing, and train-  
2       ing) until the expiration of the 30-day period which  
3       begins on the date the Comptroller General, Director  
4       of the Office of Management and Budget, and In-  
5       spector General of the District of Columbia submit  
6       a report under subsection (c)(3) to the Committees  
7       on Appropriations of the House of Representatives  
8       and the Senate, the Committee on Governmental Re-  
9       form and Oversight of the House of Representatives,  
10      and the Committee on Governmental Affairs of the  
11      Senate, which certifies that the District government  
12      has established and implemented the policies and  
13      procedures described in subsection (c)(1).

14           (2) EXCEPTIONS.—Paragraph (1) shall not  
15      apply to funds used to carry out subsection (a) or  
16      to carry out the contract described in subsection (c).

17           POWERS AND DUTIES OF INSPECTOR GENERAL

18      SEC. 154. (a) CLARIFICATION OF AUTHORITY TO  
19      CONDUCT AUDITS.—

20           (1) EXCLUSIVE AUTHORITY TO CONTRACT FOR  
21      INDEPENDENT ANNUAL AUDIT.—None of the funds  
22      made available under this Act or any other Act may  
23      be used to carry out any contract to conduct the an-  
24      nual audit of the complete financial statement and  
25      report of the activities of the District government for  
26      fiscal year 1997 or any succeeding fiscal year unless

1 the contract is entered into by the Inspector General  
2 of the District of Columbia.

3 (2) SCOPE OF AUDITS.—Section 208(a) the  
4 District of Columbia Procurement Practices Act of  
5 1985 (sec. 1–1182.8(a), D.C. Code) is amended by  
6 adding at the end the following new paragraph:

7 “(5) The Inspector General may include in any audits  
8 conducted pursuant to this subsection (by contract or oth-  
9 erwise) of the activities of the District government such  
10 audits of the activities of the Authority as the Inspector  
11 General considers appropriate.”.

12 (b) CLARIFICATION OF GROUNDS FOR REMOVAL  
13 FROM OFFICE.—Section 208(a)(1) of such Act (sec. 1–  
14 1182.8(a)(1), D.C. Code), as amended by subsection (b),  
15 is further amended by adding at the end the following new  
16 subparagraph:

17 “(G) The Authority or the Mayor (whichever is appli-  
18 cable) may not remove the Inspector General under this  
19 paragraph unless the Authority or the Mayor (as the case  
20 may be) has consulted with Congress prior to the removal.  
21 Such consultation shall include at a minimum the submis-  
22 sion of a written statement to the Committees on Appro-  
23 priations of the Senate and the House of Representatives,  
24 the Committee on Government Reform and Oversight of  
25 the House of Representatives, and the Committee on Gov-

1 ernmental Affairs of the Senate, explaining the factual cir-  
2 cumstances involved.”.

3 (c) REQUIRING PLACEMENT OF INSPECTOR GEN-  
4 ERAL HOTLINE ON PERMIT AND LICENSE APPLICATION  
5 FORMS.—

6 (1) IN GENERAL.—Each District of Columbia  
7 permit or license application form printed after the  
8 expiration of the 30-day period which begins on the  
9 date of the enactment of this Act shall include the  
10 telephone number established by the Inspector Gen-  
11 eral of the District of Columbia for reporting in-  
12 stances of waste, fraud, and abuse, together with a  
13 brief description of the uses and purposes of such  
14 number.

15 (2) QUARTERLY REPORTS ON USE OF NUM-  
16 BER.—Not later than 10 days after the end of such  
17 calendar quarter of each fiscal year (beginning with  
18 fiscal year 1998), the Inspector General of the Dis-  
19 trict of Columbia shall submit a report to Congress  
20 on the number and nature of the calls received  
21 through the telephone number described in para-  
22 graph (1) during the quarter and on the waste,  
23 fraud, and abuse detected as a result of such calls.





1 119(a)) shall include the following information in the  
2 Comprehensive Annual Financial Report:

3 (1) An audited budgetary statement comparing  
4 actual revenues and expenditures during the fiscal  
5 year with the amounts appropriated in the annual  
6 appropriations act for the entire District government  
7 and for each fund of the District government (and  
8 each appropriation account with each such fund as  
9 a supplemental schedule) for the fiscal year, together  
10 with the revenue projections on which the appropria-  
11 tions are based, to determine the surplus or deficit  
12 thereof.

13 (2) An unaudited statement of monthly cash  
14 flows (on a fund-by-fund basis) showing projected  
15 and actual receipts and disbursements (with  
16 variances) by category.

17 (3) A discussion and analysis of the financial  
18 condition and results of operations of the District  
19 government prepared by the independent auditor.

20 (b) AUDIT OF FINANCIAL RESPONSIBILITY AND  
21 MANAGEMENT ASSISTANCE AUTHORITY.—

22 (1) IN GENERAL.—Section 106 of the District  
23 of Columbia Financial Responsibility and Manage-  
24 ment Assistance Act of 1995 (D.C. Code, sec. 47–  
25 304.1), as amended by section 11711(a) of the Bal-

1       anced Budget Act of 1997, is amended by adding at  
2       the end the following new subsection:

3       “(e) ANNUAL FINANCIAL AUDIT.—

4               “(1) IN GENERAL.—For each fiscal year (begin-  
5       ning with fiscal year 1997), the Authority shall  
6       enter into a contract, using annual appropriations to  
7       the Authority, with an auditor who is a certified  
8       public accountant licensed in the District of Colum-  
9       bia to conduct an audit of the Authority’s financial  
10      statements for the fiscal year, in accordance with  
11      generally accepted government auditing standards,  
12      and the financial statements shall be prepared in ac-  
13      cordance with generally accepted accounting prin-  
14      ciples.

15              “(2) CONTENTS.—The auditor shall include in  
16      the audit conducted under this subsection the follow-  
17      ing information:

18                      “(A) An audited budgetary statement com-  
19                      paring gross actual revenues and expenditures  
20                      of the Authority during the fiscal year with  
21                      amounts appropriated, together with the reve-  
22                      nue projections on which the appropriations are  
23                      based, to determine the surplus or deficit there-  
24                      of.

1           “(B) An unaudited statement of monthly  
2 cash flows, showing projected and actual re-  
3 cepts and disbursements by category (with  
4 variances).

5           “(C) A discussion and analysis of the fi-  
6 nancial condition and results of operations of  
7 the Authority prepared by the independent  
8 auditor.

9           “(3) SUBMISSION.—The Authority shall submit  
10 the audit reports and financial statements conducted  
11 under this subsection to Congress, the President, the  
12 Comptroller General, the Council, and the Mayor.”.

13           (2) RESPONSIBILITIES OF AUTHORITY.—The  
14 District of Columbia Financial Responsibility and  
15 Management Assistance Authority shall—

16           (A) with respect to the annual budget of  
17 the Authority for fiscal year 1999 and each suc-  
18 ceeding fiscal year, provide the Mayor of the  
19 District of Columbia (prior to the transmission  
20 of the budget by the Mayor to the President  
21 and Congress under section 446 of the District  
22 of Columbia Home Rule Act) with an item-by-  
23 item accounting of the planned uses of appro-  
24 priated and non-appropriated funds (including

1 all projected revenues) of the Authority under  
2 the budget for such fiscal year; and

3 (B) with respect to the annual budget of  
4 the Authority for fiscal year 1997 and each suc-  
5 ceeding fiscal year, provide the person conduct-  
6 ing the independent annual audit of the govern-  
7 ment of the District of Columbia pursuant to  
8 section 4(a) of Public Law 94-399 (D.C. Code,  
9 sec. 47-119(a)) (prior to the completion of the  
10 audit) with the actual uses of all appropriated  
11 and non-appropriated funds of the Authority  
12 under the budget for such fiscal year.

13 (3) INCLUSION IN INDEPENDENT ANNUAL  
14 AUDIT.—For purposes of the independent annual  
15 audit of the government of the District of Columbia  
16 conducted pursuant to section 4(a) of Public Law  
17 94-399 (D.C. Code, sec. 47-119(a)) for fiscal year  
18 1997 and each succeeding fiscal year, the District of  
19 Columbia Financial Responsibility and Management  
20 Assistance Authority shall be considered to be an en-  
21 tity within the government of the District of Colum-  
22 bia accountable for appropriated funds in the Dis-  
23 trict of Columbia annual budget, and included as  
24 such in the District of Columbia government's Com-  
25 prehensive Annual Financial Report.

## 1 TREATMENT OF UNCLAIMED PROPERTY

## 2 SEC. 157. (a) DEFINITIONS OF CERTAIN TERMS.—

3 Section 102 of the Uniform Disposition of Unclaimed  
4 Property Act of 1980 (D.C. Code, sec. 42–202) is amend-  
5 ed—

6 (1) by amending paragraph (4) to read as fol-  
7 lows:

8 “(4) ‘Business association’ means a corpora-  
9 tion, joint stock company, investment company,  
10 partnership, unincorporated association, joint ven-  
11 ture, limited liability, business trust, trust company,  
12 financial organization, insurance company, mutual  
13 fund, utility, or other business entity consisting of  
14 one or more persons, whether or not for profit.”;  
15 and

16 (2) by adding at the end the following new  
17 paragraphs:

18 “(18) ‘Record’ means information that is in-  
19 scribed on a tangible medium or that is stored in an  
20 electronic or other medium and is retrievable in per-  
21 ceivable form.

22 “(19) ‘Property’ means a fixed and certain in-  
23 terest in or right in property that is held, issued, or  
24 owed in the course of a holder’s business, or by a  
25 government or governmental entity, and all income

1 or increments therefrom, including an interest re-  
2 ferred to as or evidenced by any of the following:

3 “(A) Money, check, draft, deposit, interest,  
4 dividend, and income.

5 “(B) Credit balance, customer overpay-  
6 ment, gift certificate, security deposit, refund,  
7 credit memorandum, unpaid wage, unused air-  
8 line ticket, unused ticket, mineral proceed, and  
9 unidentified remittance and electronic fund  
10 transfer.

11 “(C) Stock or other evidence of ownership  
12 of an interest in a business association.

13 “(D) Bond, debenture, note, or other evi-  
14 dence of indebtedness.

15 “(E) Money deposited to redeem stocks,  
16 bonds, coupons, or other securities or to make  
17 distributions.

18 “(F) An amount due and payable under  
19 the terms of an insurance policy, including poli-  
20 cies providing life insurance, property and cas-  
21 ualty insurance, workers compensation insur-  
22 ance, or health and disability benefits insur-  
23 ance.

24 “(G) An amount distributable from a trust  
25 or custodial fund established under a plan to

1 provide health, welfare, pension, vacation, sever-  
2 ance, retirement, death, stock purchase, profit  
3 sharing, employee savings, supplemental unem-  
4 ployment insurance, or similar benefits.”.

5 (b) SHORTENING PERIOD FOR PRESUMPTION OF  
6 ABANDONMENT.—

7 (1) IN GENERAL.—Section 103(a) of such Act  
8 (D.C. Code, sec. 42–203(a)) is amended by striking  
9 “5 years” and inserting “3 years”.

10 (2) BANK DEPOSITS AND FUNDS IN FINANCIAL  
11 ORGANIZATIONS.—Section 106 of such Act (D.C.  
12 Code, sec. 42–206) is amended by striking “5 years”  
13 each place it appears in subsections (a) and (d) and  
14 inserting “3 years”.

15 (3) FUNDS HELD BY LIFE INSURANCE COMPA-  
16 NIES.—Section 107 of such Act (D.C. Code, sec. 42–  
17 207) is amended by striking “5 years” each place it  
18 appears in subsections (a) and (c)(2)(C) and insert-  
19 ing “3 years”.

20 (4) DEPOSITS AND REFUNDS HELD BY UTILI-  
21 TIES.—Section 108 of such Act (D.C. Code, sec. 42–  
22 208) is amended by striking “5 years” each place it  
23 appears and inserting “1 year”.



1           (5) STOCK AND OTHER INTANGIBLE INTERESTS  
2           IN BUSINESS ASSOCIATIONS.—Section 109 of such  
3           Act (D.C. Code, sec. 42–209) is amended—

4                   (A) by striking “5 years” each place it ap-  
5                   pears in subsections (a) and (b)(1) and insert-  
6                   ing “3 years”; and

7                   (B) in subsection (b)(2), by striking “5-  
8                   year” and inserting “3-year”.

9           (6) PROPERTY HELD BY FIDUCIARIES.—Section  
10           111(a) of such Act (D.C. Code, sec. 42–211(a)) is  
11           amended by striking “5 years” and inserting “3  
12           years”.

13           (7) PROPERTY HELD BY PUBLIC OFFICERS AND  
14           AGENCIES.—Section 112 of such Act (D.C. Code,  
15           sec. 42–212) is amended by striking “2 years” and  
16           inserting “1 year”.

17           (8) EMPLOYEE BENEFIT TRUST DISTRIBUTI-  
18           ONS.—Section 113 of such Act (D.C. Code, sec.  
19           42–213) is amended by striking “5 years” and in-  
20           serting “3 years”.

21           (9) CONTENTS OF SAFE DEPOSIT BOX.—Sec-  
22           tion 115 of such Act (D.C. Code, sec. 42–215) is  
23           amended by striking “5 years” and inserting “3  
24           years”.

1           (c) CRITERIA FOR PRESUMPTION OF ABANDON-  
2 MENT.—

3           (1) IN GENERAL.—Section 103 of such Act  
4           (D.C. Code, sec. 42–203) is amended by adding at  
5           the end the following new subsection:

6           “(d) A record of the issuance of a check, draft, or  
7 similar instrument by a holder is prima facie evidence of  
8 property held or owed to a person other than the holder.  
9 In claiming property from a holder who is also the issuer,  
10 the Mayor’s burden of proof as to the existence and  
11 amount of the property and its abandonment is satisfied  
12 by showing issuance of the instrument and passage of the  
13 requisite period of abandonment. Defenses of payment,  
14 satisfaction, discharge, and want of consideration are af-  
15 firmative defenses that may be established by the holder.”.

16           (2) SPECIAL RULES REGARDING STOCK AND  
17 OTHER INTANGIBLE INTERESTS IN BUSINESS ASSO-  
18 CIATIONS.—Section 109 of such Act (D.C. Code, sec.  
19 42–209) is amended by adding at the end the follow-  
20 ing new subsections:

21           “(d) For purposes of subsection (b), the return of of-  
22 ficial shareholder notifications or communications by the  
23 postal service as undeliverable shall be evidence that the  
24 association does not know the location of the owner.

1       “(e) In the case of property consisting of stock or  
2 other intangible ownership interest enrolled in a plan that  
3 provides for the automatic reinvestment of dividends, dis-  
4 tribution, or other sums payable as a result of the interest,  
5 the property may not be presumed to be abandoned under  
6 this section unless either of the following applies:

7           “(1) The records available to the administrator  
8 of the plan show, with respect to any intangible own-  
9 ership interest not enrolled in the reinvestment plan,  
10 that the owner has not within 3 years communicated  
11 in any manner described in subsection (a).

12           “(2) 3 years have elapsed since the location of  
13 the owner became unknown to the association, as  
14 evidenced by the return of official shareholder notifi-  
15 cations or by the postal service as undeliverable, and  
16 the owner has not within those 3 years commu-  
17 nicated in any manner described in subsection (a).

18       The 3-year period from the return of official share-  
19 holder notifications or communications shall com-  
20 mence from the earlier of the return of the second  
21 such mailing or the time the holder discontinues  
22 mailings to the shareholder.”.

23           (3) SPECIAL RULE REGARDING PROPERTY DIS-  
24 TRIBUTED THROUGH LITIGATION OR SETTLEMENT

1 OF DISPUTE.—Section 110 of such Act (D.C. Code,  
2 sec. 42–210) is amended—

3 (A) by striking “All intangible” and insert-  
4 ing “(a) All intangible”; and

5 (B) by adding at the end the following new  
6 subsection:

7 “(b) All intangible property payable or distributable  
8 to a member or participant in a class action suit, either  
9 one allowed by the court to be maintained as such or one  
10 essentially handled as a class action suit and remaining  
11 for more than one year after the time for the final pay-  
12 ment or distribution is presumed abandoned, unless within  
13 the preceding one year, there has been a communication  
14 between the member or participant and the holder con-  
15 cerning the property. Intangible property payable or dis-  
16 tributable as the result of litigation or settlement of a dis-  
17 pute before a judicial or administrative body and remain-  
18 ing unclaimed for more than one year after the time for  
19 the final distribution is presumed abandoned.”.

20 (d) REQUIREMENTS FOR PERSONS HOLDING PROP-  
21 erty PRESUMED ABANDONED.—

22 (1) DEADLINE FOR FILING REPORT WITH  
23 MAYOR.—Section 117(d) of such Act (D.C. Code,  
24 sec. 42–217(d)) is amended to read as follows:

1       “(d)(1) The report as of the prior June 30th must  
2 be filed before November 1st of each year, but a report  
3 with respect to a life insurance company must be filed be-  
4 fore May 1st of each year as of the prior December 31.  
5 The Mayor may postpone the reporting date upon written  
6 request by any person required to file a report.

7       “(2) In calendar year 1998, a report concerning all  
8 property presumed to be abandoned as of October 31,  
9 1997, must be filed no later than January 2, 1998.”.

10           (2) NOTIFICATION OF OWNER.—Section 117(e)  
11 of such Act (D.C. Code, sec. 42–217(e)) is amended  
12 to read as follows:

13       “(e) Not earlier than 120 days prior to filing the re-  
14 port required under this section (and not later than 60  
15 days prior to filing such report), the holder of property  
16 presumed abandoned shall send written notice to the ap-  
17 parent owner of the property stating that the holder is  
18 in possession of property subject to this Act, but only if—

19           “(1) the holder has in its records an address for  
20 the apparent owner, unless the holder’s records indi-  
21 cate that such address is not accurate; and

22           “(2) the value of the property is at least \$50.”.

23           (3) PAYMENT OR DELIVERY OF PROPERTY TO  
24 MAYOR.—Section 119 of such Act (D.C. Code, sec.

1 42–219) is amended by striking subsections (a), (b),  
2 and (c) and inserting the following:

3 “(a) Upon the filing of the report required under sec-  
4 tion 117 with respect to property presumed abandoned,  
5 the holder of the property shall pay or deliver (or cause  
6 to be paid or delivered) to the Mayor the property de-  
7 scribed in the report as abandoned, except that—

8 “(1) in the case of property consisting of an  
9 automatically renewable deposit for which a penalty  
10 or forfeiture in the payment of interest would result  
11 if payment were made to the Mayor at such time,  
12 the holder may delay the payment or delivery of the  
13 property to the Mayor until such time as the penalty  
14 or forfeiture will not occur; and

15 “(2) in the case of tangible property held in a  
16 safe deposit box or other safekeeping depository, the  
17 holder shall pay or deliver (or cause to be paid or  
18 delivered) the property to the Mayor upon the expi-  
19 ration of the 120-day period which begins on the  
20 date the holder files the report required under sec-  
21 tion 117.

22 “(b) If the Mayor postpones the reporting date with  
23 respect to the property under section 117(d), the holder,  
24 upon receipt of the extension, may make an interim pay-

1 ment under this section on the amount the holder esti-  
2 mates will ultimately be due.”.

3 (4) CLARIFICATION OF USE OF ESTIMATED  
4 PAYMENTS AND REPORTS.—Section 130(d) of such  
5 Act (D.C. Code, sec. 42–230(d)) is amended to read  
6 as follows:

7 “(d) If a holder fails to maintain the records required  
8 by section 132 and the records of the holder available for  
9 the periods for which this Act applies to the property in-  
10 volved are insufficient to permit the preparation of a re-  
11 port and delivery of the property, the holder shall be re-  
12 quired to report and pay such amounts as may reasonably  
13 be estimated from any available records.”.

14 (5) RETENTION OF RECORDS.—Section 132(a)  
15 of such Act (D.C. Code, sec. 42–232(a)) is amended  
16 to read as follows:

17 “(a) Except as provided in subsection (b) and unless  
18 the Mayor provides otherwise by rule, every holder re-  
19 quired to file a report under section 117 shall retain all  
20 books, records, and documents necessary to establish the  
21 accuracy of such report and the compliance of the report  
22 with the requirements of this Act for 10 years after the  
23 property becomes reportable, together with a record of the  
24 name and address of the owner of the property in the case

1 of any property for which the holder has obtained the last  
2 known address of the owner.”.

3 (e) DUTIES AND POWERS OF MAYOR.—

4 (1) INFORMATION INCLUDED IN PUBLISHED  
5 NOTICE OF ABANDONED PROPERTY.—Section  
6 118(b)(3) of such Act (D.C. Code, sec. 42–  
7 218(b)(3)) is amended to read as follows:

8 “(3) A statement that property of the owner is  
9 presumed to be abandoned and has been taken into  
10 the protective custody of the Mayor, except in the  
11 case of property described in section 119(a)(1)  
12 which is not paid or delivered to the Mayor pursuant  
13 to such section.”.

14 (2) INFORMATION INCLUDED IN MAILED NO-  
15 TICE.—Section 118(e)(3) of such Act (D.C. Code,  
16 sec. 42–218(e)(3)) is amended to read as follows:

17 “(3) A statement explaining that property of  
18 the owner is presumed to be abandoned, the prop-  
19 erty has been taken into the protective custody of  
20 the Mayor (other than property described in section  
21 119(a)(1) which is not paid or delivered to the  
22 Mayor pursuant to such section), and information  
23 about the property and its return to the owner is  
24 available to a person having a legal or beneficial in-  
25 terest in the property, upon request to the Mayor.”.



1           (3) TRANSITION RULE FOR 1997.—Section  
2           118(g) of such Act (D.C. Code, sec. 42–218(g)) is  
3           amended to read as follows:

4           “(g) With respect to property reported and delivered  
5           on or before January 2, 1998, pursuant to section  
6           117(d)(2), the Mayor shall cause the newspaper notice re-  
7           quired by subsection (a) and the notice mailed under sub-  
8           section (d) to be completed no later than May 1, 1998.”.

9           (4) IMPOSITION OF ONE-YEAR WAITING PERIOD  
10          FOR SALE OF PROPERTY.—The first sentence of sec-  
11          tion 122(a) of such Act (D.C. Code, sec. 42–222(a))  
12          is amended by striking “may be sold” and inserting  
13          the following: “which remains unclaimed one year  
14          after the delivery to the Mayor may be sold”.

15          (5) SPECIAL RULE FOR SALE OF PROPERTY  
16          CONSISTING OF SECURITIES.—Section 122 of such  
17          Act (D.C. Code, sec. 42–222) is amended by adding  
18          at the end the following new subsection:

19          “(d)(1) Notwithstanding subsection (a), abandoned  
20          property consisting of securities delivered to the Mayor  
21          under this Act may not be sold under this section until  
22          the expiration of the 3-year period which begins on the  
23          date the property is delivered to the Mayor, except that  
24          the Mayor may sell the property prior to the expiration

1 of such period if the Mayor finds that sale at such time  
2 is in the best interests of the District of Columbia.

3 “(2) If the Mayor sells any property described in  
4 paragraph (1) prior to the expiration of the 3-year period  
5 described in such paragraph, any person making a claim  
6 with respect to the property pursuant to this Act prior  
7 to the expiration of such period is entitled to either the  
8 proceeds of the sale of the securities or the market value  
9 of the securities at the time the claim is made, whichever  
10 is greater, less any deduction for fees pursuant section  
11 123(c). If the Mayor does not sell any such property prior  
12 to the expiration of such 3-year period, a person may make  
13 a claim with respect to the property in accordance with  
14 section 124 and other applicable provisions of this Act.”.

15 (6) STATUTE OF LIMITATIONS.—Section 129(b)  
16 of such Act (D.C. Code, sec. 42–229(b)) is amended  
17 to read as follows:

18 “(b) No action or proceeding may be commenced by  
19 the Mayor to enforce any provision of this Act with respect  
20 to the reporting, delivery, or payment of property more  
21 than 10 years after the holder specifically identified the  
22 property in a report filed with the Mayor or gave express  
23 notice to the Mayor of a dispute regarding the property.  
24 The period of limitation shall be tolled in the absence of

1 such a report or other express notice, or by the filing of  
2 a report that is fraudulent.”.

3 (f) INTEREST AND PENALTIES.—

4 (1) IN GENERAL.—Section 135 of such Act  
5 (D.C. Code, sec. 42–235) is amended by striking  
6 subsections (b), (c), and (d) and inserting the follow-  
7 ing:

8 “(b) Except as otherwise provided in subsection (c),  
9 a person who fails to report, pay, or deliver property with-  
10 in the time prescribed under this Act, or fails to perform  
11 other duties imposed by this Act, shall pay (in addition  
12 to the interest required under subsection (a)) a civil pen-  
13 alty of \$200 for each day the report, payment, or delivery  
14 is withheld or the duty is not performed, up to a maximum  
15 of \$10,000.

16 “(c) A person who willfully fails to report, pay, or  
17 deliver property within the time prescribed under this Act,  
18 or fails to perform other duties imposed by this Act, shall  
19 pay (in addition to the interest required under subsection  
20 (a)) a civil penalty of \$1,000 for each day the report, pay-  
21 ment, or delivery is withheld or the duty is not performed,  
22 up to a maximum of \$25,000, plus 25 percent of the value  
23 of any property that should have been paid or delivered.

24 “(d) The Mayor may waive the imposition of any in-  
25 terest or penalty (or any part thereof) against any person

1 under subsection (b) or (c) if the person's failure to pay  
2 or deliver property is satisfactorily explained to the Mayor  
3 and if the failure has resulted from a mistake by the per-  
4 son in understanding or applying the law or the facts in-  
5 volved.”.

6 (2) FAILURE OF HOLDER TO EXERCISE DUE  
7 DILIGENCE WITH RESPECT TO ITEMS SUBJECT TO  
8 REPORTING.—Section 135 of such Act (D.C. Code,  
9 sec. 42-235) is amended by adding at the end the  
10 following new subsection:

11 “(f) A holder who fails to exercise due diligence with  
12 respect to information required to be reported under sec-  
13 tion 117 shall pay (in addition to any other interest or  
14 penalty which may be imposed under this section) a pen-  
15 alty of \$10 with respect to each item involved.”.

16 (g) MISCELLANEOUS REVISIONS.—

17 (1) RESTRICTION ON AMOUNT CHARGED FOR  
18 HOLDING CERTAIN BANK DEPOSITS AND FUNDS.—

19 (A) Section 106(e) of such Act (D.C. Code, sec. 42-  
20 206(e)) is amended by adding at the end the follow-  
21 ing new paragraph:

22 “(4) The amount of the deduction is limited to an  
23 amount that is not unconscionable.”.

1           (B) Section 106(f) of such Act (D.C. Code, sec.  
2           42–206(f)) is amended by adding at the end the fol-  
3           lowing new paragraph:

4           “(3) The amount of the deduction is limited to an  
5           amount that is not unconscionable.”.

6           (2) CLARIFICATION OF APPLICATION OF LAW  
7           TO WAGES AND OTHER COMPENSATION.—Section  
8           116 of such Act (D.C. Code, sec. 42–216) is amend-  
9           ed by striking “Unpaid wages or outstanding payroll  
10          checks” and inserting “Wages or other compensation  
11          for personal services”.

12          (h) EFFECTIVE DATE.—

13          (1) IN GENERAL.—The amendments made by  
14          this section shall take effect on the date of the en-  
15          actment of this Act.

16          (2) TRANSITION RULE.—In the case of any  
17          property which is presumed to be abandoned under  
18          the Uniform Disposition of Unclaimed Property Act  
19          of 1980 (as amended by this Act) during the 6-  
20          month period which begins on the date of the enact-  
21          ment of this Act and which would not be presumed  
22          to be abandoned under such Act during such period  
23          but for the amendments made by this Act, the prop-  
24          erty may not be presumed to be abandoned under  
25          such Act prior to the expiration of such period.

## 1 RESTRICTIONS ON BORROWING

2 SEC. 158. (a) PROHIBITING USE OF BORROWING TO  
3 FINANCE OR REFUND ACCUMULATED GENERAL FUND  
4 DEFICIT.—None of the funds made available in this Act  
5 or in any other Act may be used by the District of Colum-  
6 bia (including the District of Columbia Financial Respon-  
7 sibility and Management Assistance Authority) at any  
8 time before, on, or after the date of the enactment of this  
9 Act to obtain borrowing to finance or refund the accumu-  
10 lated general fund deficit of the District of Columbia exist-  
11 ing as of September 30, 1997.

12 (b) RESTRICTIONS ON USE OF FUNDS FOR DEBT  
13 RESTRUCTURING.—None of the funds made available in  
14 this Act or in any other Act may be used by the District  
15 of Columbia (including the District of Columbia Financial  
16 Responsibility and Management Assistance Authority)  
17 during fiscal year 1998 or any succeeding fiscal year to  
18 obtain borrowing (including borrowing through the issu-  
19 ance of any bonds, notes, or other obligations) to repay  
20 any other borrowing of funds or issuance of bonds, notes,  
21 or other obligations unless—

22 (1) the aggregate cost to the District of the new  
23 borrowing or issuance does not exceed the aggregate  
24 cost of the original borrowing or issuance; and

1           (2) the date provided for the final repayment of  
2           the new borrowing or issuance is not later than the  
3           date provided for the final repayment of the original  
4           borrowing or issuance.

5           (c) PROHIBITING USE OF FUNDS FOR PRIVATE  
6 BOND SALES.—None of the funds made available in this  
7 Act or in any other Act may be used by the District of  
8 Columbia (including the District of Columbia Financial  
9 Responsibility and Management Assistance Authority)  
10 during fiscal year 1998 or any succeeding fiscal year to  
11 sell any bonds at a private sale.

12           REOPENING OF PENNSYLVANIA AVENUE

13           SEC. 159. Notwithstanding any other provision of law  
14 or any other rule or regulation, beginning January 1,  
15 1998, the portion of Pennsylvania Avenue in front of the  
16 White House shall be reopened to regular vehicular traffic.

17           INDEPENDENCE IN CONTRACTING FOR CHIEF FINANCIAL  
18           OFFICER AND INSPECTOR GENERAL

19           SEC. 160. (a) IN GENERAL.—Notwithstanding any  
20 other provision of law, neither the Mayor of the District  
21 of Columbia or the District of Columbia Financial Respon-  
22 sibility and Management Assistance Authority may enter  
23 into any contract with respect to any authority or activity  
24 under the jurisdiction of the Chief Financial Officer or  
25 Inspector General of the District of Columbia without the

1 consent and approval of the Chief Financial Officer or In-  
2 spector General (as the case may be).

3 (b) EFFECT ON OTHER POWERS AND DUTIES OF AU-  
4 THORITY.—Nothing in this section may be construed—

5 (1) to affect the ability of the District of Co-  
6 lumbia Financial Responsibility and Management  
7 Assistance Authority to remove the Chief Financial  
8 Officer or Inspector General of the District of Co-  
9 lumbia from office during a control year (as defined  
10 in section 305(4) of the District of Columbia Finan-  
11 cial Responsibility and Management Assistance Act  
12 of 1995); or

13 (2) to exempt any contracts entered into by the  
14 Chief Financial Officer or Inspector General from  
15 review by the Authority under section 203(b) of such  
16 Act.

17 MISCELLANEOUS PROVISIONS

18 SEC. 161. (a) DEPOSIT OF ANNUAL FEDERAL CON-  
19 TRIBUTION WITH AUTHORITY.—

20 (1) IN GENERAL.—The District of Columbia Fi-  
21 nancial Responsibility and Management Assistance  
22 Act of 1995, as amended by section 11601(b)(2) of  
23 the Balanced Budget Act of 1997, is amended by in-  
24 serting after section 204 the following new section:



1 **“SEC. 205. DEPOSIT OF ANNUAL FEDERAL CONTRIBUTION**  
2 **WITH AUTHORITY.**

3 “(a) IN GENERAL.—

4 “(1) DEPOSIT INTO ESCROW ACCOUNT.—In the  
5 case of a fiscal year which is a control year, the Sec-  
6 retary of the Treasury shall deposit any Federal  
7 contribution to the District of Columbia for the year  
8 authorized under section 11601(c)(2) of the Bal-  
9 anced Budget Act of 1997 into an escrow account  
10 held by the Authority, which shall allocate the funds  
11 to the Mayor at such intervals and in accordance  
12 with such terms and conditions as it considers ap-  
13 propriate to implement the financial plan for the  
14 year. In establishing such terms and conditions, the  
15 Authority shall give priority to using the Federal  
16 contribution for cash flow management and the pay-  
17 ment of outstanding bills owed by the District gov-  
18 ernment.

19 “(2) EXCEPTION FOR AMOUNTS WITHHELD FOR  
20 ADVANCES.—Paragraph (1) shall not apply with re-  
21 spect to any portion of the Federal contribution  
22 which is withheld by the Secretary of the Treasury  
23 in accordance with section 605(b)(2) of title VI of  
24 the District of Columbia Revenue Act of 1939 to re-  
25 imburse the Secretary for advances made under title  
26 VI of such Act.

1       “(b) EXPENDITURE OF FUNDS FROM ACCOUNT IN  
2 ACCORDANCE WITH AUTHORITY INSTRUCTIONS.—Any  
3 funds allocated by the Authority to the Mayor from the  
4 escrow account described in paragraph (1) may be ex-  
5 pended by the Mayor only in accordance with the terms  
6 and conditions established by the Authority at the time  
7 the funds are allocated.”.

8           (2) CLERICAL AMENDMENT.—The table of con-  
9 tents for such Act is amended by inserting after the  
10 item relating to section 204 the following new item:

“Sec. 205. Deposit of annual Federal contribution with Authority.”.

11           (3) EFFECTIVE DATE.—The amendments made  
12 by this subsection shall take effect as if included in  
13 the enactment of the Balanced Budget Act of 1997.

14       (b) DISHONORED CHECK COLLECTION.—The Act en-  
15 titled “An Act to authorize the Commissioners of the Dis-  
16 trict of Columbia to prescribe penalties for the handling  
17 and collection of dishonored checks”, approved September  
18 28, 1965 (D.C. Code, sec. 1–357) is amended—

19           (1) in subsection (a) by inserting after the third  
20 sentence the following: “The Mayor may enter into  
21 a contract to collect the amount of the original obli-  
22 gation.”; and

23           (2) by adding at the end the following new sub-  
24 sections:

1           “(c) In a case in which the amount of a dishonored  
2 or unpaid check is collected as a result of a contract, the  
3 Mayor shall collect any costs or expenses incurred to col-  
4 lect such amount from such person who gives or causes  
5 to be given, in payment of any obligation or liability due  
6 the government of the District of Columbia, a check which  
7 is subsequently dishonored or not duly paid. In a case in  
8 which the amount of a dishonored or unpaid check is col-  
9 lected as a result of an action at law or in equity, such  
10 costs and expenses shall include litigation expenses and  
11 attorney’s fees.

12           “(d) An action at law or in equity for the recovery  
13 of any amount owed to the District as a result of sub-  
14 section (c), including any litigation expenses or attorney’s  
15 fees may be initiated—

16                   “(1) by the Corporation Counsel of the District  
17                   of Columbia; or

18                   “(2) in a case in which the Corporation Counsel  
19                   does not exercise his or her authority, by the person  
20                   who provides collection services as a result of a con-  
21                   tract with the Mayor.

22           “(e) Nothing in this section may be construed to  
23 eliminate the Mayor’s exclusive authority with respect to  
24 any obligations and liabilities of the District of Colum-  
25 bia.”.

1           (c) REQUIRING DISTRICT GOVERNMENT OFFICIALS  
2 TO PROVIDE INFORMATION UPON REQUEST TO CONGRES-  
3 SIONAL COMMITTEES.—Notwithstanding any provision of  
4 law or any other rule or regulation, during fiscal year  
5 1998 and each succeeding fiscal year, at the request of  
6 the Committee on Appropriations of the House of Rep-  
7 resentatives, the Committee on Appropriations of the Sen-  
8 ate, the Committee on Government Reform and Oversight  
9 of the House of Representatives, or the Committee on  
10 Governmental Affairs of the Senate, any officer or em-  
11 ployee of the District of Columbia government (including  
12 any officer or employee of the District of Columbia Finan-  
13 cial Responsibility and Management Assistance Authority)  
14 shall provide the Committee with such information and  
15 materials as the Committee may require, within such  
16 deadline as the Committee may require.

17           (d) PROHIBITING CERTAIN HELICOPTER FLIGHTS  
18 OVER DISTRICT.—None of the funds made available in  
19 this Act or in any other Act may be used by the District  
20 of Columbia to grant a permit or license to any person  
21 for purposes of any business in which the person provides  
22 tours of any portion of the District of Columbia by heli-  
23 copter.

24           (e) CONFORMING REFERENCES TO INTERNAL REVE-  
25 NUE CODE OF 1986.—Section 4(28A) of the District of

1 Columbia Income and Franchise Act of 1947 (D.C. Code,  
2 sec. 47–1801.4(28A)) is amended to read as follows:

3           “(28A) The term ‘Internal Revenue Code of  
4           1986’ means the Internal Revenue Code of 1986  
5           (100 Stat. 2085; 26 U.S.C. 1 et seq.), as amended  
6           through August 20, 1996. The provisions of the In-  
7           ternal Revenue Code of 1986 shall be effective on  
8           the same dates that they are effective for Federal  
9           tax purposes.”.

10           (f) STANDARD FOR REVIEW OF RECOMMENDATIONS  
11 OF BUSINESS REGULATORY REFORM COMMISSION IN RE-  
12 VIEW OF REGULATIONS BY AUTHORITY.—Section  
13 11701(a)(1) of the Balanced Budget Act of 1997 is  
14 amended by striking the second sentence and inserting the  
15 following: “In carrying out such review, the Authority  
16 shall include an explicit reference to each recommendation  
17 made by the Business Regulatory Reform Commission  
18 pursuant to the Business Regulatory Reform Commission  
19 Act of 1994 (D.C. Code, sec. 2–4101 et seq.), together  
20 with specific findings and conclusions with respect to each  
21 such recommendation.”.

22           (g) TECHNICAL CORRECTIONS RELATING TO BAL-  
23 ANCED BUDGET ACT OF 1997.—(1) Effective as if in-  
24 cluded in the enactment of the Balanced Budget Act of  
25 1997, section 453(c) of the District of Columbia Home

1 Rule Act (D.C. Code, sec. 47–304.1(c)), as amended by  
2 section 11243(d) of the Balanced Budget Act of 1997, is  
3 amended to read as follows:

4 “(c) Subsection (a) shall not apply to amounts appro-  
5 priated or otherwise made available to the Council, the  
6 District of Columbia Financial Responsibility and Man-  
7 agement Assistance Authority established under section  
8 101(a) of the District of Columbia Financial Responsibil-  
9 ity and Management Assistance Act of 1995, or the Dis-  
10 trict of Columbia Water and Sewer Authority established  
11 pursuant to the Water and Sewer Authority Establish-  
12 ment and Department of Public Works Reorganization  
13 Act of 1996.”.

14 (2) Section 11201(g)(2)(A)(ii) of the Balanced Budg-  
15 et Act of 1997 is amended—

16 (A) in the heading, by striking “DEPARTMENT  
17 OF PARKS AND RECREATION” and inserting “PARKS  
18 AUTHORITY”; and

19 (B) by striking “Department of Parks and  
20 Recreation” and inserting “Parks Authority”.

21 (h) REPEAL OF PRIOR NOTICE REQUIREMENT FOR  
22 FEDERAL ACTIVITIES AFFECTING REAL PROPERTY IN  
23 DISTRICT OF COLUMBIA.—Effective October 1, 1997, the  
24 Balanced Budget Act of 1997 (Public Law 105–33) is  
25 amended by striking section 11715.

1 This title may be cited as the “District of Columbia  
2 Appropriations Act, 1998”.

3 **TITLE II—DISTRICT OF COLUM-**  
4 **BIA MEDICAL LIABILITY RE-**  
5 **FORM**

6 **Subtitle A—Standards for Health**  
7 **Care Liability Actions and**  
8 **Claims in the District of Colum-**  
9 **bia**

10 **SEC. 201. SHORT TITLE.**

11 This title may be cited as the “District of Columbia  
12 Medical Liability Reform Act of 1997”.

13 **SEC. 202. STATUTE OF LIMITATIONS.**

14 A District of Columbia health care liability action  
15 may not be brought after the expiration of the 2-year pe-  
16 riod that begins on the date on which the alleged injury  
17 that is the subject of the action was discovered or should  
18 reasonably have been discovered, but in no case after the  
19 expiration of the 5-year period that begins on the date  
20 the alleged injury occurred.

21 **SEC. 203. TREATMENT OF NONECONOMIC DAMAGES.**

22 (a) **LIMITATION ON NONECONOMIC DAMAGES.**—The  
23 total amount of noneconomic damages that may be award-  
24 ed to a claimant for losses resulting from the injury which  
25 is the subject of a District of Columbia health care liability

1 action may not exceed \$250,000, regardless of the number  
2 of parties against whom the action is brought or the num-  
3 ber of actions brought with respect to the injury.

4 (b) **JOINT AND SEVERAL LIABILITY.**—In any District  
5 of Columbia health care liability action, a defendant shall  
6 be liable only for the amount of noneconomic damages at-  
7 tributable to such defendant in direct proportion to such  
8 defendant’s share of fault or responsibility for the claim-  
9 ant’s actual damages, as determined by the trier of fact.  
10 In all such cases, the liability of a defendant for non-  
11 economic damages shall be several and not joint.

12 **SEC. 204. CRITERIA FOR AWARDING OF PUNITIVE DAM-**  
13 **AGES; LIMITATION ON AMOUNT AWARDED.**

14 (a) **IN GENERAL.**—Punitive damages may, to the ex-  
15 tent permitted by applicable District of Columbia law, be  
16 awarded in any District of Columbia health care liability  
17 action if the claimant establishes by clear and convincing  
18 evidence that the harm suffered was the result of—

19 (1) conduct specifically intended to cause harm,

20 or

21 (2) conduct manifesting a conscious, flagrant  
22 indifference to the rights or safety of others.

23 (b) **PROPORTIONAL AWARDS.**—The amount of puni-  
24 tive damages that may be awarded in any District of Co-  
25 lumbia health care liability action may not exceed 3 times



1 the amount of damages awarded to the claimant for eco-  
2 nomic loss, or \$250,000, whichever is greater. This sub-  
3 section shall be applied by the court and shall not be dis-  
4 closed to the jury.

5 (c) APPLICABILITY.—This subsection shall apply to  
6 any District of Columbia health care liability action  
7 brought on any theory under which punitive damages are  
8 sought. This subsection does not create a cause of action  
9 for punitive damages. This subsection does not preempt  
10 or supersede any law to the extent that such law would  
11 further limit the award of punitive damages.

12 (d) BIFURCATION.—At the request of any party, the  
13 trier of fact shall consider in a separate proceeding wheth-  
14 er punitive damages are to be awarded and the amount  
15 of such award. If a separate proceeding is requested, evi-  
16 dence relevant only to the claim of punitive damages, as  
17 determined by applicable District of Columbia law, shall  
18 be inadmissible in any proceeding to determine whether  
19 actual damages are to be awarded.

20 **SEC. 205. TREATMENT OF PUNITIVE DAMAGES IN ACTIONS**  
21 **RELATING TO DRUGS OR MEDICAL DEVICES.**

22 (a) PROHIBITING AWARD OF PUNITIVE DAMAGES  
23 WITH RESPECT TO CERTAIN APPROVED DRUGS AND DE-  
24 VICES.—

1           (1) IN GENERAL.—In any District of Columbia  
2 health care liability action, punitive damages may  
3 not be awarded against a manufacturer or product  
4 seller of a drug or medical device which caused the  
5 claimant’s harm if—

6           (A) such drug or device was subject to pre-  
7 market approval by the Food and Drug Admin-  
8 istration with respect to the safety of the for-  
9 mulation or performance of the aspect of such  
10 drug or device which caused the claimant’s  
11 harm, or the adequacy of the packaging or la-  
12 beling of such drug or device which caused the  
13 harm, and such drug, device, packaging, or la-  
14 beling was approved by the Food and Drug Ad-  
15 ministration; or

16           (B) the drug is generally recognized as  
17 safe and effective pursuant to conditions estab-  
18 lished by the Food and Drug Administration  
19 and applicable regulations, including packaging  
20 and labeling regulations.

21           (2) EXCEPTION.—Paragraph (1) shall not  
22 apply in any case in which the defendant, before or  
23 after premarket approval of a drug or device—

24           (A) intentionally and wrongfully withheld  
25 from or misrepresented to the Food and Drug

1 Administration information concerning such  
2 drug or device required to be submitted under  
3 the Federal Food, Drug, and Cosmetic Act (21  
4 U.S.C. 301 et seq.) or section 351 of the Public  
5 Health Service Act (42 U.S.C. 262) that is ma-  
6 terial and relevant to the harm suffered by the  
7 claimant, or

8 (C) made an illegal payment to an official  
9 or employee of the Food and Drug Administra-  
10 tion for the purpose of securing or maintaining  
11 approval of such drug or device.

12 (b) SPECIAL RULE REGARDING CLAIMS RELATING  
13 TO PACKAGING.—In a District of Columbia health care  
14 liability action relating to the adequacy of the packaging  
15 or labeling of a drug which is required to have tamper-  
16 resistant packaging under regulations of the Secretary of  
17 Health and Human Services (including labeling regula-  
18 tions related to such packaging), the manufacturer or  
19 product seller of the drug shall not be held liable for puni-  
20 tive damages unless such packaging or labeling is found  
21 by the court by clear and convincing evidence to be sub-  
22 stantially out of compliance with such regulations.

23 (c) DEFINITIONS.—In this section, the following defi-  
24 nitions apply:

1           (1) DRUG.—The term “drug” has the meaning  
2 given such term in section 201(g)(1) of the Federal  
3 Food, Drug, and Cosmetic Act (21 U.S.C.  
4 321(g)(1)).

5           (2) MEDICAL DEVICE.—The term “medical de-  
6 vice” has the meaning given such term in section  
7 201(h) of the Federal Food, Drug, and Cosmetic  
8 Act (21 U.S.C. 321(h)).

9           (3) PRODUCT SELLER.—

10           (A) IN GENERAL.—Subject to subpara-  
11 graph (B), the term “product seller” means a  
12 person who, in the course of a business con-  
13 ducted for that purpose—

14                   (i) sells, distributes, rents, leases, pre-  
15 pares, blends, packages, labels, or is other-  
16 wise involved in placing, a product in the  
17 stream of commerce, or

18                   (ii) installs, repairs, or maintains the  
19 harm-causing aspect of a product.

20           (B) EXCLUSION.—Such term does not in-  
21 clude—

22                   (i) a seller or lessor of real property;

23                   (ii) a provider of professional services  
24 in any case in which the sale or use of a  
25 product is incidental to the transaction and

1 the essence of the transaction is the fur-  
2 nishing of judgment, skill, or services; or

3 (iii) any person who—

4 (I) acts in only a financial capac-  
5 ity with respect to the sale of a prod-  
6 uct; or

7 (II) leases a product under a  
8 lease arrangement in which the selec-  
9 tion, possession, maintenance, and op-  
10 eration of the product are controlled  
11 by a person other than the lessor.

12 **SEC. 206. PERIODIC PAYMENTS FOR FUTURE LOSSES.**

13 (a) IN GENERAL.—In any District of Columbia  
14 health care liability action in which the damages awarded  
15 for future economic and noneconomic loss exceeds  
16 \$50,000, a person shall not be required to pay such dam-  
17 ages in a single, lump-sum payment, but shall be per-  
18 mitted to make such payments periodically based on when  
19 the damages are found likely to occur, as such payments  
20 are determined by the court.

21 (b) FINALITY OF JUDGMENT.—The judgment of the  
22 court awarding periodic payments under this section may  
23 not, in the absence of fraud, be reopened at any time to  
24 contest, amend, or modify the schedule or amount of the  
25 payments.

1 (c) LUMP-SUM SETTLEMENTS.—This section may  
2 not be construed to preclude a settlement providing for  
3 a single, lump-sum payment.

4 **SEC. 207. TREATMENT OF COLLATERAL SOURCE PAY-**  
5 **MENTS.**

6 (a) INTRODUCTION INTO EVIDENCE.—In any Dis-  
7 trict of Columbia health care liability action, any defend-  
8 ant may introduce evidence of collateral source payments.  
9 If any defendant elects to introduce such evidence, the  
10 claimant may introduce evidence of any amount paid or  
11 contributed or reasonably likely to be paid or contributed  
12 in the future by or on behalf of the claimant to secure  
13 the right to such collateral source payments.

14 (b) NO SUBROGATION.—No provider of collateral  
15 source payments may recover any amount against the  
16 claimant or receive any lien or credit against the claim-  
17 ant’s recovery or be equitably or legally subrogated the  
18 right of the claimant in a District of Columbia health care  
19 liability action.

20 (c) APPLICATION TO SETTLEMENTS.—This section  
21 shall apply to an action that is settled as well as an action  
22 that is resolved by a fact finder.

23 (d) COLLATERAL SOURCE PAYMENTS DEFINED.—In  
24 this section, the term “collateral source payments” means  
25 any amount paid or reasonably likely to be paid in the

1 future to or on behalf of a claimant, or any service, prod-  
2 uct, or other benefit provided or reasonably likely to be  
3 provided in the future to or on behalf of a claimant, as  
4 a result of an injury or wrongful death, pursuant to—

5 (1) any State or Federal health, sickness, in-  
6 come-disability, accident or workers' compensation  
7 Act;

8 (2) any health, sickness, income-disability, or  
9 accident insurance that provides health benefits or  
10 income-disability coverage;

11 (3) any contract or agreement of any group, or-  
12 ganization, partnership, or corporation to provide,  
13 pay for, or reimburse the cost of medical, hospital,  
14 dental, or income disability benefits; and

15 (4) any other publicly or privately funded pro-  
16 gram.

17 **SEC. 208. APPLICATION OF STANDARDS TO CLAIMS RE-**  
18 **SOLVED THROUGH ALTERNATIVE DISPUTE**  
19 **RESOLUTION.**

20 (a) IN GENERAL.—Any alternative dispute resolution  
21 system used to resolve a District of Columbia health care  
22 liability action or claim shall contain provisions relating  
23 to statute of limitations, non-economic damages, joint and  
24 several liability, punitive damages, collateral source rule,

1 and periodic payments which are identical to the provi-  
2 sions relating to such matters in this title.

3 (b) ALTERNATIVE DISPUTE RESOLUTION SYSTEM  
4 DEFINED.—In this title, the term “alternative dispute res-  
5 olution system” means a system that provides for the reso-  
6 lution of District of Columbia health care liability claims  
7 in a manner other than through District of Columbia  
8 health care liability actions.

## 9 **Subtitle B—General Provisions**

### 10 **SEC. 211. GENERAL DEFINITIONS.**

11 (a) DISTRICT OF COLUMBIA HEALTH CARE LIABIL-  
12 ITY ACTION.—

13 (1) IN GENERAL.—In this title, the term “Dis-  
14 trict of Columbia health care liability action” means  
15 a civil action brought against a health care provider,  
16 an entity which is obligated to provide or pay for  
17 health benefits under any health benefit plan (in-  
18 cluding any person or entity acting under a contract  
19 or arrangement to provide or administer any health  
20 benefit), or the manufacturer, distributor, supplier,  
21 marketer, promoter, or seller of a medical product,  
22 in which the claimant alleges a claim (including  
23 third party claims, cross claims, counter claims, or  
24 distribution claims) based upon the provision of (or  
25 the failure to provide or pay for) health care services



1 or the use of a medical product within the District  
2 of Columbia, regardless of the theory of liability on  
3 which the claim is based or the number of plaintiffs,  
4 defendants, or causes of action.

5 (2) HEALTH BENEFIT PLAN.—The term  
6 “health benefit plan” means—

7 (A) a hospital or medical expense incurred  
8 policy or certificate,

9 (B) a hospital or medical service plan con-  
10 tract,

11 (C) a health maintenance subscriber con-  
12 tract, or

13 (D) a Medicare+Choice plan (as described  
14 in section 1859(b)(1) of the Social Security  
15 Act),

16 that provides benefits with respect to health care  
17 services.

18 (3) HEALTH CARE PROVIDER.—The term  
19 “health care provider” means any person that is en-  
20 gaged in the delivery of health care services in the  
21 District of Columbia and that is required by the  
22 laws or regulations of the District of Columbia to be  
23 licensed or certified to engage in the delivery of such  
24 services in the District of Columbia, and includes an  
25 employee of the government of the District of Co-

1       lumbia (including an independent agency of the Dis-  
2       trict of Columbia).

3       (b) DISTRICT OF COLUMBIA HEALTH CARE LIABIL-  
4       ITY CLAIM.—The term “District of Columbia health care  
5       liability claim” means a claim in which the claimant al-  
6       leges that injury was caused by the provision of (or the  
7       failure to provide) health care services within the District  
8       of Columbia.

9       (c) OTHER DEFINITIONS.—As used in this title:

10           (1) ACTUAL DAMAGES.—The term “actual dam-  
11       ages” means damages awarded to pay for economic  
12       loss.

13           (2) CLAIMANT.—The term “claimant” means  
14       any person who brings a District of Columbia health  
15       care liability action and any person on whose behalf  
16       such an action is brought. If such action is brought  
17       through or on behalf of an estate, the term includes  
18       the claimant’s decedent. If such action is brought  
19       through or on behalf of a minor or incompetent, the  
20       term includes the claimant’s legal guardian.

21           (3) CLEAR AND CONVINCING EVIDENCE.—The  
22       term “clear and convincing evidence” is that meas-  
23       ure or degree of proof that will produce in the mind  
24       of the trier of fact a firm belief or conviction as to  
25       the truth of the allegations sought to be established.

1       Such measure or degree of proof is more than that  
2       required under preponderance of the evidence but  
3       less than that required for proof beyond a reason-  
4       able doubt.

5           (4) ECONOMIC LOSS.—The term “economic  
6       loss” means any pecuniary loss resulting from injury  
7       (including the loss of earnings or other benefits re-  
8       lated to employment, medical expense loss, replace-  
9       ment services loss, loss due to death, burial costs,  
10      and loss of business or employment opportunities),  
11      to the extent recovery for such loss is allowed under  
12      applicable District of Columbia law.

13          (5) HARM.—The term “harm” means any le-  
14      gally cognizable wrong or injury for which punitive  
15      damages may be imposed.

16          (6) HEALTH CARE SERVICE.—The term “health  
17      care service” means any service for which payment  
18      may be made under a health benefit plan including  
19      services related to the delivery or administration of  
20      such service.

21          (7) NONECONOMIC DAMAGES.—The term “non-  
22      economic damages” means damages paid to an indi-  
23      vidual for pain and suffering, inconvenience, emo-  
24      tional distress, mental anguish, loss of consortium,

1 injury to reputation, humiliation, and other nonpecu-  
2 niary losses.

3 (8) PERSON.—The term “person” means any  
4 individual, corporation, company, association, firm,  
5 partnership, society, joint stock company, or any  
6 other entity, including any governmental entity.

7 (9) PUNITIVE DAMAGES.—The term “punitive  
8 damages” means damages awarded against any per-  
9 son not to compensate for actual injury suffered, but  
10 to punish or deter such person or others from en-  
11 gaging in similar behavior in the future.

12 **SEC. 212. NONAPPLICATION TO CERTAIN ACTIONS; PRE-**  
13 **EMPTION.**

14 (a) APPLICABILITY.—This title shall not apply to—

15 (1) an action for damages arising from a vac-  
16 cine-related injury or death to the extent that title  
17 XXI of the Public Health Service Act applies to the  
18 action, or

19 (2) an action under the Employee Retirement  
20 Income Security Act of 1974 (29 U.S.C. 1001 et  
21 seq.).

22 (b) PREEMPTION.—This title shall preempt any Dis-  
23 trict of Columbia law to the extent such law is inconsistent  
24 with the limitations contained in this title. This title shall  
25 not preempt any District of Columbia law that provides

1 for defenses or places limitations on a person's liability  
2 in addition to those contained in this title or otherwise  
3 imposes greater restrictions than those provided in this  
4 title.

5 (c) EFFECT ON SOVEREIGN IMMUNITY AND CHOICE  
6 OF LAW OR VENUE.—Nothing in this title may be con-  
7 strued to—

8 (1) waive or affect any defense of sovereign im-  
9 munity asserted by the District of Columbia under  
10 any provision of law;

11 (2) waive or affect any defense of sovereign im-  
12 munity asserted by the United States;

13 (3) affect the applicability of any provision of  
14 the Foreign Sovereign Immunities Act of 1976;

15 (4) preempt any choice-of-law rules with respect  
16 to claims brought by a foreign nation or a citizen of  
17 a foreign nation; or

18 (5) affect the right of any court to transfer  
19 venue or to apply the law of a foreign nation or to  
20 dismiss a claim of a foreign nation or of a citizen  
21 of a foreign nation on the ground of inconvenient  
22 forum.

1 **SEC. 213. RULES OF CONSTRUCTION REGARDING JURIS-**  
2 **DICTION OF FEDERAL COURTS.**

3 (a) AMOUNT IN CONTROVERSY.—In an action to  
4 which this title applies and which is brought under section  
5 1332 of title 28, United States Code, the amount of non-  
6 economic damages or punitive damages, and attorneys’  
7 fees or costs, shall not be included in determining whether  
8 the matter in controversy exceeds the sum or value of  
9 \$50,000.

10 (b) FEDERAL COURT JURISDICTION NOT ESTAB-  
11 LISHED ON FEDERAL QUESTION GROUNDS.—Nothing in  
12 this title shall be construed to establish any jurisdiction  
13 in the district courts of the United States over District  
14 of Columbia health care liability actions on the basis of  
15 section 1331 or 1337 of title 28, United States Code.

16 **Subtitle C—Effective Date**

17 **SEC. 221. EFFECTIVE DATE.**

18 This title shall apply to any District of Columbia  
19 health care liability action and to any District of Columbia  
20 health care liability claim subject to an alternative dispute  
21 resolution system, that is initiated on or after the date  
22 of the enactment of this title, except that any such action  
23 or claim arising from an injury occurring prior to such  
24 date shall be governed by the applicable statute of limita-  
25 tions provisions in effect at the time the injury occurred.

1 **TITLE III—DISTRICT OF COLUM-**  
2 **BIA EDUCATION REFORM ACT**  
3 **OF 1997**

4 **Subtitle A—Amendments to Dis-**  
5 **trict of Columbia School Reform**  
6 **Act of 1995**

7 **SEC. 301. SHORT TITLE.**

8 This title may be cited as the “District of Columbia  
9 Education Reform Amendments Act of 1997”.

10 **SEC. 302. GENERAL EFFECTIVE DATE.**

11 Section 2003 of the District of Columbia School Re-  
12 form Act of 1995 (Public Law 104–134; 110 Stat. 1321–  
13 112; D.C. Code § 31–2851) is amended by striking “shall  
14 be effective” and all that follows through the period at  
15 the end and inserting “shall take effect on the date of  
16 the enactment of this Act.”.

17 **SEC. 303. TIMETABLE FOR APPROVAL OF PUBLIC CHARTER**  
18 **SCHOOL PETITIONS.**

19 Section 2203(i)(2)(A) of the District of Columbia  
20 School Reform Act of 1995 (Public Law 104–134; 110  
21 Stat. 3009–504; D.C. Code § 31–2853.13(i)(2)(A)) is  
22 amended to read as follows:

23 “(A) IN GENERAL.—

24 “(i) ANNUAL LIMIT.—Subject to sub-  
25 paragraph (B) and clause (ii), during cal-

1           endar year 1997, and during each subse-  
2           quent calendar year, each eligible charter-  
3           ing authority shall not approve more than  
4           10 petitions to establish a public charter  
5           school under this subtitle.

6           “(ii) TIMETABLE.—Any petition ap-  
7           proved under clause (i) shall be approved  
8           during an application approval period that  
9           terminates on April 1 of each year. Such  
10          an approval period may commence before  
11          or after January 1 of the calendar year in  
12          which it terminates, except that any peti-  
13          tion approved at any time during such an  
14          approval period shall count, for purposes of  
15          clause (i), against the total number of peti-  
16          tions approved during the calendar year in  
17          which the approval period terminates.”.

18 **SEC. 304. INCREASE IN PERMITTED NUMBER OF TRUSTEES**  
19 **OF PUBLIC CHARTER SCHOOL.**

20          Section 2205(a) of the District of Columbia School  
21 Reform Act of 1995 (Public Law 104–134; 110 Stat.  
22 1321–122; D.C. Code § 31–2853.15(a)) is amended by  
23 striking “7,” and inserting “15,”.



1 **SEC. 305. LEASE TERMS FOR PERSONS OPERATING CHAR-**  
2 **TER SCHOOLS.**

3 (a) LEASING FORMER OR UNUSED PUBLIC SCHOOL  
4 PROPERTIES.—

5 (1) IN GENERAL.—Section 2209(b)(1)(A) of the  
6 District of Columbia School Reform Act of 1995  
7 (Public Law 104–134; 110 Stat. 3009–505; D.C.  
8 Code § 31–2853.19(b)(1)(A)) is amended to read as  
9 follows:

10 “(A) IN GENERAL.—Notwithstanding any  
11 other provision of law relating to the disposition  
12 of a facility or property described in subpara-  
13 graph (C), the Mayor and the District of Co-  
14 lumbia Government—

15 “(i) subject to clause (ii), shall give  
16 preference to an eligible applicant whose  
17 petition to establish a public charter school  
18 has been conditionally approved under sec-  
19 tion 2203(d)(2), or a Board of Trustees,  
20 with respect to the purchase of a facility or  
21 property described in subparagraph (C), if  
22 doing so will not result in a significant loss  
23 of revenue that might be obtained from  
24 other dispositions or uses of the facility or  
25 property; and

1           “(ii) shall lease a facility or property  
2           described in subparagraph (C), at an an-  
3           nual rate of \$1, to an eligible applicant  
4           whose petition to establish a public charter  
5           school has been conditionally approved  
6           under section 2203(d)(2), or a Board of  
7           Trustees, if—

8                   “(I) the eligible applicant or  
9                   Board of Trustees requests a lease  
10                  pursuant to this paragraph for the  
11                  purpose of operating the facility or  
12                  property as a public charter school  
13                  under this subtitle; and

14                  “(II) the facility or property is  
15                  not yet otherwise disposed of (by sale,  
16                  lease, or otherwise).”.

17           (2)   TERMINATION   OF   LEASE.—Section  
18           2209(b)(1) of the District of Columbia School Re-  
19           form Act of 1995 (Public Law 104–134; 110 Stat.  
20           3009–505; D.C. Code § 31–2853.19(b)(1)) is  
21           amended—

22                   (A) by redesignating subparagraph (B) as  
23                   subparagraph (C); and

24                   (B) by inserting after subparagraph (A)  
25                   the following:

1           “(B) TERMINATION OF LEASE.—Any lease  
2 entered into pursuant to this paragraph with  
3 respect to a public charter school shall be  
4 deemed to terminate—

5           “(i) upon the denial of an application  
6 to renew the charter granted to the school  
7 under section 2212, or, in a case where ju-  
8 dicial review of the denial is sought under  
9 section 2212(d)(6), upon the entry of an  
10 order, not subject to further review, up-  
11 holding a decision to deny such an applica-  
12 tion, whichever occurs later;

13           “(ii) upon the revocation of the char-  
14 ter granted to the school under section  
15 2213, or, in a case where judicial review of  
16 the revocation is sought under section  
17 2213(c)(6), upon the entry of an order, not  
18 subject to further review, upholding the  
19 revocation, whichever occurs later; or

20           “(iii) in the case of a lease to an eligi-  
21 ble applicant whose petition to establish a  
22 public charter school has been conditionally  
23 approved under section 2203(d)(2), upon  
24 the termination of such conditional ap-  
25 proval by reason of the applicant’s failure

1           timely to submit the identification and in-  
2           formation described in section  
3           2202(6)(B)(i).”.

4           (3) CONFORMING AMENDMENT.—Section  
5           225(d) of the District of Columbia Financial Re-  
6           sponsibility and Management Assistance Act of 1995  
7           (Public Law 104–8; 110 Stat. 3009–508; D.C. Code  
8           § 47–392.25(d)) is amended by striking “section  
9           2209(b)(1)(B) of the District of Columbia School  
10          Reform Act of 1995” and inserting “section  
11          2209(b)(1)(C) of the District of Columbia School  
12          Reform Act of 1995, other than a facility or real  
13          property that is subject to a lease under section  
14          2209(b)(1)(A)(ii) of such Act,”.

15          (b) CONVERSIONS OF PUBLIC SCHOOLS.—Section  
16          2209(b) of the District of Columbia School Reform Act  
17          of 1995 (Public Law 104–134; 110 Stat. 3009–505; D.C.  
18          Code § 31–2853.19(b)) is amended by adding at the end  
19          the following:

20                 “(3) SPECIAL RULE FOR PERSONS CONVERTING  
21          PUBLIC SCHOOL INTO CHARTER SCHOOL.—

22                         “(A) IN GENERAL.—Notwithstanding any  
23                         other provision of law relating to the disposition  
24                         of a facility or property described in this para-  
25                         graph, the Mayor and the District of Columbia

1 Government shall lease a facility or property, at  
2 an annual rate of \$1, to an eligible applicant  
3 whose petition to establish a public charter  
4 school has been conditionally approved under  
5 section 2203(d)(2), or a Board of Trustees, if—

6 “(i) the facility or property is under  
7 the jurisdiction of the Board of Education;

8 “(ii) the eligible applicant or Board of  
9 Trustees requests a lease pursuant to this  
10 paragraph for the purpose of operating the  
11 facility or property as a public charter  
12 school under this subtitle; and

13 “(iii) immediately prior to the date of  
14 such request, the facility or property—

15 “(I) was operated as a District of  
16 Columbia public school, and the re-  
17 quirements of section 2202(a) were  
18 met; or

19 “(II) was operated as a public  
20 charter school under this subtitle.

21 “(B) TERMINATION OF LEASE.—Any lease  
22 entered into pursuant to this paragraph with  
23 respect to a public charter school shall be  
24 deemed to terminate—

1           “(i) upon the denial of an application  
2           to renew the charter granted to the school  
3           under section 2212, or, in a case where ju-  
4           dicial review of the denial is sought under  
5           section 2212(d)(6), upon the entry of an  
6           order, not subject to further review, up-  
7           holding a decision to deny such an applica-  
8           tion, whichever occurs later;

9           “(ii) upon the revocation of the char-  
10          ter granted to the school under section  
11          2213, or, in a case where judicial review of  
12          the revocation is sought under section  
13          2213(c)(6), upon the entry of an order, not  
14          subject to further review, upholding the  
15          revocation, whichever occurs later; or

16          “(iii) in the case of a lease to an eligi-  
17          ble applicant whose petition to establish a  
18          public charter school has been conditionally  
19          approved under section 2203(d)(2), upon  
20          the termination of such conditional ap-  
21          proval by reason of the applicant’s failure  
22          timely to submit the identification and in-  
23          formation described in section  
24          2202(6)(B)(i).”.

1           (c) LEASING CURRENT PUBLIC SCHOOL PROP-  
2   ERTIES.—

3           (1) IN GENERAL.—Section 2209(b)(2)(A) of the  
4   District of Columbia School Reform Act of 1995  
5   (Public Law 104–134; 110 Stat. 3009–506; D.C.  
6   Code § 31–2853.19(b)(2)(A)) is amended to read as  
7   follows:

8           “(A) IN GENERAL.—Notwithstanding any  
9           other provision of law relating to the disposition  
10          of a facility or property described in subpara-  
11          graph (C), but subject to paragraph (3), the  
12          Mayor and the District of Columbia Govern-  
13          ment shall lease a facility or property described  
14          in subparagraph (C), at an annual rate of \$1,  
15          to an eligible applicant whose petition to estab-  
16          lish a public charter school has been condi-  
17          tionally approved under section 2203(d)(2), or  
18          a Board of Trustees, if the eligible applicant or  
19          Board of Trustees requests a lease pursuant to  
20          this paragraph for the purpose of—

21                  “(i) operating the facility or property  
22                  as a public charter school under this sub-  
23                  title; or

24                  “(ii) using the facility or property for  
25                  a purpose directly related to the operation

1 of a public charter school under this sub-  
2 title.”.

3 (2) TERMINATION OF LEASE.—Section  
4 2209(b)(2) of the District of Columbia School Re-  
5 form Act of 1995 (Public Law 104–134; 110 Stat.  
6 3009–506; D.C. Code § 31–2853.19(b)(2)) is  
7 amended—

8 (A) by redesignating subparagraph (B) as  
9 subparagraph (C); and

10 (B) by inserting after subparagraph (A)  
11 the following:

12 “(B) TERMINATION OF LEASE.—Any lease  
13 entered into pursuant to this paragraph with  
14 respect to a public charter school shall be  
15 deemed to terminate—

16 “(i) upon the denial of an application  
17 to renew the charter granted to the school  
18 under section 2212, or, in a case where ju-  
19 dicial review of the denial is sought under  
20 section 2212(d)(6), upon the entry of an  
21 order, not subject to further review, up-  
22 holding a decision to deny such an applica-  
23 tion, whichever occurs later;

24 “(ii) upon the revocation of the char-  
25 ter granted to the school under section



1           2213, or, in a case where judicial review of  
2           the revocation is sought under section  
3           2213(c)(6), upon the entry of an order, not  
4           subject to further review, upholding the  
5           revocation, whichever occurs later; or

6                   “(iii) in the case of a lease to an eligi-  
7           ble applicant whose petition to establish a  
8           public charter school has been conditionally  
9           approved under section 2203(d)(2), upon  
10          the termination of such conditional ap-  
11          proval by reason of the applicant’s failure  
12          timely to submit the identification and in-  
13          formation described in section  
14          2202(6)(B)(i).”.

15 **SEC. 306. AUTHORIZATION OF APPROPRIATIONS FOR PUB-**  
16 **LIC CHARTER SCHOOL BOARD.**

17          Section 2214(g) of the District of Columbia School  
18          Reform Act of 1995 (Public Law 104–134; 110 Stat.  
19          1321–133; D.C. Code § 31–2853.24(g)) is amended by in-  
20          serting “to the Board” after “appropriated”.

21 **SEC. 307. ADJUSTMENT OF ANNUAL PAYMENT FOR RESI-**  
22 **DENTIAL SCHOOLS.**

23          Section 2401(b)(3)(B) of the District of Columbia  
24          School Reform Act of 1995 (Public Law 104–134; 110

1 Stat. 1321–137; D.C. Code § 31–2853.41(b)(3)(B)) is  
2 amended—

3 (1) in clause (i), by striking “or”;

4 (2) in clause (ii), by striking the period at the  
5 end and inserting “; or”; and

6 (3) by adding at the end the following:

7 “(iii) to whom the school provides  
8 room and board in a residential setting.”.

9 **SEC. 308. ADJUSTMENT OF ANNUAL PAYMENT FOR FACILI-**  
10 **TIES COSTS.**

11 Section 2401(b)(3) of the District of Columbia School  
12 Reform Act of 1995 (Public Law 104–134; 110 Stat.  
13 1321–137; D.C. Code § 31–2853.41(b)(3)) is amended by  
14 adding at the end the following:

15 “(C) ADJUSTMENT FOR FACILITIES  
16 COSTS.—Notwithstanding paragraph (2), the  
17 Mayor and the District of Columbia Council, in  
18 consultation with the Board of Education and  
19 the Superintendent, shall adjust the amount of  
20 the annual payment under paragraph (1) to in-  
21 crease the amount of such payment for a public  
22 charter school to take into account leases or  
23 purchases of, or improvements to, real property,  
24 if the school, not later than April 1 of the fiscal

1           year preceding the payment, requests such an  
2           adjustment.”.

3 **SEC. 309. PAYMENTS TO NEW CHARTER SCHOOLS.**

4           (a) IN GENERAL.—Section 2403(b) of the District of  
5 Columbia School Reform Act of 1995 (Public Law 104–  
6 134; 110 Stat. 1321–140; D.C. Code § 31–2853.43(b)) is  
7 amended to read as follows:

8           “(b) PAYMENTS TO NEW SCHOOLS.—

9                   “(1) ESTABLISHMENT OF FUND.—There is es-  
10           tablished in the general fund of the District of Co-  
11           lumbia a fund to be known as the ‘New Charter  
12           School Fund’.

13                   “(2) CONTENTS OF FUND.—The New Charter  
14           School Fund shall consist of—

15                           “(A) unexpended and unobligated amounts  
16                           appropriated from local funds for public charter  
17                           schools for fiscal year 1997 that reverted to the  
18                           general fund of the District of Columbia;

19                           “(B) amounts credited to the fund in ac-  
20                           cordance with this subsection upon the receipt  
21                           by a public charter school described in para-  
22                           graph (5) of its first initial payment under sub-  
23                           section (a)(2)(A) or its first final payment  
24                           under subsection (a)(2)(B); and

25                           “(C) any interest earned on such amounts.

1           “(3) EXPENDITURES FROM FUND.—

2                   “(A) IN GENERAL.—Not later than June  
3           1, 1998, and not later than June 1 of each year  
4           thereafter, the Chief Financial Officer of the  
5           District of Columbia shall pay, from the New  
6           Charter School Fund, to each public charter  
7           school described in paragraph (5), an amount  
8           equal to 25 percent of the amount yielded by  
9           multiplying the uniform dollar amount used in  
10          the formula established under section 2401(b)  
11          by the total anticipated enrollment as set forth  
12          in the petition to establish the public charter  
13          school.

14                   “(B) PRO RATA REDUCTION.—If the  
15          amounts in the New Charter School Fund for  
16          any year are insufficient to pay the full amount  
17          that each public charter school described in  
18          paragraph (5) is eligible to receive under this  
19          subsection for such year, the Chief Financial  
20          Officer of the District of Columbia shall ratably  
21          reduce such amounts for such year on the basis  
22          of the formula described in section 2401(b).

23                   “(C) FORM OF PAYMENT.—Payments  
24          under this subsection shall be made by elec-  
25          tronic funds transfer from the New Charter

1 School Fund to a bank designated by a public  
2 charter school.

3 “(4) CREDITS TO FUND.—Upon the receipt by  
4 a public charter school described in paragraph (5)  
5 of—

6 “(A) its first initial payment under sub-  
7 section (a)(2)(A), the Chief Financial Officer of  
8 the District of Columbia shall credit the New  
9 Charter School Fund with 75 percent of the  
10 amount paid to the school under paragraph (3);  
11 and

12 “(B) its first final payment under sub-  
13 section (a)(2)(B), the Chief Financial Officer of  
14 the District of Columbia shall credit the New  
15 Charter School Fund with 25 percent of the  
16 amount paid to the school under paragraph (3).

17 “(5) SCHOOLS DESCRIBED.—A public charter  
18 school described in this paragraph is a public char-  
19 ter school that—

20 “(A) did not enroll any students during  
21 any portion of the fiscal year preceding the  
22 most recent fiscal year for which funds are ap-  
23 propriated to carry out this subsection; and

24 “(B) operated as a public charter school  
25 during the most recent fiscal year for which

1 funds are appropriated to carry out this sub-  
2 section.

3 “(6) AUTHORIZATION OF APPROPRIATIONS.—

4 There are authorized to be appropriated to the Chief  
5 Financial Officer of the District of Columbia such  
6 sums as may be necessary to carry out this sub-  
7 section for each fiscal year.”.

8 (b) REDUCTION OF ANNUAL PAYMENT.—

9 (1) INITIAL PAYMENT.—Section 2403(a)(2)(A)  
10 of the District of Columbia School Reform Act (Pub-  
11 lic Law 104–134; 110 Stat. 1321–139; D.C. Code  
12 § 31–2853.43(a)(2)(A)) is amended to read as fol-  
13 lows:

14 “(A) INITIAL PAYMENT.—

15 “(i) IN GENERAL.—Except as pro-  
16 vided in clause (ii), not later than October  
17 15, 1996, and not later than October 15 of  
18 each year thereafter, the Mayor shall  
19 transfer, by electronic funds transfer, an  
20 amount equal to 75 percent of the amount  
21 of the annual payment for each public  
22 charter school determined by using the for-  
23 mula established pursuant to section  
24 2401(b) to a bank designated by such  
25 school.

1           “(ii) REDUCTION IN CASE OF NEW  
2           SCHOOL.—In the case of a public charter  
3           school that has received a payment under  
4           subsection (b) in the fiscal year imme-  
5           diately preceding the fiscal year in which a  
6           transfer under clause (i) is made, the  
7           amount transferred to the school under  
8           clause (i) shall be reduced by an amount  
9           equal to 75 percent of the amount of the  
10          payment under subsection (b).”.

11          (2) FINAL PAYMENT.—Section 2403(a)(2)(B)  
12          of the District of Columbia School Reform Act (Pub-  
13          lic Law 104–134; 110 Stat. 1321–139; D.C. Code  
14          § 31–2853.43(a)(2)(B)) is amended—

15                 (A) in clause (i)—

16                         (i) by inserting “IN GENERAL.—” be-  
17                         fore “Except”; and

18                         (ii) by striking “clause (ii),” and in-  
19                         serting “clauses (ii) and (iii),”;

20                 (B) in clause (ii), by inserting “ADJUST-  
21                 MENT FOR ENROLLMENT.—” before “Not later  
22                 than March 15, 1997,”; and

23                 (C) by adding at the end the following:

24                         “(iii) REDUCTION IN CASE OF NEW  
25                         SCHOOL.—In the case of a public charter

1 school that has received a payment under  
2 subsection (b) in the fiscal year imme-  
3 diately preceding the fiscal year in which a  
4 transfer under clause (i) is made, the  
5 amount transferred to the school under  
6 clause (i) shall be reduced by an amount  
7 equal to 25 percent of the amount of the  
8 payment under subsection (b).”.

9 **SEC. 310. ELIGIBILITY CRITERIA FOR PRIVATE, NONPROFIT**  
10 **CORPORATION.**

11 Section 2603 of the District of Columbia School Re-  
12 form Act (Public Law 104–134; 110 Stat. 1321–144; D.C.  
13 Code § 31–2853.63) is amended to read as follows:

14 **“SEC. 2603. ELIGIBILITY CRITERIA FOR PRIVATE, NON-**  
15 **PROFIT CORPORATION.**

16 “A private, nonprofit corporation shall be eligible to  
17 receive a grant under section 2602 if the corporation is  
18 a business organization incorporated in the District of Co-  
19 lumbia, that—

20 “(1) has a board of directors which includes  
21 members who are also executives of technology-relat-  
22 ed corporations involved in education and workforce  
23 development issues;



1           “(2) has extensive practical experience with ini-  
2           tiatives that link business resources and expertise  
3           with education and training systems;

4           “(3) has experience in working with State and  
5           local educational agencies with respect to the inte-  
6           gration of academic studies with workforce prepara-  
7           tion programs; and

8           “(4) has a structure through which additional  
9           resources can be leveraged and innovative practices  
10          disseminated.”.

## 11       **Subtitle B—Student Opportunity** 12                                   **Scholarships**

### 13       **SEC. 341. DEFINITIONS.**

14       As used in this subtitle—

15           (1) the term “Board” means the Board of Di-  
16           rectors of the Corporation established under section  
17           342(b)(1);

18           (2) the term “Corporation” means the District  
19           of Columbia Scholarship Corporation established  
20           under section 342(a);

21           (3) the term “eligible institution”—

22                   (A) in the case of an eligible institution  
23                   serving a student who receives a tuition scholar-  
24                   ship under section 343(d)(1), means a public,

1 private, or independent elementary or secondary  
2 school; and

3 (B) in the case of an eligible institution  
4 serving a student who receives an enhanced  
5 achievement scholarship under section  
6 343(d)(2), means an elementary or secondary  
7 school, or an entity that provides services to a  
8 student enrolled in an elementary or secondary  
9 school to enhance such student's achievement  
10 through activities described in section  
11 343(d)(2);

12 (4) the term "parent" includes a legal guardian  
13 or other person standing in loco parentis; and

14 (5) the term "poverty line" means the income  
15 official poverty line (as defined by the Office of Man-  
16 agement and Budget, and revised annually in ac-  
17 cordance with section 673(2) of the Community  
18 Services Block Grant Act (42 U.S.C. 9902(2)) appli-  
19 cable to a family of the size involved.

20 **SEC. 342. DISTRICT OF COLUMBIA SCHOLARSHIP COR-**  
21 **PORATION.**

22 (a) GENERAL REQUIREMENTS.—

23 (1) IN GENERAL.—There is authorized to be es-  
24 tablished a private, nonprofit corporation, to be  
25 known as the "District of Columbia Scholarship

1 Corporation”, which is neither an agency nor estab-  
2 lishment of the United States Government or the  
3 District of Columbia Government.

4 (2) DUTIES.—The Corporation shall have the  
5 responsibility and authority to administer, publicize,  
6 and evaluate the scholarship program in accordance  
7 with this subtitle, and to determine student and  
8 school eligibility for participation in such program.

9 (3) CONSULTATION.—The Corporation shall ex-  
10 ercise its authority—

11 (A) in a manner consistent with maximiz-  
12 ing educational opportunities for the maximum  
13 number of interested families; and

14 (B) in consultation with the District of Co-  
15 lumbia Board of Education or entity exercising  
16 administrative jurisdiction over the District of  
17 Columbia Public Schools, the Superintendent of  
18 the District of Columbia Public Schools, and  
19 other school scholarship programs in the Dis-  
20 trict of Columbia.

21 (4) APPLICATION OF PROVISIONS.—The Cor-  
22 poration shall be subject to the provisions of this  
23 subtitle, and, to the extent consistent with this sub-  
24 title, to the District of Columbia Nonprofit Corpora-  
25 tion Act (D.C. Code, sec. 29–501 et seq.).

1           (5) RESIDENCE.—The Corporation shall have  
2 its place of business in the District of Columbia and  
3 shall be considered, for purposes of venue in civil ac-  
4 tions, to be a resident of the District of Columbia.

5           (6) FUND.—There is established in the Treas-  
6 ury a fund that shall be known as the District of  
7 Columbia Scholarship Fund, to be administered by  
8 the Secretary of the Treasury.

9           (7) DISBURSEMENT.—The Secretary of the  
10 Treasury shall make available and disburse to the  
11 Corporation, before October 15 of each fiscal year or  
12 not later than 15 days after the date of enactment  
13 of an Act making appropriations for the District of  
14 Columbia for such year, whichever occurs later, such  
15 funds as have been appropriated to the District of  
16 Columbia Scholarship Fund for the fiscal year in  
17 which such disbursement is made.

18           (8) AVAILABILITY.—Funds authorized to be ap-  
19 propriated under this subtitle shall remain available  
20 until expended.

21           (9) USES.—Funds authorized to be appro-  
22 priated under this subtitle shall be used by the Cor-  
23 poration in a prudent and financially responsible  
24 manner, solely for scholarships, contracts, and ad-  
25 ministrative costs.

1 (10) AUTHORIZATION.—

2 (A) IN GENERAL.—There are authorized to  
3 be appropriated to the District of Columbia  
4 Scholarship Fund—

5 (i) \$7,000,000 for fiscal year 1998;

6 (ii) \$8,000,000 for fiscal year 1999;

7 and

8 (iii) \$10,000,000 for each of fiscal  
9 years 2000 through 2002.

10 (B) LIMITATION.—Not more than 7.5 per-  
11 cent of the amount appropriated to carry out  
12 this subtitle for any fiscal year may be used by  
13 the Corporation for salaries and administrative  
14 costs.

15 (b) ORGANIZATION AND MANAGEMENT; BOARD OF  
16 DIRECTORS.—

17 (1) BOARD OF DIRECTORS; MEMBERSHIP.—

18 (A) IN GENERAL.—The Corporation shall  
19 have a Board of Directors (referred to in this  
20 subtitle as the “Board”), comprised of 7 mem-  
21 bers with 6 members of the Board appointed by  
22 the President not later than 30 days after re-  
23 ceipt of nominations from the Speaker of the  
24 House of Representatives and the majority  
25 leader of the Senate.

1           (B) HOUSE NOMINATIONS.—The President  
2 shall appoint 3 of the members from a list of  
3 9 individuals nominated by the Speaker of the  
4 House of Representatives in consultation with  
5 the minority leader of the House of Representa-  
6 tives.

7           (C) SENATE NOMINATIONS.—The Presi-  
8 dent shall appoint 3 members from a list of 9  
9 individuals nominated by the majority leader of  
10 the Senate in consultation with the minority  
11 leader of the Senate.

12           (D) DEADLINE.—The Speaker of the  
13 House of Representatives and majority leader  
14 of the Senate shall submit their nominations to  
15 the President not later than 30 days after the  
16 date of the enactment of this Act.

17           (E) APPOINTEE OF MAYOR.—The Mayor  
18 shall appoint 1 member of the Board not later  
19 than 60 days after the date of the enactment of  
20 this Act.

21           (F) POSSIBLE INTERIM MEMBERS.—If the  
22 President does not appoint the 6 members of  
23 the Board in the 30-day period described in  
24 subparagraph (A), then the Speaker of the  
25 House of Representatives and the Majority

1 Leader of the Senate shall each appoint 2 mem-  
2 bers of the Board, and the Minority Leader of  
3 the House of Representatives and the Minority  
4 Leader of the Senate shall each appoint 1 of  
5 the Board, from among the individuals nomi-  
6 nated pursuant to subparagraphs (A) and (B),  
7 as the case may be. The appointees under the  
8 preceding sentence together with the appointee  
9 of the Mayor, shall serve as an interim Board  
10 with all the powers and other duties of the  
11 Board described in this subtitle, until the Presi-  
12 dent makes the appointments as described in  
13 this paragraph.

14 (2) POWERS.—All powers of the Corporation  
15 shall vest in and be exercised under the authority of  
16 the Board.

17 (3) ELECTIONS.—Members of the Board annu-  
18 ally shall elect 1 of the members of the Board to be  
19 chairperson of the Board.

20 (4) RESIDENCY.—All members appointed to the  
21 Board shall be residents of the District of Columbia  
22 at the time of appointment and while serving on the  
23 Board.

24 (5) NONEMPLOYEE.—No member of the Board  
25 may be an employee of the United States Govern-

1       ment or the District of Columbia Government when  
2       appointed to or during tenure on the Board, unless  
3       the individual is on a leave of absence from such a  
4       position while serving on the Board.

5           (6) INCORPORATION.—The members of the ini-  
6       tial Board shall serve as incorporators and shall take  
7       whatever steps are necessary to establish the Cor-  
8       poration under the District of Columbia Nonprofit  
9       Corporation Act (D.C. Code, sec. 29–501 et seq.).

10          (7) GENERAL TERM.—The term of office of  
11       each member of the Board shall be 5 years, except  
12       that any member appointed to fill a vacancy occur-  
13       ring prior to the expiration of the term for which the  
14       predecessor was appointed shall be appointed for the  
15       remainder of such term.

16          (8) CONSECUTIVE TERM.—No member of the  
17       Board shall be eligible to serve in excess of 2 con-  
18       secutive terms of 5 years each. A partial term shall  
19       be considered as 1 full term. Any vacancy on the  
20       Board shall not affect the Board’s power, but shall  
21       be filled in a manner consistent with this subtitle.

22          (9) NO BENEFIT.—No part of the income or as-  
23       sets of the Corporation shall inure to the benefit of  
24       any Director, officer, or employee of the Corpora-



1       tion, except as salary or reasonable compensation for  
2       services.

3           (10) POLITICAL ACTIVITY.—The Corporation  
4       may not contribute to or otherwise support any po-  
5       litical party or candidate for elective public office.

6           (11) NO OFFICERS OR EMPLOYEES.—The mem-  
7       bers of the Board shall not, by reason of such mem-  
8       bership, be considered to be officers or employees of  
9       the United States Government or of the District of  
10      Columbia Government.

11          (12) STIPENDS.—The members of the Board,  
12      while attending meetings of the Board or while en-  
13      gaged in duties related to such meetings or other ac-  
14      tivities of the Board pursuant to this subtitle, shall  
15      be provided a stipend. Such stipend shall be at the  
16      rate of \$150 per day for which the member of the  
17      Board is officially recorded as having worked, except  
18      that no member may be paid a total stipend amount  
19      in any calendar year in excess of \$5,000.

20      (c) OFFICERS AND STAFF.—

21          (1) EXECUTIVE DIRECTOR.—The Corporation  
22      shall have an Executive Director, and such other  
23      staff, as may be appointed by the Board for terms  
24      and at rates of compensation, not to exceed level

1 EG-16 of the Educational Service of the District of  
2 Columbia, to be fixed by the Board.

3 (2) STAFF.—With the approval of the Board,  
4 the Executive Director may appoint and fix the sal-  
5 ary of such additional personnel as the Executive  
6 Director considers appropriate.

7 (3) ANNUAL RATE.—No staff of the Corpora-  
8 tion may be compensated by the Corporation at an  
9 annual rate of pay greater than the annual rate of  
10 pay of the Executive Director.

11 (4) SERVICE.—All officers and employees of the  
12 Corporation shall serve at the pleasure of the Board.

13 (5) QUALIFICATION.—No political test or quali-  
14 fication may be used in selecting, appointing, pro-  
15 moting, or taking other personnel actions with re-  
16 spect to officers, agents, or employees of the Cor-  
17 poration.

18 (d) POWERS OF THE CORPORATION.—

19 (1) GENERALLY.—The Corporation is author-  
20 ized to obtain grants from, and make contracts with,  
21 individuals and with private, State, and Federal  
22 agencies, organizations, and institutions.

23 (2) HIRING AUTHORITY.—The Corporation may  
24 hire, or accept the voluntary services of, consultants,

1 experts, advisory boards, and panels to aid the Cor-  
2 poration in carrying out this subtitle.

3 (e) FINANCIAL MANAGEMENT AND RECORDS.—

4 (1) AUDITS.—The financial statements of the  
5 Corporation shall be—

6 (A) maintained in accordance with gen-  
7 erally accepted accounting principles for non-  
8 profit corporations; and

9 (B) audited annually by independent cer-  
10 tified public accountants.

11 (2) REPORT.—The report for each such audit  
12 shall be included in the annual report to Congress  
13 required by section 350(c).

14 (f) RESPONSIBILITIES OF THE CORPORATION.—

15 (1) APPLICATION SCHEDULE AND PROCEDURES  
16 FOR CERTIFICATION.—Not later than 60 days after  
17 the Board has been appointed, the Corporation shall  
18 implement a schedule and procedures for processing  
19 applications for awarding student scholarships under  
20 this subtitle that includes a list of certified eligible  
21 institutions, distribution of information to parents  
22 and the general public (including through a news-  
23 paper of general circulation), and deadlines for steps  
24 in the scholarship application and award process.

1           (2) APPLICATION.—An eligible institution that  
2           desires to participate in the scholarship program  
3           under this subtitle shall file an application with the  
4           Corporation for certification for participation in the  
5           scholarship program under this subtitle which  
6           shall—

7                   (A) demonstrate that the eligible institu-  
8                   tion has operated with not less than 25 stu-  
9                   dents during the 3 years preceding the year for  
10                  which the determination is made unless the eli-  
11                  gible institution is applying for certification as  
12                  a new eligible institution under subsection (c);

13                  (B) contain an assurance that the eligible  
14                  institution will comply with all applicable re-  
15                  quirements of this subtitle;

16                  (C) contain an annual statement of the eli-  
17                  gible institution's budget; and

18                  (D) describe the eligible institution's pro-  
19                  posed program, including personnel qualifica-  
20                  tions and fees.

21           (3) CERTIFICATION.—

22                   (A) IN GENERAL.—Not later than 60 days  
23                   after receipt of an application in accordance  
24                   with paragraph (2), the Corporation shall cer-

1           tify an eligible institution to participate in the  
2           scholarship program under this subtitle.

3           (B) CONTINUATION.—An eligible institu-  
4           tion’s certification to participate in the scholar-  
5           ship program shall continue unless such eligible  
6           institution’s certification is revoked in accord-  
7           ance with paragraph (5).

8           (4) NEW ELIGIBLE INSTITUTION.—

9           (A) IN GENERAL.—An eligible institution  
10          that did not operate with at least 25 students  
11          in the 3 years preceding the year for which the  
12          determination is made may apply for a 1-year  
13          provisional certification to participate in the  
14          scholarship program under this subtitle for a  
15          single year by providing to the Corporation not  
16          later than July 1 of the year preceding the year  
17          for which the determination is made—

18                 (i) a list of the eligible institution’s  
19                 board of directors;

20                 (ii) letters of support from not less  
21                 than 10 members of the community served  
22                 by such eligible institution;

23                 (iii) a business plan;

24                 (iv) an intended course of study;

1 (v) assurances that the eligible insti-  
2 tution will begin operations with not less  
3 than 25 students;

4 (vi) assurances that the eligible insti-  
5 tution will comply with all applicable re-  
6 quirements of this subtitle; and

7 (vii) a statement that satisfies the re-  
8 quirements of paragraphs (2) and (4) of  
9 subsection (a).

10 (B) CERTIFICATION.—Not later than 60  
11 days after the date of receipt of an application  
12 described in paragraph (2), the Corporation  
13 shall certify in writing the eligible institution's  
14 provisional certification to participate in the  
15 scholarship program under this subtitle unless  
16 the Corporation determines that good cause ex-  
17 ists to deny certification.

18 (C) RENEWAL OF PROVISIONAL CERTIFI-  
19 CATION.—After receipt of an application under  
20 subparagraph (A) from an eligible institution  
21 that includes a statement of the eligible institu-  
22 tion's budget completed not earlier than 12  
23 months before the date such application is filed,  
24 the Corporation shall renew an eligible institu-  
25 tion's provisional certification for the second

1 and third years of the school's participation in  
2 the scholarship program under this subtitle un-  
3 less the Corporation finds—

4 (i) good cause to deny the renewal, in-  
5 cluding a finding of a pattern of violation  
6 of requirements described in paragraph  
7 (6)(A); or

8 (ii) consistent failure of 25 percent or  
9 more of the students receiving scholarships  
10 under this subtitle and attending such  
11 school to make appropriate progress (as  
12 determined by the Corporation) in aca-  
13 demic achievement.

14 (D) DENIAL OF CERTIFICATION.—If provi-  
15 sional certification or renewal of provisional cer-  
16 tification under this paragraph is denied, then  
17 the Corporation shall provide a written expla-  
18 nation to the eligible institution of the reasons  
19 for such denial.

20 (5) REVOCATION OF ELIGIBILITY.—

21 (A) IN GENERAL.—The Corporation, after  
22 notice and hearing, may revoke an eligible insti-  
23 tution's certification to participate in the schol-  
24 arship program under this subtitle for a year

1           succeeding the year for which the determination  
2           is made for—

3                   (i) good cause, including a finding of  
4                   a pattern of violation of program require-  
5                   ments described in paragraph (6)(A); or

6                   (ii) consistent failure of 25 percent or  
7                   more of the students receiving scholarships  
8                   under this subtitle and attending such  
9                   school to make appropriate progress (as  
10                  determined by the Corporation) in aca-  
11                  demic achievement.

12           (B) EXPLANATION.—If the certification of  
13           an eligible institution is revoked, the Corpora-  
14           tion shall provide a written explanation of its  
15           decision to such eligible institution and require  
16           a pro rata refund of the payments received  
17           under this subtitle.

18           (6) PARTICIPATION REQUIREMENTS FOR ELIGI-  
19           BLE INSTITUTIONS.—

20                   (A) REQUIREMENTS.—Each eligible insti-  
21                   tution participating in the scholarship program  
22                   under this subtitle shall—

23                           (i) provide to the Corporation not  
24                           later than June 30 of each year the most



1 recent annual statement of the eligible in-  
2 stitution's budget; and

3 (ii) charge a student that receives a  
4 scholarship under this subtitle not more  
5 than the cost of tuition and mandatory  
6 fees for, and transportation to attend, such  
7 eligible institution as other students who  
8 are residents of the District of Columbia  
9 and enrolled in such eligible institution.

10 (B) COMPLIANCE.—The Corporation may  
11 require documentation of compliance with the  
12 requirements of subsection (a), but neither the  
13 Corporation nor any governmental entity may  
14 impose additional requirements upon an eligible  
15 institution as a condition of participation in the  
16 scholarship program under this subtitle.

17 **SEC. 343. SCHOLARSHIPS AUTHORIZED.**

18 (a) ELIGIBLE STUDENTS.—The Corporation is au-  
19 thorized to award tuition scholarships under subsection  
20 (d)(1) and enhanced achievement scholarships under sub-  
21 section (d)(2) to students in kindergarten through grade  
22 12—

23 (1) who are residents of the District of Colum-  
24 bia; and

1           (2) whose family income does not exceed 185  
2 percent of the poverty line.

3           (b) SCHOLARSHIP PRIORITY.—

4           (1) FIRST.—The Corporation shall first award  
5 scholarships to students described in subsection (a)  
6 who—

7           (A) are enrolled in a District of Columbia  
8 public school or preparing to enter a District of  
9 Columbia kindergarten, except that this sub-  
10 paragraph shall apply only for academic years  
11 1997, 1998, and 1999; or

12           (B) have received a scholarship from the  
13 Corporation in the year preceding the year for  
14 which the scholarship is awarded.

15           (2) SECOND.—If funds remain for a fiscal year  
16 for awarding scholarships after awarding scholar-  
17 ships under paragraph (1), the Corporation shall  
18 award scholarships to students described in sub-  
19 section (a) who are not described in paragraph (1).

20           (c) RANDOM SELECTION.—Except as provided in  
21 subsections (a) and (b), if there are more applications to  
22 participate in the scholarship program than there are  
23 spaces available, a student shall be admitted using a ran-  
24 dom selection process.

25           (d) USE OF SCHOLARSHIP.—

1           (1) TUITION SCHOLARSHIPS.—A tuition schol-  
2 arship may be used for the payment of the cost of  
3 the tuition and mandatory fees at a public, private,  
4 or independent school located within the geographic  
5 boundaries of the District of Columbia or the cost  
6 of the tuition and mandatory fees at a public, pri-  
7 vate, or independent school located within Montgom-  
8 ery County, Maryland; Prince Georges County,  
9 Maryland; Arlington County, Virginia; Alexandria  
10 City, Virginia; Falls Church City, Virginia; Fairfax  
11 City, Virginia; or Fairfax County, Virginia.

12           (2) ENHANCED ACHIEVEMENT SCHOLARSHIP.—  
13 An enhanced achievement scholarship may be used  
14 only for the payment of the costs of tuition and  
15 mandatory fees for, or transportation to attend, a  
16 program of instruction provided by an eligible insti-  
17 tution which enhances student achievement of the  
18 core curriculum and is operated outside of regular  
19 school hours to supplement the regular school pro-  
20 gram.

21           (e) NOT SCHOOL AID.—A scholarship under this sub-  
22 title shall be considered assistance to the student and shall  
23 not be considered assistance to an eligible institution.

1 **SEC. 344. SCHOLARSHIP AWARDS.**

2 (a) AWARDS.—From the funds made available under  
3 this subtitle, the Corporation shall award a scholarship to  
4 a student and make payments in accordance with section  
5 345 on behalf of such student to a participating eligible  
6 institution chosen by the parent of the student.

7 (b) NOTIFICATION.—Each eligible institution that ac-  
8 cepts a student who has received a scholarship under this  
9 subtitle shall notify the Corporation not later than 10 days  
10 after—

11 (1) the date that a student receiving a scholar-  
12 ship under this subtitle is enrolled, of the name, ad-  
13 dress, and grade level of such student;

14 (2) the date of the withdrawal or expulsion of  
15 any student receiving a scholarship under this sub-  
16 title, of the withdrawal or expulsion; and

17 (3) the date that a student receiving a scholar-  
18 ship under this subtitle is refused admission, of the  
19 reasons for such a refusal.

20 (c) TUITION SCHOLARSHIP.—

21 (1) EQUAL TO OR BELOW POVERTY LINE.—For  
22 a student whose family income is equal to or below  
23 the poverty line, a tuition scholarship may not ex-  
24 ceed the lesser of—

1 (A) the cost of tuition and mandatory fees  
2 for, and transportation to attend, an eligible in-  
3 stitution; or

4 (B) \$3,200 for fiscal year 1998, with such  
5 amount adjusted in proportion to changes in  
6 the Consumer Price Index for all urban con-  
7 sumers published by the Department of Labor  
8 for each of fiscal years 1999 through 2002.

9 (2) ABOVE POVERTY LINE.—For a student  
10 whose family income is greater than the poverty line,  
11 but not more than 185 percent of the poverty line,  
12 a tuition scholarship may not exceed the lesser of—

13 (A) 75 percent of the cost of tuition and  
14 mandatory fees for, and transportation to at-  
15 tend, an eligible institution; or

16 (B) \$2,400 for fiscal year 1998, with such  
17 amount adjusted in proportion to changes in  
18 the Consumer Price Index for all urban con-  
19 sumers published by the Department of Labor  
20 for each of fiscal years 1999 through 2002.

21 (d) ENHANCED ACHIEVEMENT SCHOLARSHIP.—An  
22 enhanced achievement scholarship may not exceed the  
23 lesser of—

1           (1) the costs of tuition and mandatory fees for,  
2           or transportation to attend, a program of instruction  
3           at an eligible institution; or

4           (2) \$500 for 1998, with such amount adjusted  
5           in proportion to changes in the Consumer Price  
6           Index for all urban consumers published by the De-  
7           partment of Labor for each of fiscal years 1999  
8           through 2002.

9   **SEC. 345. SCHOLARSHIP PAYMENTS.**

10       (a) DISBURSEMENT OF SCHOLARSHIPS.—The funds  
11       may be distributed by check or another form of disburse-  
12       ment which is issued by the Corporation and made payable  
13       directly to a parent of a student participating in the schol-  
14       arship program under this subtitle. The parent may use  
15       such funds only as payment for tuition, mandatory fees,  
16       and transportation costs associated with attending or ob-  
17       taining services from a participating eligible institution.

18       (b) PRO RATA AMOUNTS FOR STUDENT WITH-  
19       DRAWAL.—

20           (1) BEFORE PAYMENT.—If a student receiving  
21       a scholarship withdraws or is expelled from an eligi-  
22       ble institution before a scholarship payment is made,  
23       the eligible institution shall receive a pro rata pay-  
24       ment based on the amount of the scholarship and

1 the number of days the student was enrolled in the  
2 eligible institution.

3 (2) AFTER PAYMENT.—If a student receiving a  
4 scholarship withdraws or is expelled after a scholar-  
5 ship payment is made, the eligible institution shall  
6 refund to the Corporation on a pro rata basis the  
7 proportion of any scholarship payment received for  
8 the remaining days of the school year. Such refund  
9 shall occur not later than 30 days after the date of  
10 the withdrawal or expulsion of the student.

11 **SEC. 346. CIVIL RIGHTS.**

12 (a) IN GENERAL.—An eligible institution participat-  
13 ing in the scholarship program under this subtitle shall  
14 not engage in any practice that discriminates on the basis  
15 of race, color, national origin, or sex.

16 (b) EXCEPTION.—Nothing in this Act shall be con-  
17 strued to prevent a parent from choosing or an eligible  
18 institution from offering, a single-sex school, class, or ac-  
19 tivity.

20 (c) REVOCATION.—Notwithstanding section 342(f), if  
21 the Corporation determines that an eligible institution  
22 participating in the scholarship program under this title  
23 is in violation of any of the laws listed in subsection (a),  
24 then the Corporation shall revoke such eligible institu-  
25 tion's certification to participate in the program.

1 **SEC. 347. CHILDREN WITH DISABILITIES.**

2 Nothing in this subtitle shall affect the rights of stu-  
3 dents, or the obligations of the District of Columbia public  
4 schools, under the Individuals with Disabilities Education  
5 Act (20 U.S.C. 1400 et seq.).

6 **SEC. 348. RULE OF CONSTRUCTION.**

7 (a) IN GENERAL.—Nothing in this Act shall be con-  
8 strued to bar any eligible institution which is operated,  
9 supervised, or controlled by, or in connection with, a reli-  
10 gious organization from limiting employment, or admis-  
11 sion to, or giving preference to persons of the same reli-  
12 gion as is determined by such institution to promote the  
13 religious purpose for which it is established or maintained.

14 (b) SECTARIAN PURPOSES.—Nothing in this Act  
15 shall preclude the use of funds authorized under this Act  
16 for sectarian educational purposes or to require an eligible  
17 institution to remove religious art, icons, scripture, or  
18 other symbols.

19 **SEC. 349. REPORTING REQUIREMENTS.**

20 (a) IN GENERAL.—An eligible institution participat-  
21 ing in the scholarship program under this subtitle shall  
22 report not later than July 30 of each year in a manner  
23 prescribed by the Corporation, the following data:

24 (1) Student achievement in the eligible institu-  
25 tion's programs.



1           (2) Grade advancement for scholarship stu-  
2 dents.

3           (3) Disciplinary actions taken with respect to  
4 scholarship students.

5           (4) Graduation, college admission test scores,  
6 and college admission rates, if applicable for scholar-  
7 ship students.

8           (5) Types and amounts of parental involvement  
9 required for all families of scholarship students.

10          (6) Student attendance for scholarship and  
11 nonscholarship students.

12          (7) General information on curriculum, pro-  
13 grams, facilities, credentials of personnel, and dis-  
14 ciplinary rules at the eligible institution.

15          (8) Number of scholarship students enrolled.

16          (9) Such other information as may be required  
17 by the Corporation for program appraisal.

18          (b) CONFIDENTIALITY.—No personal identifiers may  
19 be used in such report, except that the Corporation may  
20 request such personal identifiers solely for the purpose of  
21 verification.

22 **SEC. 350. PROGRAM APPRAISAL.**

23          (a) STUDY.—Not later than 4 years after the date  
24 of enactment of this Act, the Comptroller General shall  
25 enter into a contract, with an evaluating agency that has

1 demonstrated experience in conducting evaluations, for an  
2 independent evaluation of the scholarship program under  
3 this subtitle, including—

4           (1) a comparison of test scores between scholar-  
5 ship students and District of Columbia public school  
6 students of similar backgrounds, taking into account  
7 the students' academic achievement at the time of  
8 the award of their scholarships and the students'  
9 family income level;

10           (2) a comparison of graduation rates between  
11 scholarship students and District of Columbia public  
12 school students of similar backgrounds, taking into  
13 account the students' academic achievement at the  
14 time of the award of their scholarships and the stu-  
15 dents' family income level;

16           (3) the satisfaction of parents of scholarship  
17 students with the scholarship program; and

18           (4) the impact of the scholarship program on  
19 the District of Columbia public schools, including  
20 changes in the public school enrollment, and any im-  
21 provement in the academic performance of the public  
22 schools.

23           (b) PUBLIC REVIEW OF DATA.—All data gathered in  
24 the course of the study described in subsection (a) shall

1 be made available to the public upon request except that  
2 no personal identifiers shall be made public.

3 (c) REPORT TO CONGRESS.—Not later than Septem-  
4 ber 1 of each year, the Corporation shall submit a progress  
5 report on the scholarship program to the appropriate com-  
6 mittees of Congress. Such report shall include a review  
7 of how scholarship funds were expended, including the ini-  
8 tial academic achievement levels of students who have par-  
9 ticipated in the scholarship program.

10 (d) AUTHORIZATION.—There are authorized to be ap-  
11 propriated for the study described in subsection (a),  
12 \$250,000, which shall remain available until expended.

13 **SEC. 351. JUDICIAL REVIEW.**

14 (a) IN GENERAL.—The United States District Court  
15 for the District of Columbia shall have jurisdiction in any  
16 action challenging the scholarship program under this sub-  
17 title and shall provide expedited review.

18 (b) APPEAL TO SUPREME COURT.—Notwithstanding  
19 any other provision of law, any order of the United States  
20 District Court for the District of Columbia which is issued  
21 pursuant to an action brought under subsection (a) shall  
22 be reviewable by appeal directly to the Supreme Court of  
23 the United States.

1 **SEC. 352. EFFECTIVE DATE.**

2 This subtitle shall be effective for each of the fiscal  
3 years 1998 through 2002.

4 **Subtitle C—Other Education**  
5 **Reforms**

6 **SEC. 361. REDUCTION IN ADMINISTRATIVE STAFF.**

7 At any time after June 30, 1998, the total number  
8 of full-time-equivalent employees of the District of Colum-  
9 bia Public Schools whose principal duty is not classroom  
10 instruction may not exceed the number of such full-time-  
11 equivalent employees as of September 30, 1997, reduced  
12 by 200.

13 **SEC. 362. DEVELOPMENT OF PERFORMANCE CRITERIA FOR**  
14 **TEACHERS.**

15 The District of Columbia Public Schools shall develop  
16 and implement performance benchmarks for teachers,  
17 based on the ability of students to improve by at least one  
18 grade level each year in performance on standardized  
19 tests, and shall establish incentives to encourage teachers  
20 to meet such benchmarks.

21 **SEC. 363. REPEAL OF TAX EXEMPTION FOR LABOR ORGANI-**  
22 **ZATIONS.**

23 (a) IN GENERAL.—Notwithstanding any provision of  
24 any Federally-granted charter or any other provision of  
25 law, the real property of any labor organization located  
26 in the District of Columbia shall be subject to taxation

1 by the District of Columbia in the same manner as any  
2 similar organization.

3 (b) LABOR ORGANIZATION DEFINED.—In subsection  
4 (a), the term “labor organization” means any organization  
5 of any kind, or any agency or employee representation  
6 committee or plan, in which employees participate and  
7 which exists for the purpose, in whole or in part, of dealing  
8 with employers concerning grievances, labor disputes,  
9 wages, rates of pay, hours of employment, or conditions  
10 of work.

11 **SEC. 364. TREATMENT OF SUPERVISORY PERSONNEL AS**  
12 **AT-WILL EMPLOYEES.**

13 Notwithstanding any other provision of law or regula-  
14 tion (including any law or regulation providing for collec-  
15 tive bargaining or the enforcement of any collective bar-  
16 gaining agreement), all supervisory personnel of the Dis-  
17 trict of Columbia Public Schools shall be appointed by,  
18 shall serve at the pleasure of, and shall act under the di-  
19 rection and control of the Emergency Transitional Edu-  
20 cation Board of Trustees, and shall be considered at-will  
21 employees not covered by the District of Columbia Govern-  
22 ment Comprehensive Merit Personnel Act of 1978.

1 **SEC. 365. DETERMINATION OF NUMBER OF STUDENTS EN-**  
2 **ROLLED.**

3 Not later than 30 days after the date of the enact-  
4 ment of this Act, and not later than 30 days after the  
5 beginning of each semester which begins after such date,  
6 the District of Columbia Auditor shall submit a report to  
7 Congress, the Mayor, the Council, the Chief Financial Of-  
8 ficer of the District of Columbia, and the District of Co-  
9 lumbia Financial Responsibility and Management Assist-  
10 ance Authority providing the most recent information  
11 available on the number of students enrolled in the Dis-  
12 trict of Columbia Public Schools and the average daily at-  
13 tendance of such students.

14 **SEC. 366. BUDGETING ON SCHOOL-BY-SCHOOL BASIS.**

15 (a) PREPARATION OF INITIAL BUDGETS.—Not later  
16 than 30 days after the date of the enactment of this Act,  
17 the District of Columbia Public Schools shall prepare and  
18 submit to Congress a budget for each public elementary  
19 and secondary school for fiscal year 1998 which describes  
20 the amount expected to be expended with respect to the  
21 school for salaries, capital, and other appropriate cat-  
22 egories of expenditures.

23 (b) USE OF BUDGETS FOR FUTURE AGGREGATE  
24 BUDGET.—The District of Columbia Public Schools shall  
25 use the budgets prepared for individual schools under sub-

1 section (a) to prepare the overall budget for the Schools  
2 for fiscal year 1999.

3 **SEC. 367. REQUIRING PROOF OF RESIDENCY FOR INDIVID-**  
4 **UALS ATTENDING SCHOOLS AND SCHOOL**  
5 **CHILD CARE PROGRAMS.**

6 None of the funds made available in this Act or any  
7 other Act may be used by the District of Columbia Public  
8 Schools in fiscal year 1998 or any succeeding fiscal year  
9 to provide classroom instruction or child care services to  
10 any minor whose parent or guardian does not supply the  
11 Schools with proof of the State of the minor's residence.

12 **SEC. 368. DISTRICT OF COLUMBIA SCHOOL OF LAW.**

13 (a) REQUIRING FULL ACCREDITATION.—

14 (1) IN GENERAL.—If the District of Columbia  
15 School of Law is not fully, unconditionally accredited  
16 by the American Bar Association at its midyear  
17 meeting in February 1998, none of the funds made  
18 available in this Act or any other Act may be ex-  
19 pended for or on behalf of the School except for pur-  
20 poses of providing assistance to assist students en-  
21 rolled at the School as of such date who are resi-  
22 dents of the District of Columbia in paying the tui-  
23 tion for enrollment at other law schools in the Wash-  
24 ington Metropolitan Area, in accordance with a plan  
25 submitted to Congress.

1           (2) RESTRICTIONS ON USE OF FUNDS PRIOR TO  
2           ACCREDITATION.—None of the funds made available  
3           in this Act or any other Act may be used by or on  
4           behalf of the District of Columbia School of Law for  
5           recruiting or capital projects until the School is  
6           fully, unconditionally accredited by the American  
7           Bar Association.

8           (b) NO OTHER SOURCE OF FUNDING PERMITTED.—  
9           None of the funds made available in this Act or any other  
10          Act for the use of any entity (including the University of  
11          the District of Columbia) other than the District of Co-  
12          lumbia School of Law may be transferred to, made avail-  
13          able for, or expended for or on behalf of the District of  
14          Columbia School of Law.

15   **SEC. 369. WAIVER OF LIABILITY IN PRO BONO ARRANGE-**  
16                                   **MENTS.**

17          (a) IN GENERAL.—Notwithstanding any other provi-  
18          sion of law or any rule or regulation—

19               (1) any person who voluntarily provides goods  
20               or services to or on behalf of the District of Colum-  
21               bia Public Schools without the expectation of receiv-  
22               ing or intending to receive compensation shall be im-  
23               mune from civil liability, both personally and profes-  
24               sionally, for any act or omission occurring in the



1 course of providing such goods or services (except as  
2 provided in subsection (b)); and

3 (2) the District of Columbia (including the Dis-  
4 trict of Columbia Public Schools) shall be immune  
5 from civil liability for any act or omission of any  
6 person voluntarily providing goods or services to or  
7 on behalf of the District of Columbia Public Schools.

8 (b) EXCEPTION FOR INTENTIONAL ACTS OR ACTS OF  
9 GROSS NEGLIGENCE.—Subsection (a)(1) shall not apply  
10 with respect to any person if the act or omission in-  
11 volved—

12 (1) constitutes gross negligence;

13 (2) constitutes an intentional tort; or

14 (3) is criminal in nature.

15 (c) EFFECTIVE DATE.—This section shall apply with  
16 respect to the provision of goods and services occurring  
17 during fiscal year 1998 or any succeeding fiscal year.

18 This Act may be cited as the “District of Columbia  
19 Appropriations, Medical Liability Reform, and Education  
20 Reform Act of 1998”.

Passed the House of Representatives October 9,  
1997.

Attest:

*Clerk.*