

# Union Calendar No. 170

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

# H. R. 2607

[Report No. 105-298]

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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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 6, 1997

Mr. TAYLOR, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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## A BILL

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.

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

1 District of Columbia for the fiscal year ending September  
2 30, 1998, and for other purposes, namely:

3           **TITLE I—FISCAL YEAR 1998**  
4                   **APPROPRIATIONS**

5                           FEDERAL FUNDS

6       FEDERAL CONTRIBUTION TO THE OPERATIONS OF THE  
7                           NATION’S CAPITAL

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

14                           OFFICE OF THE INSPECTOR GENERAL

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

19                           METROPOLITAN POLICE DEPARTMENT

20           For the Metropolitan Police Department,  
21      \$5,400,000, for a 5 percent pay increase for sworn officers  
22      who perform primarily nonadministrative public safety  
23      services and are certified by the Chief of Police as having  
24      met certain minimum standards referred to in section 148  
25      of this Act.

1 FIRE AND EMERGENCY MEDICAL SERVICES  
2 DEPARTMENT

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

6 FEDERAL CONTRIBUTION TO PUBLIC SCHOOLS

7 For the public schools of the District of Columbia,  
8 \$1,000,000, which shall be paid to the District Education  
9 and Learning Technologies Advancement (DELTA) Coun-  
10 cil established by section 2604 of the District of Columbia  
11 School Reform Act of 1995, Public Law 104–134, within  
12 10 days of the effective date of the appointment of a ma-  
13 jority of the Council’s members.

14 FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA  
15 CORRECTIONS TRUSTEE OPERATIONS

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

21 PAYMENT TO THE DISTRICT OF COLUMBIA CORREC-  
22 TIONS TRUSTEE FOR CORRECTIONAL FACILITIES,  
23 CONSTRUCTION AND REPAIR

24 For payment to the District of Columbia Corrections  
25 Trustee for Correctional Facilities, \$302,000,000, to re-

1 main available until expended, of which not less than  
2 \$294,900,000 is available for transfer to the Federal Pris-  
3 on System, as authorized by section 11202 of the National  
4 Capital Revitalization and Self-Government Improvement  
5 Act of 1997; and \$7,100,000 shall be for security improve-  
6 ments and repairs at the Lorton Correctional Complex.

7 EXECUTIVE OFFICE OF THE PRESIDENT

8 FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA

9 CRIMINAL JUSTICE SYSTEM

10 (INCLUDING TRANSFER OF FUNDS)

11 Pursuant to the National Capital Revitalization and  
12 Self-Government Improvement Act of 1997 (Public Law  
13 105–33) \$146,000,000 for the Office of Management and  
14 Budget, of which: (1) not to exceed \$121,000,000 shall  
15 be transferred to the Joint Committee on Judicial Admin-  
16 istration in the District of Columbia for operation of the  
17 District of Columbia Courts; (2) not to exceed \$2,000,000  
18 shall be transferred to the District of Columbia Truth in  
19 Sentencing Commission to implement section 11211 of the  
20 National Capital Revitalization and Self-Government Im-  
21 provement Act of 1997; (3) not to exceed \$22,200,000  
22 shall be transferred to the Pretrial Services, Defense Serv-  
23 ices, Parole, Adult Probation, and Offender Supervision  
24 Trustee for expenses relating to pretrial services, defense  
25 services, parole, adult probation and offender supervision  
26 in the District of Columbia, and for operating expenses

1 of the Trustee; and (4) not to exceed \$800,000 shall be  
2 transferred to the United States Parole Commission to im-  
3 plement section 11231 of the National Capital Revitaliza-  
4 tion and Self-Government Improvement Act of 1997.

5 UNITED STATES PARK POLICE

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

9 FEDERAL CONTRIBUTION TO THE DISTRICT OF  
10 COLUMBIA SCHOLARSHIP FUND

11 For the District of Columbia Scholarship Fund,  
12 \$7,000,000, as authorized by section 342 of this Act for  
13 scholarships to students of low-income families in the Dis-  
14 trict of Columbia to enable them to have educational  
15 choice.

16 DIVISION OF EXPENSES

17 The following amounts are appropriated for the Dis-  
18 trict of Columbia for the current fiscal year out of the  
19 general fund of the District of Columbia, except as other-  
20 wise specifically provided.

21 DISTRICT OF COLUMBIA TAXPAYERS RELIEF FUND

22 For the District of Columbia Taxpayers Relief Fund,  
23 an amount equal to the difference between the amount of  
24 District of Columbia local revenues provided under this  
25 Act and the actual amount of District of Columbia local

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

17 DISTRICT OF COLUMBIA DEFICIT REDUCTION FUND

18 For the District of Columbia Deficit Reduction Fund,  
19 \$200,000,000, to be deposited into an escrow account held  
20 by the District of Columbia Financial Responsibility and  
21 Management Assistance Authority, which shall allocate  
22 the funds to the Mayor, or such other District official as  
23 the Authority may deem appropriate, at such intervals and  
24 in accordance with such terms and conditions as the Au-  
25 thority considers appropriate: *Provided*, That an addi-

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

21 GOVERNMENTAL DIRECTION AND SUPPORT

22 Governmental direction and support, \$119,177,000  
23 and 1,479 full-time equivalent positions (including  
24 \$98,316,000, and 1,400 full-time equivalent positions  
25 from local funds, \$14,013,000 and 9 full-time equivalent

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

20 ECONOMIC DEVELOPMENT AND REGULATION

21 Economic development and regulation, \$120,072,000  
 22 and 1,283 full-time equivalent positions (including  
 23 \$40,377,000 and 561 full-time equivalent positions from  
 24 local funds, \$42,065,000 and 526 full-time equivalent po-  
 25 sitions from Federal funds, and \$25,630,000 and 196 full-



1 time equivalent positions from other funds and  
2 \$12,000,000 collected in the form of Business Improve-  
3 ment Districts tax revenue collected by the District of Co-  
4 lumbia on behalf of business improvement districts pursu-  
5 ant to the Business Improvement Districts Act of 1996,  
6 effective May 29, 1996 (D.C. Law 11-134; D.C. Code,  
7 sec. 1-2271 et seq.) and the Business Improvement Dis-  
8 tricts Temporary Amendment Act of 1997 (Bill 12-230).

9 PUBLIC SAFETY AND JUSTICE

10 Public safety and justice, including purchase of 135  
11 passenger-carrying vehicles for replacement only, includ-  
12 ing 130 for police-type use and five for fire-type use, with-  
13 out regard to the general purchase price limitation for the  
14 current fiscal year, \$502,970,000 and 9,719 full-time  
15 equivalent positions (including \$483,557,000 and 9,642  
16 full-time equivalent positions from local funds,  
17 \$13,519,000 and 73 full-time equivalent positions from  
18 Federal funds, and \$5,894,000 and 4 full-time equivalent  
19 positions from other funds): *Provided*, That the Metropoli-  
20 tan Police Department is authorized to replace not to ex-  
21 ceed 25 passenger-carrying vehicles and the Department  
22 of Fire and Emergency Medical Services of the District  
23 of Columbia is authorized to replace not to exceed five pas-  
24 senger-carrying vehicles annually whenever the cost of re-  
25 pair to any damaged vehicle exceeds three-fourths of the

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

1 shall be \$500,000: *Provided further*, That the District of  
2 Columbia government may not require the District of Co-  
3 lumbia Fire Department to submit to any other procure-  
4 ment review or contract approval process, or to obtain the  
5 approval of or be restricted in any manner by any official  
6 or employee of the District of Columbia government, for  
7 purchases that do not exceed \$500,000: *Provided further*,  
8 That the Mayor shall reimburse the District of Columbia  
9 National Guard for expenses incurred in connection with  
10 services that are performed in emergencies by the National  
11 Guard in a militia status and are requested by the Mayor,  
12 in amounts that shall be jointly determined and certified  
13 as due and payable for these services by the Mayor and  
14 the Commanding General of the District of Columbia Na-  
15 tional Guard: *Provided further*, That such sums as may  
16 be necessary for reimbursement to the District of Colum-  
17 bia National Guard under the preceding proviso shall be  
18 available from this appropriation, and the availability of  
19 the sums shall be deemed as constituting payment in ad-  
20 vance for emergency services involved: *Provided further*,  
21 That the Metropolitan Police Department is authorized to  
22 maintain 3,800 sworn officers, with leave for a 50 officer  
23 attrition: *Provided further*, That no more than 15 mem-  
24 bers of the Metropolitan Police Department shall be de-  
25 tailed or assigned to the Executive Protection Unit, until

1 the Chief of Police submits a recommendation to the  
2 Council for its review: *Provided further*, That \$100,000  
3 shall be available for inmates released on medical and geri-  
4 atric parole: *Provided further*, That not less than  
5 \$2,254,754 shall be available to support a pay raise for  
6 uniformed firefighters, when authorized by the District of  
7 Columbia Council and the District of Columbia Financial  
8 Responsibility and Management Assistance Authority,  
9 which funding will be made available as savings are  
10 achieved through actions within the appropriated budget:  
11 *Provided further*, That funds appropriated for expenses  
12 under the District of Columbia Criminal Justice Act, ap-  
13 proved September 3, 1974 (88 Stat. 1090; Public Law  
14 93-412; D.C. Code, sec. 11-2601 et seq.), for the fiscal  
15 year ending September 30, 1998, shall be available for ob-  
16 ligations incurred under the Act in each fiscal year since  
17 inception in fiscal year 1975: *Provided further*, That funds  
18 appropriated for expenses under the District of Columbia  
19 Neglect Representation Equity Act of 1984, effective  
20 March 13, 1985 (D.C. Law 5-129; D.C. Code, Sec. 16-  
21 2304), for the fiscal year ending September 30, 1998,  
22 shall be available for obligations incurred under the Act  
23 in each fiscal year since inception in fiscal year 1985: *Pro-*  
24 *vided further*, That funds appropriated for expenses under  
25 the District of Columbia Guardianship, Protective Pro-

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

12 PUBLIC EDUCATION SYSTEM

13 Public education system, including the development  
14 of national defense education programs, \$673,444,000  
15 and 11,314 full-time equivalent positions (including  
16 \$531,197,000 and 9,595 full-time equivalent positions  
17 from local funds, \$112,806,000 and 1,424 full-time equiv-  
18 alent positions from Federal funds, and \$29,441,000 and  
19 295 full-time equivalent positions from other funds), to  
20 be allocated as follows: \$560,114,000 and 9,979 full-time  
21 equivalent positions (including \$456,128,000 and 8,623  
22 full-time equivalent positions from local funds,  
23 \$98,491,000 and 1,251 full-time equivalent positions from  
24 Federal funds, and \$5,495,000 and 105 full-time equiva-  
25 lent positions from other funds), for the public schools of

1 the District of Columbia; \$5,250,000 (including \$300,000  
2 for the Public Charter School Board) from local funds for  
3 public charter schools: *Provided*, That if the entirety of  
4 this allocation has not been provided as payments to one  
5 or more public charter schools by May 15, 1998, and re-  
6 mains unallocated, the funds will revert to the general  
7 fund of the District of Columbia in accordance with sec-  
8 tion 2403(a)(2)(D) of the District of Columbia School Re-  
9 form Act of 1995 (Public Law 104–134); \$8,900,000 from  
10 local funds for the District of Columbia Teachers’ Retire-  
11 ment Fund; \$1,000,000 from local funds for the District  
12 Education and Learning Technologies Advancement  
13 (DELTA) Council to be paid to the Council within 10 days  
14 of the effective date of the appointment of a majority of  
15 the Council’s members; \$70,687,000 and 872 full-time  
16 equivalent positions (including \$37,126,000 and 562 full-  
17 time equivalent positions from local funds, \$12,804,000  
18 and 156 full-time equivalent positions from Federal funds,  
19 and \$20,757,000 and 154 full-time equivalent positions  
20 from other funds) for the University of the District of Co-  
21 lumbia (excluding the U.D.C. School of Law); \$3,400,000  
22 and 45 full-time equivalent positions (including \$665,000  
23 and 10 full-time equivalent positions from local funds and  
24 \$2,735,000 and 35 full-time equivalent positions from  
25 other funds) for the U.D.C. School of Law; \$22,036,000

1 and 409 full-time equivalent positions (including  
2 \$20,424,000 and 398 full-time equivalent positions from  
3 local funds, \$1,158,000 and 10 full-time equivalent posi-  
4 tions from Federal funds, and \$454,000 and 1 full-time  
5 equivalent position from other funds) for the Public Li-  
6 brary; \$2,057,000 and 9 full-time equivalent positions (in-  
7 cluding \$1,704,000 and 2 full-time equivalent positions  
8 from local funds and \$353,000 and 7 full-time equivalent  
9 positions from Federal funds) for the Commission on the  
10 Arts and Humanities: *Provided*, That the public schools  
11 of the District of Columbia are authorized to accept not  
12 to exceed 31 motor vehicles for exclusive use in the driver  
13 education program: *Provided further*, That not to exceed  
14 \$2,500 for the Superintendent of Schools, \$2,500 for the  
15 President of the University of the District of Columbia,  
16 and \$2,000 for the Public Librarian shall be available  
17 from this appropriation for official purposes: *Provided fur-*  
18 *ther*, That not less than \$1,200,000 shall be available for  
19 local school allotments in a restricted line item: *Provided*  
20 *further*, That not less than \$4,500,000 shall be available  
21 to support kindergarten aides in a restricted line item:  
22 *Provided further*, That not less than \$2,800,000 shall be  
23 available to support substitute teachers in a restricted line  
24 item: *Provided further*, That not less than \$1,788,000  
25 shall be available in a restricted line item for school coun-

1 selors: *Provided further*, That this appropriation shall not  
2 be available to subsidize the education of nonresidents of  
3 the District of Columbia at the University of the District  
4 of Columbia, unless the Board of Trustees of the Univer-  
5 sity of the District of Columbia adopts, for the fiscal year  
6 ending September 30, 1998, a tuition rate schedule that  
7 will establish the tuition rate for nonresident students at  
8 a level no lower than the nonresident tuition rate charged  
9 at comparable public institutions of higher education in  
10 the metropolitan area: *Provided further*, That not less than  
11 \$584,000 shall be available to support high school dropout  
12 prevention programs: *Provided further*, That not less than  
13 \$295,000 shall be available for youth leadership and con-  
14 flict resolution programs: *Provided further*, That not less  
15 than \$10,000,000 shall be available to support a pay raise  
16 for teachers of the District of Columbia Public Schools  
17 with valid teaching credentials who are primarily engaged  
18 in classroom instruction during the SY 1997–1998: *Pro-*  
19 *vided further*, That not less than \$250,000 shall be avail-  
20 able to support Truancy Prevention Programs: *Provided*  
21 *further*, That by the end of fiscal year 1998, the District  
22 of Columbia Schools shall designate at least 2 or more  
23 District of Columbia Public School buildings as “Commu-  
24 nity Hubs” which, in addition to serving as educational  
25 facilities, shall serve as multi-purpose centers that provide



1 opportunities to integrate support services and enable  
2 inter-generational users to meet the lifelong learning needs  
3 of community residents, and may support the following ac-  
4 tivities: before and after school care; counseling; tutoring;  
5 vocational and career training; art and sports programs;  
6 housing assistance; family literacy; health and nutrition  
7 programs; parent education; employment assistance; adult  
8 education; and access to state-of-the art technology.

#### 9 HUMAN SUPPORT SERVICES

10 Human support services, \$1,718,939,000 and 6,096  
11 full-time equivalent positions (including \$789,350,000 and  
12 3,583 full-time equivalent positions from local funds,  
13 \$886,702,000 and 2,444 full-time equivalent positions  
14 from Federal funds, and \$42,887,000 and 69 full-time  
15 equivalent positions from other funds): *Provided*, That  
16 \$21,089,000 of this appropriation, to remain available  
17 until expended, shall be available solely for District of Co-  
18 lumbia employees' disability compensation: *Provided fur-*  
19 *ther*, That a Peer Review Committee shall be established  
20 to review medical payments and the type of service re-  
21 ceived by a disability compensation claimant: *Provided fur-*  
22 *ther*, That the District of Columbia shall not provide free  
23 government services such as water, sewer, solid waste dis-  
24 posal or collection, utilities, maintenance, repairs, or simi-  
25 lar services to any legally constituted private nonprofit or-

1 ganization (as defined in section 411(5) of Public Law  
2 100–77, approved July 22, 1987) providing emergency  
3 shelter services in the District, if the District would not  
4 be qualified to receive reimbursement pursuant to the  
5 Stewart B. McKinney Homeless Assistance Act, approved  
6 July 22, 1987 (101 Stat. 485; Public Law 100–77; 42  
7 U.S.C. 11301 et seq.).

8 PUBLIC WORKS

9 Public works, including rental of one passenger-car-  
10 rying vehicle for use by the Mayor and three passenger-  
11 carrying vehicles for use by the Council of the District of  
12 Columbia and leasing of passenger-carrying vehicles  
13 \$241,934,000 and 1,292 full-time equivalent positions (in-  
14 cluding \$227,983,000 and 1,162 full-time equivalent posi-  
15 tions from local funds, \$3,350,000 and 51 full-time equiv-  
16 alent positions from Federal funds, and \$10,601,000 and  
17 79 full-time equivalent positions from other funds): *Pro-*  
18 *vided*, That this appropriation shall not be available for  
19 collecting ashes or miscellaneous refuse from hotels and  
20 places of business: *Provided further*, That \$3,000,000 shall  
21 be available for the lease financing, operation, and mainte-  
22 nance of two mechanical street sweepings, one flusher  
23 truck, 5 packer trucks, one front-end loader, and various  
24 public litter containers: *Provided further*, That \$2,400,000  
25 shall be available for recycling activities.

1 WASHINGTON CONVENTION CENTER FUND TRANSFER  
2 PAYMENT

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

5 REPAYMENT OF LOANS AND INTEREST

6 For reimbursement to the United States of funds  
7 loaned in compliance with An Act to provide for the estab-  
8 lishment of a modern, adequate, and efficient hospital cen-  
9 ter in the District of Columbia, approved August 7, 1946  
10 (60 Stat. 896; Public Law 79–648); section 1 of An Act  
11 to authorize the Commissioners of the District of Colum-  
12 bia to borrow funds for capital improvement programs and  
13 to amend provisions of law relating to Federal Govern-  
14 ment participation in meeting costs of maintaining the  
15 Nation’s Capital City, approved June 6, 1958 (72 Stat.  
16 183; Public Law 85–451; D.C. Code, sec. 9–219); section  
17 4 of An Act to authorize the Commissioners of the District  
18 of Columbia to plan, construct, operate, and maintain a  
19 sanitary sewer to connect the Dulles International Airport  
20 with the District of Columbia system, approved June 12,  
21 1960 (74 Stat. 211; Public Law 86–515); sections 723  
22 and 743(f) of the District of Columbia Home Rule Act  
23 of 1973, approved December 24, 1973, as amended (87  
24 Stat. 821; Public Law 93–198; D.C. Code, sec. 47–321,  
25 note; 91 Stat. 1156; Public Law 95–131; D.C. Code, sec.

1 9–219, note), including interest as required thereby,  
2 \$366,976,000 from local funds.

3 REPAYMENT OF GENERAL FUND RECOVERY DEBT

4 For the purpose of eliminating the \$331,589,000  
5 general fund accumulated deficit as of September 30,  
6 1990, \$39,020,000 from local funds, as authorized by sec-  
7 tion 461(a) of the District of Columbia Home Rule Act,  
8 approved December 24, 1973, as amended (105 Stat. 540;  
9 Public Law 102–106; D.C. Code, sec. 47–321(a)(1)).

10 PAYMENT OF INTEREST ON SHORT-TERM BORROWING

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

13 CERTIFICATES OF PARTICIPATION

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

17 HUMAN RESOURCES DEVELOPMENT

18 For Human resources development, including costs of  
19 increased employee training, administrative reforms, and  
20 an executive compensation system, \$6,000,000.

21 MANAGEMENT REFORM AND PRODUCTIVITY FUND

22 For the Management Reform and Productivity Fund,  
23 \$5,000,000, to improve management and service delivery  
24 in the District of Columbia.

1 CRITICAL IMPROVEMENTS AND REPAIRS TO SCHOOL  
2 FACILITIES AND STREETS

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

10 DISTRICT OF COLUMBIA FINANCIAL RESPONSIBILITY  
11 AND MANAGEMENT ASSISTANCE AUTHORITY

12 For the District of Columbia Financial Responsibility  
13 and Management Assistance Authority, established by sec-  
14 tion 101(a) of the District of Columbia Financial Respon-  
15 sibility and Management Assistance Act of 1995, approved  
16 April 17, 1995 (109 Stat. 97; Public Law 104–8),  
17 \$3,220,000.

18 WATER AND SEWER AUTHORITY AND THE WASHINGTON  
19 AQUEDUCT

20 For the Water and Sewer Authority and the Wash-  
21 ington Aqueduct, \$297,310,000 from other funds (includ-  
22 ing \$263,425,000 for the Water and Sewer Authority and  
23 \$33,885,000 for the Washington Aqueduct) of which  
24 \$41,423,000 shall be apportioned and payable to the Dis-

1 triet's debt service fund for repayment of loans and inter-  
2 est incurred for capital improvement projects.

3 LOTTERY AND CHARITABLE GAMES ENTERPRISE FUND

4 For the Lottery and Charitable Games Enterprise  
5 Fund, established by the District of Columbia Appropria-  
6 tion Act for the fiscal year ending September 30, 1982,  
7 approved December 4, 1981 (95 Stat. 1174, 1175; Public  
8 Law 97-91), as amended, for the purpose of implementing  
9 the Law to Legalize Lotteries, Daily Numbers Games, and  
10 Bingo and Raffles for Charitable Purposes in the District  
11 of Columbia, effective March 10, 1981 (D.C. Law 3-172;  
12 D.C. Code, secs. 2-2501 et seq. and 22-1516 et seq.),  
13 \$213,500,000 and 100 full-time equivalent positions (in-  
14 cluding \$7,850,000 and 100 full-time equivalent positions  
15 for administrative expenses and \$205,650,000 for non-ad-  
16 ministrative expenses from revenue generated by the Lot-  
17 tery Board), to be derived from non-Federal District of  
18 Columbia revenues: *Provided*, That the District of Colum-  
19 bia shall identify the source of funding for this appropria-  
20 tion title from the District's own locally-generated reve-  
21 nues: *Provided further*, That no revenues from Federal  
22 sources shall be used to support the operations or activi-  
23 ties of the Lottery and Charitable Games Control Board.

## 1 CABLE TELEVISION ENTERPRISE FUND

2 For the Cable Television Enterprise Fund, estab-  
3 lished by the Cable Television Communications Act of  
4 1981, effective October 22, 1983 (D.C. Law 5–36; D.C.  
5 Code, sec. 43–1801 et seq.), \$2,467,000 and 8 full-time  
6 equivalent positions (including \$2,135,000 and 8 full-time  
7 equivalent positions from local funds and \$332,000 from  
8 other funds).

## 9 PUBLIC SERVICE COMMISSION

10 For the Public Service Commission, \$4,547,000 (in-  
11 cluding \$4,250,000 from local funds, \$117,000 from Fed-  
12 eral funds, and \$180,000 for other funds).

## 13 OFFICE OF THE PEOPLE’S COUNSEL

14 For the Office of the People’s Counsel, \$2,428,000  
15 from local funds.

## 16 DEPARTMENT OF INSURANCE AND SECURITIES

## 17 REGULATION

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

## 21 OFFICE OF BANKING AND FINANCIAL INSTITUTIONS

22 For the Office of Banking and Financial Institutions,  
23 \$600,000 (including \$100,000 from local funds and  
24 \$500,000 from other funds).





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

16 CORRECTIONAL INDUSTRIES FUND

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

22 WASHINGTON CONVENTION CENTER ENTERPRISE FUND

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

## CAPITAL OUTLAY

1  
2 For construction projects, \$269,330,000 (including  
3 \$105,485,000 from local funds, \$31,100,000 from the  
4 highway trust fund, and \$132,745,000 in Federal funds),  
5 as authorized by An Act authorizing the laying of water  
6 mains and service sewers in the District of Columbia, the  
7 levying of assessments therefor, and for other purposes,  
8 approved April 22, 1904 (33 Stat. 244; Public Law 58–  
9 140; D.C. Code, secs. 43–1512 through 43–1519); the  
10 District of Columbia Public Works Act of 1954, approved  
11 May 18, 1954 (68 Stat. 101; Public Law 83–364); An  
12 Act to authorize the Commissioners of the District of Co-  
13 lumbia to borrow funds for capital improvement programs  
14 and to amend provisions of law relating to Federal Gov-  
15 ernment participation in meeting costs of maintaining the  
16 Nation’s Capital City, approved June 6, 1958 (72 Stat.  
17 183; Public Law 85–451); including acquisition of sites,  
18 preparation of plans and specifications, conducting pre-  
19 liminary surveys, erection of structures, including building  
20 improvement and alteration and treatment of grounds, to  
21 remain available until expended: *Provided*, That funds for  
22 use of each capital project implementing agency shall be  
23 managed and controlled in accordance with all procedures  
24 and limitations established under the Financial Manage-  
25 ment System: *Provided further*, That all funds provided



1 of public record and available for public inspection, except  
2 where otherwise provided under existing law, or under ex-  
3 isting Executive order issued pursuant to existing law.

4       SEC. 102. Except as otherwise provided in this Act,  
5 all vouchers covering expenditures of appropriations con-  
6 tained in this Act shall be audited before payment by the  
7 designated certifying official and the vouchers as approved  
8 shall be paid by checks issued by the designated disbursing  
9 official.

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

16       SEC. 104. Appropriations in this Act shall be avail-  
17 able, when authorized by the Mayor, for allowances for  
18 privately-owned automobiles and motorcycles used for the  
19 performance of official duties at rates established by the  
20 Mayor: *Provided*, That such rates shall not exceed the  
21 maximum prevailing rates for such vehicles as prescribed  
22 in the Federal Property Management Regulations 101-7  
23 (Federal Travel Regulations).

24       SEC. 105. Appropriations in this Act shall be avail-  
25 able for expenses of travel and for the payment of dues

1 of organizations concerned with the work of the District  
2 of Columbia government, when authorized by the Mayor:  
3 *Provided*, That the Council of the District of Columbia  
4 and the District of Columbia Courts may expend such  
5 funds without authorization by the Mayor.

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

16       SEC. 107. Appropriations in this Act shall be avail-  
17 able for the payment of public assistance without reference  
18 to the requirement of section 544 of the District of Colum-  
19 bia Public Assistance Act of 1982, effective April 6, 1982  
20 (D.C. Law 4-101; D.C. Code, sec. 3-205.44), and for the  
21 non-Federal share of funds necessary to qualify for Fed-  
22 eral assistance under the Juvenile Delinquency Prevention  
23 and Control Act of 1968, approved July 31, 1968 (82  
24 Stat. 462; Public Law 90-445; 42 U.S.C. 3801 et seq.).

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

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

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

24        SEC. 111. There are appropriated from the applicable  
25 funds of the District of Columbia such sums as may be

1 necessary for making payments authorized by the District  
2 of Columbia Revenue Recovery Act of 1977, effective Sep-  
3 tember 23, 1977 (D.C. Law 2-20; D.C. Code, sec. 47-  
4 421 et seq.).

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

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

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

22       SEC. 115. The Mayor shall not expend any moneys  
23 borrowed for capital projects for the operating expenses  
24 of the District of Columbia government.

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

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

19       SEC. 118. None of the Federal funds provided in this  
20 Act shall be obligated or expended to procure passenger  
21 automobiles as defined in the Automobile Fuel Efficiency  
22 Act of 1980, approved October 10, 1980 (94 Stat. 1824;  
23 Public Law 96-425; 15 U.S.C. 2001(2)), with an Environ-  
24 mental Protection Agency estimated miles per gallon aver-  
25 age of less than 22 miles per gallon: *Provided*, That this



1 section shall not apply to security, emergency rescue, or  
2 armored vehicles.

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

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

18       (c) Notwithstanding section 4(a) of the District of  
19 Columbia Redevelopment Act of 1945, approved August  
20 2, 1946 (60 Stat. 793; Public Law 79-592; D.C. Code,  
21 sec. 5-803(a)), the Board of Directors of the District of  
22 Columbia Redevelopment Land Agency shall be paid, dur-  
23 ing any fiscal year, per diem compensation at a rate estab-  
24 lished by the Mayor.

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

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

23        SEC. 122. No later than 30 days after the end of the  
24 first quarter of the fiscal year ending September 30, 1998,  
25 the Mayor of the District of Columbia shall submit to the

1 Council of the District of Columbia the new fiscal year  
2 1998 revenue estimates as of the end of the first quarter  
3 of fiscal year 1998. These estimates shall be used in the  
4 budget request for the fiscal year ending September 30,  
5 1999. The officially revised estimates at midyear shall be  
6 used for the midyear report.

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

20       SEC. 124. For purposes of the Balanced Budget and  
21 Emergency Deficit Control Act of 1985, approved Decem-  
22 ber 12, 1985 (99 Stat. 1037; Public Law 99–177), as  
23 amended, the term “program, project, and activity” shall  
24 be synonymous with and refer specifically to each account  
25 appropriating Federal funds in this Act, and any seques-

1 tration order shall be applied to each of the accounts rath-  
2 er than to the aggregate total of those accounts: *Provided*,  
3 That sequestration orders shall not be applied to any ac-  
4 count that is specifically exempted from sequestration by  
5 the Balanced Budget and Emergency Deficit Control Act  
6 of 1985, approved December 12, 1985 (99 Stat. 1037;  
7 Public Law 99–177), as amended.

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

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

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

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

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

23        (b) Each entity of the District of Columbia govern-  
24 ment shall keep accurate and detailed records of the ac-  
25 ceptance and use of any gift or donation under subsection

1 (a) of this section, and shall make such records available  
2 for audit and public inspection.

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

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

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

19 PROHIBITION AGAINST USE OF FUNDS FOR ABORTIONS

20 SEC. 129. None of the funds appropriated under this  
21 Act shall be expended for any abortion except where the  
22 life of the mother would be endangered if the fetus were  
23 carried to term or where the pregnancy is the result of  
24 an act of rape or incest.

## 1 PROHIBITION ON DOMESTIC PARTNERS ACT

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

## 12 MONTHLY REPORTING REQUIREMENTS—PUBLIC SCHOOLS

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

20 (1) current month expenditures and obligations,  
21 year-to-date expenditures and obligations, and total  
22 fiscal year expenditure projections vs. budget broken  
23 out on the basis of control center, responsibility cen-  
24 ter, agency reporting code, and object class, and for  
25 all funds, including capital financing;

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

6           (3) a list of all active contracts in excess of  
7 \$10,000 annually, which contains the name of each  
8 contractor; the budget to which the contract is  
9 charged broken out on the basis of control center,  
10 responsibility center, and agency reporting code; and  
11 contract identifying codes used by the D.C. Public  
12 Schools; payments made in the last month and year-  
13 to-date, the total amount of the contract and total  
14 payments made for the contract and any modifica-  
15 tions, extensions, renewals; and specific modifica-  
16 tions made to each contract in the last month;

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

20           (5) changes made in the last month to the orga-  
21 nizational structure of the D.C. Public Schools, dis-  
22 playing previous and current control centers and re-  
23 sponsibility centers, the names of the organizational  
24 entities that have been changed, the name of the



1 staff member supervising each entity affected, and  
2 the reasons for the structural change.

3 MONTHLY REPORTING REQUIREMENTS

4 UNIVERSITY OF THE DISTRICT OF COLUMBIA

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

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

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

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

1       olumbia; payments made in the last month and year-  
2       to-date, the total amount of the contract and total  
3       payments made for the contract and any modifica-  
4       tions, extensions, renewals; and specific modifica-  
5       tions made to each contract in the last month;

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

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

17                                   ANNUAL REPORTING REQUIREMENTS

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

25              (1) the number of validated schedule A posi-  
26       tions in the District of Columbia Public Schools and

1 the University of the District of Columbia for fiscal  
2 year 1996, fiscal year 1997, and thereafter on a full-  
3 time equivalent basis, including a compilation of all  
4 positions by control center, responsibility center,  
5 funding source, position type, position title, pay  
6 plan, grade, and annual salary; and

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

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

22 ANNUAL BUDGETS AND BUDGET REVISIONS

23 SEC. 134. (a) No later than October 1, 1997, or with-  
24 in 15 calendar days after the date of the enactment of  
25 the District of Columbia Appropriations Act, 1998, which-  
26 ever occurs later, and each succeeding year, the Emer-

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

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

22 EDUCATIONAL BUDGET APPROVAL

23 SEC. 135. The Emergency Transitional Education  
24 Board of Trustees, the Board of Trustees of the Univer-  
25 sity of the District of Columbia, the Board of Library  
26 Trustees, and the Board of Governors of the D.C. School

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

9 PUBLIC SCHOOL EMPLOYEE EVALUATIONS

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

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

18 (1) classified as an Educational Service em-  
19 ployee;

20 (2) placed under the personnel authority of the  
21 Board of Education; and

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

23 (b) School-based personnel shall constitute a separate  
24 competitive area from nonschool-based personnel who shall  
25 not compete with school-based personnel for retention pur-  
26 poses.

1 MISCELLANEOUS PROVISIONS RELATING TO DISTRICT OF  
2 COLUMBIA EMPLOYEES

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

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



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 shall make a final determination that a position  
7 within the personnel authority is to be abolished.

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

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

21       “(e) Each employee who is a bona fide resident of  
22 the District of Columbia shall have added 5 years to his  
23 or her creditable service for reduction-in-force purposes.  
24 For purposes of this subsection only, a nonresident Dis-  
25 trict employee who was hired by the District government



1 prior to January 1, 1980, and has not had a break in  
2 service since that date, or a former employee of the United  
3 States Department of Health and Human Services at  
4 Saint Elizabeths Hospital who accepted employment with  
5 the District government on October 1, 1987, and has not  
6 had a break in service since that date, shall be considered  
7 a District resident.

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

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

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

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

23       “(h) An employee separated pursuant to this section  
24 shall be entitled to severance pay in accordance with title  
25 XI of this Act, except that the following shall be included

1 in computing creditable service for severance pay for em-  
2 ployees separated pursuant to this section—

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

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

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

12 “(j) The Mayor shall submit to the Council a listing  
13 of all positions to be abolished by agency and responsibility  
14 center by March 1, 1998 or upon the delivery of termi-  
15 nation notices to individual employees.

16 “(k) Notwithstanding the provisions of section 1708  
17 or section 2402(d), the provisions of this Act shall not be  
18 deemed negotiable.

19 “(l) A personnel authority shall cause a 30-day termi-  
20 nation notice to be served, no later than September 1,  
21 1998, on any incumbent employee remaining in any posi-  
22 tion identified to be abolished pursuant to subsection (b)  
23 of this section.”.

1 (d) RESTRICTING PROVIDERS FROM WHOM EMPLOY-  
2 EES MAY RECEIVE DISABILITY COMPENSATION SERV-  
3 ICES.—

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

9 “(3) By or on the order of the District of Co-  
10 lumbia government medical officers and hospitals, or  
11 by or on the order of a physician or managed care  
12 organization designated or approved by the Mayor.”.

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

16 “(c)(1) An employee to whom services, appliances, or  
17 supplies are furnished pursuant to subsection (a) shall be  
18 provided with such services, appliances, and supplies (in-  
19 cluding reasonable transportation incident thereto) by a  
20 managed care organization or other health care provider  
21 designated by the Mayor, in accordance with such rules,  
22 regulations, and instructions as the Mayor considers ap-  
23 propriate.

24 “(2) Any expenses incurred as a result of furnishing  
25 services, appliances, or supplies which are authorized by

1 the Mayor under paragraph (1) shall be paid from the  
2 Employees' Compensation Fund.

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

6 (3) REPEAL PENALTY FOR DELAYED PAYMENT  
7 OF COMPENSATION.—Section 2324 of such Act  
8 (D.C. Code, sec. 1–624.24) is amended by striking  
9 subsection (c).

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

12 (A) in the first sentence of subsection (c),  
13 by inserting “and as designated by the Mayor  
14 to provide services to injured employees” after  
15 “State law”; and

16 (B) by adding at the end the following new  
17 subsection:

18 “(r)(1) The term ‘managed care organization’ means  
19 an organization of physicians and allied health profes-  
20 sionals organized to and capable of providing systematic  
21 and comprehensive medical care and treatment of injured  
22 employees which is designated by the Mayor to provide  
23 such care and treatment under this title.

24 “(2) The term ‘allied health professional’ means a  
25 medical care provider (including a nurse, physical thera-

1 pist, laboratory technician, X-ray technician, social work-  
 2 er, or other provider who provides such care within the  
 3 scope of practice under applicable law) who is employed  
 4 by or affiliated with a managed care organization.”.

5 (5) EFFECTIVE DATE.—The amendments made  
 6 by this subsection shall apply with respect to serv-  
 7 ices, supplies, or appliances furnished under title  
 8 XXIII of the District of Columbia Merit Personnel  
 9 Act of 1978 on or after the date of the enactment  
 10 of this Act.

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

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

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

22 CEILING ON OPERATING EXPENSES AND DEFICIT  
 23 SEC. 139. (a) CEILING ON TOTAL OPERATING EX-  
 24 PENSES.—

25 (1) IN GENERAL.—Notwithstanding any other  
 26 provision of law, the total amount appropriated in

1 this Act for operating expenses for the District of  
2 Columbia for fiscal year 1998 under the caption  
3 “DIVISION OF EXPENSES” may not exceed the lesser  
4 of—

5 (A) the sum of the total revenues of the  
6 District of Columbia for such fiscal year less  
7 \$192,741,000; or

8 (B) \$4,493,375,000 (excluding intra-District  
9 funds of \$118,269,000) of which  
10 \$2,655,232,000 is from local funds;  
11 \$1,072,572,000 is from Federal grants; and  
12 \$765,571,000 in private and other funds.

13 (2) ENFORCEMENT.—The Chief Financial Offi-  
14 cer of the District of Columbia and the District of  
15 Columbia Financial Responsibility and Management  
16 Assistance Authority (hereafter in this section re-  
17 ferred to as the “Authority”) shall take such steps  
18 as are necessary to assure that the District of Co-  
19 lumbia meets the requirements of this section, in-  
20 cluding the apportioning or reprogramming by the  
21 Chief Financial Officer of the appropriations and  
22 funds made available to the District during fiscal  
23 year 1998, except that the Chief Financial Officer  
24 may not reprogram for operating expenses any funds

1 derived from bonds, notes, or other obligations is-  
2 sued for capital projects.

3 (b) ACCEPTANCE AND USE OF GRANTS NOT IN-  
4 CLUDED IN CEILING.—

5 (1) IN GENERAL.—Notwithstanding subsection  
6 (a), the Mayor of the District of Columbia may ac-  
7 cept, obligate, and expend Federal, private, and  
8 other grants received by the District government  
9 that are not reflected in the amounts appropriated  
10 in this Act.

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

16 (A) the Chief Financial Officer of the Dis-  
17 trict submits to the Authority a report setting  
18 forth detailed information regarding such grant;  
19 and

20 (B) the Authority has reviewed and ap-  
21 proved the acceptance, obligation, and expendi-  
22 ture of such grant in accordance with review  
23 and approval procedures consistent with the  
24 provisions of the District of Columbia Financial

1           Responsibility and Management Assistance Act  
2           of 1995.

3           (3) PROHIBITION ON SPENDING IN ANTICIPATION OF APPROVAL OR RECEIPT.—No amount may  
4           be obligated or expended from the general fund or  
5           other funds of the District government in anticipation of the approval or receipt of a grant under  
6           paragraph (2)(B) or in anticipation of the approval  
7           or receipt of a Federal, private, or other grant not  
8           subject to such paragraph.  
9  
10

11           (4) MONTHLY REPORTS.—The Chief Financial  
12           Officer of the District of Columbia shall prepare a  
13           monthly report setting forth detailed information re-  
14           garding all Federal, private, and other grants sub-  
15           ject to this subsection. Each such report shall be  
16           submitted to the Council of the District of Columbia,  
17           and to the Committees on Appropriations of the  
18           House of Representatives and the Senate, not later  
19           than 15 days after the end of the month covered by  
20           the report.

21           (c) REPEALING PROVISIONS GRANTING CERTAIN EN-  
22           TITIES POWER TO EXPEND NON-APPROPRIATED  
23           FUNDS.—

24           (1) FINANCIAL RESPONSIBILITY AND MANAGE-  
25           MENT ASSISTANCE AUTHORITY.—Section 106 of the



1 District of Columbia Financial Responsibility and  
2 Management Assistance Act of 1995 (D.C. Code,  
3 sec. 47-391.6), as amended by section 11711(a) of  
4 the Balanced Budget Act of 1997, is amended by  
5 striking subsection (d).

6 (2) WATER AND SEWER AUTHORITY.—Section  
7 11714 of the Balanced Budget Act of 1997 is here-  
8 by repealed, and the provisions of law amended by  
9 such section are restored as if such section had not  
10 been enacted into law.

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 (4) EFFECTIVE DATE OF AMENDMENTS.—The  
23 amendments made by paragraphs (2) and (3) shall  
24 take effect on the day after the date of the enact-  
25 ment of the Balanced Budget Act of 1997.

## 1 POWERS AND DUTIES OF CHIEF FINANCIAL OFFICER

2 SEC. 140. (a) CLARIFICATION OF AUTHORITY OVER  
3 FINANCIAL PERSONNEL.—4 (1) IN GENERAL.—Section 424(a) of the Dis-  
5 trict of Columbia Home Rule Act (D.C. Code, sec.  
6 47–317.1) is amended—7 (A) in paragraph (2), by striking “, who  
8 shall be appointed” and all that follows through  
9 “direction and control”; and10 (B) by striking paragraph (4) and insert-  
11 ing the following:12 “(4) AUTHORITY OVER FINANCIAL PERSON-  
13 NEL.—14 “(A) IN GENERAL.—Notwithstanding any  
15 other provision of law or regulation (including  
16 any law or regulation providing for collective  
17 bargaining or the enforcement of any collective  
18 bargaining agreement), the heads and all per-  
19 sonnel of the offices described in subparagraph  
20 (B), together with all other District of Colum-  
21 bia accounting, budget, and financial manage-  
22 ment personnel (including personnel of inde-  
23 pendent agencies but not including personnel of  
24 the legislative or judicial branches of the Dis-  
25 trict government) shall be appointed by, shall

1           serve at the pleasure of, and shall act under the  
2           direction and control of the Chief Financial Of-  
3           ficer, and shall be considered at-will employees  
4           not covered by the District of Columbia Govern-  
5           ment Comprehensive Merit Personnel Act of  
6           1978.

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

9                   “(i) The Office of the Treasurer (or  
10                   any successor office).

11                   “(ii) The Controller of the District of  
12                   Columbia (or any successor office).

13                   “(iii) The Office of the Budget (or  
14                   any successor office).

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

17                   “(v) The Department of Finance and  
18                   Revenue (or any successor office).

19                   “(vi) The District of Columbia Lot-  
20                   tery and Charitable Games Control Board  
21                   (or any successor office).

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

1 Authority may remove any such personnel for  
2 cause, after written consultation with the Mayor  
3 and the Chief Financial Officer.”.

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

8 (B) Section 142(a) of the District of Columbia  
9 Appropriations Act, 1997 (Public Law 104–194;  
10 110 Stat. 2375) is hereby repealed.

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

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

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

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

1 (B) by adding at the end the following new  
2 paragraph:

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

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

15 (c) INDEPENDENT CONTRACTING AUTHORITY.—Sec-  
16 tion 424(a) of the District of Columbia Home Rule Act  
17 (D.C. Code, sec. 47–317.1) is amended by adding at the  
18 end the following new paragraph:

19 “(5) EXCLUSION FROM CONTRACTING AUTHOR-  
20 ITY OF MAYOR.—The Mayor may not enter into any  
21 contract, or issue any order, rule, or regulation, with  
22 respect to any authority or activity under the juris-  
23 diction of the Chief Financial Officer. Nothing in  
24 this paragraph may be construed to affect the ability  
25 of the Mayor to remove the Chief Financial Officer

1 from office during a year other than a control  
2 year.”.

3 (d) AUTHORITY OVER DISTRICT MEDICAID PRO-  
4 GRAM DURING CONTROL YEARS.—Section 424(e) of the  
5 District of Columbia Home Rule Act (D.C. Code, sec. 47–  
6 317.3) is amended by adding at the end the following new  
7 paragraph:

8 “(18) Administering the State plan for medical  
9 assistance for the District of Columbia under title  
10 XIX of the Social Security Act, including exercising  
11 all responsibilities over the finances and personnel of  
12 the Office for Public Health Financing or any suc-  
13 cessor office responsible for administering such  
14 plan.”.

15 (e) MONTHLY REPORTS ON REVENUES AND EX-  
16 PENDITURES; INCLUSION OF INFORMATION ON ALL ENTI-  
17 TIES OF DISTRICT GOVERNMENT.—Section 424(d) of the  
18 District of Columbia Home Rule Act (D.C. Code, sec. 47–  
19 317.4) is amended by adding at the end the following new  
20 paragraphs:

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

1           “(A) The cash flow of the District govern-  
2           ment, including a statement of funds received  
3           and disbursed for all standard categories of rev-  
4           enues and expenses.

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

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

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

24          (f) CLARIFICATION OF GROUNDS FOR REMOVAL  
25 FROM OFFICE.—Section 424(b)(2) of the District of Co-

1 Columbia Home Rule Act (D.C. Code, sec. 47–317.2(2)) is  
2 amended by adding at the end the following new subpara-  
3 graphs:

4           “(C) CONSULTATION WITH CONGRESS.—  
5           The Authority or the Mayor (whichever is appli-  
6           cable) may remove the Chief Financial Officer  
7           under this paragraph only after the expiration  
8           of the 30-day period which begins on the date  
9           the Authority or the Mayor (as the case may  
10          be) submits a written statement to the Commit-  
11          tees on Appropriations of the Senate and the  
12          House of Representatives, the Committee on  
13          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           “(D) FOR CAUSE DEFINED.—For purposes  
18          of this paragraph, removal ‘for cause’ means re-  
19          moval on any of the following grounds:

20                   “(i) Permanent disability.

21                   “(ii) Inefficiency.

22                   “(iii) Neglect of duty.

23                   “(iv) Malfeasance.

24                   “(v) A felony or conduct involving  
25          moral turpitude.”.



1 (g) PERMITTING SELECTION OF LEGAL COUNSEL.—  
2 Section 424(a) of the District of Columbia Home Rule Act  
3 (D.C. Code, sec. 47–317.1), as amended by subsection (c),  
4 is further amended by adding at the end the following new  
5 paragraph:

6 “(6) SELECTION OF COUNSEL.—In any action  
7 brought by or on behalf of the Chief Financial Offi-  
8 cer, and in any action brought against the Chief Fi-  
9 nancial Officer, the Chief Financial Officer shall be  
10 represented by such counsel as it may select, includ-  
11 ing the Corporation Counsel of the District of Co-  
12 lumbia.”.

13 POLICE AND FIRE FIGHTER DISABILITY RETIREMENTS

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

1 (b) ANALYSIS BY ENROLLED ACTUARY OF IMPACT  
2 OF DISABILITY RETIREMENTS.—Not later than January  
3 1, 1998, and every 6 months thereafter, the Mayor of the  
4 District of Columbia shall engage an enrolled actuary (to  
5 be paid by the District of Columbia Retirement Board)  
6 to provide an analysis of the actuarial impact of disability  
7 retirements occurring during the previous 6-month period  
8 on the police and fire fighter retirement programs of the  
9 District of Columbia.

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

15 (b) SENSE OF CONGRESS; REQUIREMENT REGARD-  
16 ING NOTICE.—

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



## 1                                   “SPECIAL MASTERS’ BUDGETS

2           “SEC. 445B. All Special Masters appointed by the  
3 District of Columbia Superior Court or the United States  
4 District Court for the District of Columbia to any agency  
5 of the District of Columbia government shall prepare and  
6 annually submit to the District of Columbia Financial Re-  
7 sponsibility and Management Assistance Authority, for in-  
8 clusion in the annual budget, annual estimates of expendi-  
9 tures and appropriations. Such annual estimates shall be  
10 approved by the District of Columbia Financial Respon-  
11 sibility and Management Assistance Authority and the  
12 Council of the District of Columbia pursuant to section  
13 202 of the District of Columbia Financial Responsibility  
14 and Management Assistance Act of 1995.”.

15           (b) CLERICAL AMENDMENT.—The table of sections  
16 for subpart 1 of part D of title IV of the District of Co-  
17 lumbia Home Rule Act is amended by inserting after the  
18 item relating to section 445A the following new item:

          “Sec. 445B. Special masters’ budgets.”.

## 19                                   COMMENCING OF ADVERSE ACTIONS FOR POLICE

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

24           (a) Paragraph (1) is amended by striking the phrase  
25 “Except as provided in paragraph (2)” and inserting the

1 phrase “Except as provided in paragraphs (2) and (3)”  
2 in its place.

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

4 “(3) Except as provided in paragraph (2) of this sub-  
5 section, for members of the Metropolitan Police Depart-  
6 ment, no corrective or adverse action shall be commenced  
7 pursuant to this section more than 120 days, not including  
8 Saturdays, Sundays, or legal holidays, after the date that  
9 the agency knew or should have known of the act or occur-  
10 rence allegedly constituting cause, as that term is defined  
11 in subsection (d) of this section.”.

12 NOTICE TO POLICE OFFICERS FOR OUT-OF-SERVICE

13 ASSIGNMENTS

14 SEC. 145. (a) Notwithstanding any other provision  
15 of law or collective bargaining agreement, the Metropoli-  
16 tan Police Department shall change the advance notice  
17 that is required to be given to officers for out-of-schedule  
18 assignments from 28 days to 14 days.

19 (b) No officer shall be entitled to overtime for out-  
20 of-regular schedule assignments if the Metropolitan Police  
21 Department provides the officer with notice of the change  
22 in assignment at least 14 days in advance.

23 SEC. 146. Except as provided in this Act under the  
24 heading “DISTRICT OF COLUMBIA TAXPAYERS RELIEF  
25 FUND”, any unused surplus as of the end of the fiscal

1 year shall be used to reduce the District's outstanding ac-  
2 cumulated deficit.

3 RETIREMENT PROGRAMS

4 SEC. 147. (a) CAP ON STIPENDS OF RETIREMENT  
5 BOARD MEMBERS.—Section 121(c)(1) of the District of  
6 Columbia Retirement Reform Act (D.C. Code, sec. 1–  
7 711(c)(1)) is amended by striking the period at the end  
8 and inserting the following: “, and the total amount to  
9 which a member may be entitled under this subsection  
10 during a year (beginning with 1998) may not exceed  
11 \$5,000.”.

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

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

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

24 (2) EFFECTIVE DATE.—The amendment made  
25 by paragraph (1) shall apply with respect to any ter-  
26 mination of marriage taking effect on or after No-

1 vember 1, 1993, except that benefits shall be payable  
2 only with respect to amounts accruing for periods  
3 beginning on the first day of the month beginning  
4 after the later of such termination of marriage or  
5 such date of enactment.

6 PAY RAISE FOR POLICE OFFICERS

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

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

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

22 PROHIBITING INCREASE IN WELFARE PAYMENTS

23 SEC. 149. Section 602(a) of the District of Columbia  
24 Home Rule Act (sec. 1–233(a), D.C. Code) is amended—

25 (1) by striking “or” at the end of paragraph  
26 (9);

1           (2) by striking the period at the end of para-  
2           graph (10) and inserting “; or”; and

3           (3) by adding at the end the following new  
4           paragraph:

5           “(11) enact any act, resolution, or rule which  
6           increases the amount of payment which may be for  
7           any individual under the Temporary Assistance for  
8           Needy Families Program to an amount greater than  
9           the amount provided under such program under the  
10          District of Columbia Public Assistance Act of 1982,  
11          as in effect on the day after the effective date of the  
12          Public Assistance Temporary Amendment Act of  
13          1997.”.

14          SEC. 150. Effective as if included in the enactment  
15          of the Omnibus Consolidated Rescissions and Appropria-  
16          tions Act of 1996, section 517 of such Act (110 Stat.  
17          1321–248) is amended by striking “October 1, 1991” and  
18          inserting “the date of the enactment of this Act”.

19                           LIENS OF WATER AND SEWER AUTHORITY

20          SEC. 151. (a) REQUIRING IMPOSITION OF LIEN FOR  
21          UNPAID BILLS.—The District of Columbia Water and  
22          Sewer Authority shall take action to impose a lien against  
23          each property with respect to which any payment owed  
24          to the Authority is past due, but only if the payment is  
25          past due for 60 or more consecutive days.



1 (b) DISPOSITION OF LIENS THROUGH PRIVATE  
2 SOURCES.—Beginning January 31, 1998, the District of  
3 Columbia Water and Sewer Authority shall dispose of all  
4 pending liens imposed for the collection of amounts owed  
5 to the Authority by assigning the right to collect under  
6 such liens to a private entity in exchange for a cash pay-  
7 ment, or by issuing securities secured by such liens.

8 MODIFICATION OF POWERS AND DUTIES OF AUTHORITY

9 SEC. 152. (a) RESTRICTIONS ON POWER OVER  
10 CHIEF FINANCIAL OFFICER AND INSPECTOR GENERAL.—  
11 Section 207(d) of the District of Columbia Financial Re-  
12 sponsibility and Management Assistance Act of 1995  
13 (D.C. Code, sec. 47–392.7(d)) is amended—

14 (1) in paragraph (1), by striking “subsection  
15 (c),” and inserting “subsection (c) (and except as  
16 provided in paragraph (4)),”; and

17 (2) by adding at the end the following new  
18 paragraph:

19 “(4) EXCEPTION FOR CHIEF FINANCIAL OFFI-  
20 CER AND INSPECTOR GENERAL.—Effective July 1,  
21 1997, the Authority may not enter into any con-  
22 tract, or issue any order, rule, or regulation, under  
23 this subsection with respect to any authority or ac-  
24 tivity (including activities relating to personnel man-  
25 agement) under the jurisdiction of the Chief Finan-  
26 cial Officer or Inspector General of the District of

1 Columbia. Nothing in this paragraph may be con-  
2 strued to affect the ability of the Authority to re-  
3 move the Chief Financial Officer or Inspector Gen-  
4 eral from office during a control year.”.

5 (b) DEEMED APPROVAL OF CONTRACTS SUBMITTED  
6 FOR REVIEW.—Section 203(b) of such Act (D.C. Code,  
7 sec. 47–392.3(b)), as amended by section 5203(d) of the  
8 Omnibus Consolidated Appropriations Act, 1997 (Public  
9 Law 104–208; 110 Stat. 3009-1456), 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.—If the Authority  
15 does not notify the Mayor (or the appropriate officer  
16 or agent of the District government) that it has de-  
17 termined that a contract or lease submitted under  
18 this subsection is consistent with the financial plan  
19 and budget or is not consistent with the financial  
20 plan and budget during the 30-day period which be-  
21 gins on the first day after the Authority receives the  
22 contract or lease, the Authority shall be deemed to  
23 have determined that the contract or lease is consist-  
24 ent with the financial plan and budget.”.

## 1 FINANCIAL MANAGEMENT SYSTEM

2 SEC. 153. (a) IN GENERAL.—The Chief Financial  
3 Officer of the District of Columbia shall enter into a con-  
4 tract with a private entity under which the entity shall  
5 carry out the following activities (by contract or otherwise)  
6 on behalf of the District of Columbia:

7 (1) In accordance with the requirements of sub-  
8 section (b), the establishment and operation of an  
9 update of the present financial management system  
10 for the government of the District of Columbia by  
11 not later than June 30, 1998, to provide for the  
12 complete, accurate, and timely input and processing  
13 of financial data and the generation of reliable out-  
14 put reports for financial management purposes.

15 (2) To execute a process in accordance with  
16 “best practice” procedures of the information tech-  
17 nology industry to determine the need, if any, of fur-  
18 ther improving the updated financial management  
19 system in subsection (a).

20 (b) SPECIFICATIONS FOR SHORT-TERM FINANCIAL  
21 MANAGEMENT SYSTEM IMPROVEMENTS.—For purposes  
22 of subsection (a)(1), the requirements of this subsection  
23 are as follows:

24 (1) The original vendor of the financial man-  
25 agement system of the government of the District of

1 Columbia in use as of October 1, 1996, shall update  
2 the system to its most recent version.

3 (2) An information technology vendor shall op-  
4 erate the financial data center environment of the  
5 District government to ensure that its equipment  
6 and operations are compatible with the updated fi-  
7 nancial management system.

8 (3) A financial consulting vendor shall carry out  
9 an assessment of the District government employees  
10 who work with the financial management system,  
11 provide training in the operation of the updated sys-  
12 tem for those who are capable of effectively using  
13 the system, and provide recommendations to the  
14 Chief Financial Officer regarding those who are not  
15 capable of effectively using the system, including  
16 recommendations for reassignment or for separation  
17 from District government employment.

18 (c) CERTIFICATION OF POLICIES AND PROCEDURES  
19 FOR ACQUISITION OF LONG-TERM FINANCIAL MANAGE-  
20 MENT SYSTEM IMPROVEMENTS.—

21 (1) IN GENERAL.—The Chief Financial Officer  
22 of the District of Columbia shall enter into a con-  
23 tract with a private entity under which the entity  
24 shall conduct an independent assessment to certify  
25 whether the District government (including the Dis-

1        trict of Columbia Financial Responsibility and Man-  
2        agement Assistance Authority) has established and  
3        implemented policies and procedures that will result  
4        in a disciplined approach to the acquisition of a fi-  
5        nancial management system for the District govern-  
6        ment, including policies and procedures with respect  
7        to such items as—

8                    (A) software acquisition planning,

9                    (B) solicitation,

10                   (C) requirements, development, and man-  
11                    agement,

12                    (D) project office management,

13                    (E) contract tracking and oversight,

14                    (F) evaluation of products and services  
15                    provided by the contractor, and

16                    (G) the method that will be used to carry  
17                    out a successful transition to the delivered sys-  
18                    tem by its users.

19                    (2) MODEL FOR ASSESSMENT.—The independ-  
20                    ent assessment shall be performed based on the  
21                    Software Acquisition Capability Maturity Model de-  
22                    veloped by the Software Engineering Institute or a  
23                    comparable methodology.

24                    (3) REVIEW OF ASSESSMENT.—A copy of the  
25                    independent assessment shall be provided to the

1 Comptroller General, the Director of the Office of  
2 Management and Budget, and the Inspector General  
3 of the District of Columbia, who shall review and  
4 prepare a report on the assessment.

5 (d) RESTRICTIONS ON SPENDING FOR OTHER FI-  
6 NANCIAL MANAGEMENT SYSTEM PROCUREMENT AND DE-  
7 VELOPMENT.—

8 (1) IN GENERAL.—None of the funds made  
9 available under this or any other Act may be used  
10 to improve or replace the financial management sys-  
11 tem of the government of the District of Columbia  
12 (including the procuring of hardware and installa-  
13 tion of new software, conversion, testing, and train-  
14 ing) until the expiration of the 30-day period which  
15 begins on the date the Comptroller General, Director  
16 of the Office of Management and Budget, and In-  
17 spector General of the District of Columbia submit  
18 a report under subsection (c)(3) to the Committees  
19 on Appropriations of the House of Representatives  
20 and the Senate, the Committee on Governmental Re-  
21 form and Oversight of the House of Representatives,  
22 and the Committee on Governmental Affairs of the  
23 Senate, which certifies that the District government  
24 has established and implemented the policies and  
25 procedures described in subsection (c)(1).

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

4           POWERS AND DUTIES OF INSPECTOR GENERAL

5           SEC. 154. (a) CLARIFICATION OF AUTHORITY TO  
6           CONDUCT AUDITS.—

7           (1) EXCLUSIVE AUTHORITY TO CONTRACT FOR  
8           INDEPENDENT ANNUAL AUDIT.—None of the funds  
9           made available under this Act or any other Act may  
10          be used to carry out any contract to conduct the an-  
11          nual audit of the complete financial statement and  
12          report of the activities of the District government for  
13          fiscal year 1997 or any succeeding fiscal year unless  
14          the contract is entered into by the Inspector General  
15          of the District of Columbia.

16          (2) SCOPE OF AUDITS.—Section 208(a) the  
17          District of Columbia Procurement Practices Act of  
18          1985 (sec. 1–1182.8(a), D.C. Code) is amended by  
19          adding at the end the following new paragraph:

20          “(5) The Inspector General may include in any audits  
21          conducted pursuant to this subsection (by contract or oth-  
22          erwise) of the activities of the District government such  
23          audits of the activities of the Authority as the Inspector  
24          General considers appropriate.”.

25          (b) INDEPENDENT CONTRACTING AUTHORITY.—Sec-  
26          tion 208(a)(1) of such Act (sec. 1–1182.8(a)(1), D.C.

1 Code) is amended by adding at the end the following new  
2 subparagraph:

3 “(F) The Mayor may not enter into any contract, or  
4 issue any order, rule, or regulation with respect to any  
5 authority or activity under the jurisdiction of the Inspector  
6 General. Nothing in this subparagraph may be construed  
7 to affect the ability of the Mayor to remove the Inspector  
8 General from office during a year other than a control  
9 year.”.

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

15 “(G) The Authority or the Mayor (whichever is appli-  
16 cable) may remove the Inspector General under this para-  
17 graph only after the expiration of the 30-day period which  
18 begins on the date the Authority or the Mayor (as the  
19 case may be) submits a written statement to the Commit-  
20 tees on Appropriations of the Senate and the House of  
21 Representatives, the Committee on Government Reform  
22 and Oversight of the House of Representatives, and the  
23 Committee on Governmental Affairs of the Senate, ex-  
24 plaining the factual circumstances involved.



1       “(H) For purposes of subparagraph (A), removal ‘for  
2 cause’ means removal on any of the following grounds:

3           “(i) Permanent disability.

4           “(ii) Inefficiency.

5           “(iii) Neglect of duty.

6           “(iv) Malfeasance.

7           “(v) A felony or conduct involving moral turpi-  
8 tude.”.

9       (d) REQUIRING PLACEMENT OF INSPECTOR GEN-  
10 ERAL HOTLINE ON PERMIT AND LICENSE APPLICATION  
11 FORMS.—

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

21           (2) QUARTERLY REPORTS ON USE OF NUM-  
22 BER.—Not later than 10 days after the end of such  
23 calendar quarter of each fiscal year (beginning with  
24 fiscal year 1998), the Inspector General of the Dis-  
25 trict of Columbia shall submit a report to Congress

1 on the number and nature of the calls received  
2 through the telephone number described in para-  
3 graph (1) during the quarter and on the waste,  
4 fraud, and abuse detected as a result of such calls.

5 REQUIRING USE OF DIRECT DEPOSIT OR MAIL FOR ALL  
6 PAYMENTS

7 SEC. 155. (a) IN GENERAL.—Notwithstanding any  
8 other provision of law (including any law or regulation  
9 providing for collective bargaining or the enforcement of  
10 any collective bargaining agreement) or collective bargain-  
11 ing agreement, any payment made by the District of Co-  
12 lumbia during fiscal year 1998 or any succeeding fiscal  
13 year to any person shall be made by—

14 (1) direct deposit through electronic funds  
15 transfer to a checking, savings, or other account des-  
16 ignated by the person; or

17 (2) a check delivered through the United States  
18 Postal Service to the person's place of residence or  
19 business.

20 (b) REGULATIONS.—The Chief Financial Officer of  
21 the District of Columbia is authorized to issue rules to  
22 carry out this section.

23 REVISION OF CERTAIN AUDITING REQUIREMENTS

24 SEC. 156. (a) INFORMATION INCLUDED IN INDE-  
25 PENDENT ANNUAL AUDIT.—Effective with respect to fis-  
26 cal year 1997 and each succeeding fiscal year, the inde-

1 pendent annual audit of the government of the District  
2 of Columbia conducted for a fiscal year pursuant to sec-  
3 tion 4(a) of Public Law 94–399 (D.C. Code, sec. 47–  
4 119(a)) shall include the following information in the  
5 Comprehensive Annual Financial Report:

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

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

20          (3) A discussion and analysis of the financial  
21          condition and results of operations of the District  
22          government prepared by the independent auditor.

23          (b) AUDIT OF FINANCIAL RESPONSIBILITY AND  
24          MANAGEMENT ASSISTANCE AUTHORITY.—

1           (1) IN GENERAL.—Section 106 of the District  
2 of Columbia Financial Responsibility and Manage-  
3 ment Assistance Act of 1995 (D.C. Code, sec. 47–  
4 304.1), as amended by section 11711(a) of the Bal-  
5 anced Budget Act of 1997, is amended by adding at  
6 the end the following new subsection:

7           “(e) ANNUAL FINANCIAL AUDIT.—

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

19           “(2) CONTENTS.—The auditor shall include in  
20 the audit conducted under this subsection the follow-  
21 ing information:

22           “(A) An audited budgetary statement com-  
23 paring gross actual revenues and expenditures  
24 of the Authority during the fiscal year with  
25 amounts appropriated, together with the reve-

1           nue projections on which the appropriations are  
2           based, to determine the surplus or deficit there-  
3           of.

4           “(B) An unaudited statement of monthly  
5           cash flows, showing projected and actual re-  
6           ceipts and disbursements by category (with  
7           variances).

8           “(C) A discussion and analysis of the fi-  
9           nancial condition and results of operations of  
10          the Authority prepared by the independent  
11          auditor.

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

16          (2) RESPONSIBILITIES OF AUTHORITY.—The  
17          District of Columbia Financial Responsibility and  
18          Management Assistance Authority shall—

19                 (A) with respect to the annual budget of  
20                 the Authority for fiscal year 1999 and each suc-  
21                 ceeding fiscal year, provide the Mayor of the  
22                 District of Columbia (prior to the transmission  
23                 of the budget by the Mayor to the President  
24                 and Congress under section 446 of the District  
25                 of Columbia Home Rule Act) with an item-by-

1 item accounting of the planned uses of appro-  
2 priated and non-appropriated funds (including  
3 all projected revenues) of the Authority under  
4 the budget for such fiscal year; and

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

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

1 such in the District of Columbia government’s Com-  
2 prehensive Annual Financial Report.

3 TREATMENT OF UNCLAIMED PROPERTY

4 SEC. 157. (a) DEFINITIONS OF CERTAIN TERMS.—

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

8 (1) by amending paragraph (4) to read as fol-  
9 lows:

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

18 (2) by adding at the end the following new  
19 paragraphs:

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

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

1 government or governmental entity, and all income  
2 or increments therefrom, including an interest re-  
3 ferred to as or evidenced by any of the following:

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

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

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

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

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

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



1           “(G) An amount distributable from a trust  
2           or custodial fund established under a plan to  
3           provide health, welfare, pension, vacation, sever-  
4           ance, retirement, death, stock purchase, profit  
5           sharing, employee savings, supplemental unem-  
6           ployment insurance, or similar benefits.”.

7           (b) SHORTENING PERIOD FOR PRESUMPTION OF  
8 ABANDONMENT.—

9           (1) IN GENERAL.—Section 103(a) of such Act  
10          (D.C. Code, sec. 42–203(a)) is amended by striking  
11          “5 years” and inserting “3 years”.

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

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

22          (4) DEPOSITS AND REFUNDS HELD BY UTILI-  
23 TIES.—Section 108 of such Act (D.C. Code, sec. 42–  
24 208) is amended by striking “5 years” each place it  
25 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 DISTRIBUTIONS.—Section 113 of such Act (D.C. Code, sec.  
18           42–213) is amended by striking “5 years” and in-  
19           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        SEC. 158. (a) PROHIBITING USE OF BORROWING TO  
2 FINANCE OR REFUND ACCUMULATED GENERAL FUND  
3 DEFICIT.—

4            (1) IN GENERAL.—None of the funds made  
5 available in this Act or in any other Act may be used  
6 by the District of Columbia (including the District  
7 of Columbia Financial Responsibility and Manage-  
8 ment Assistance Authority) at any time before, on,  
9 or after the date of the enactment of this Act to ob-  
10 tain borrowing to finance or refund the accumulated  
11 general fund deficit of the District of Columbia ex-  
12 isting as of September 30, 1997.

13            (2) CONFORMING AMENDMENT RELATING TO  
14 ADVANCES FROM TREASURY.—Section 602 of the  
15 District of Columbia Revenue Act of 1939, as added  
16 by section 11402 of the Balanced Budget Act of  
17 1997, is hereby repealed.

18            (3) CONFORMING AMENDMENT RELATING TO  
19 GENERAL OBLIGATION BONDS OF DISTRICT OF CO-  
20 LUMBIA.—Section 461(a) of the District of Colum-  
21 bia Home Rule Act (D.C. Code, sec. 47–321(a)), as  
22 amended by section 11405 of the Balanced Budget  
23 Act of 1997, is amended—

24                    (A) in paragraph (1), by striking “to fi-  
25 nance or refund the outstanding accumulated

1 operating deficit of the general fund of the Dis-  
2 trict of \$500,000,000, existing as of September  
3 30, 1997,”; and

4 (B) in paragraph (2), by striking “existing  
5 as of September 30, 1990”.

6 (4) EFFECTIVE DATE OF AMENDMENTS.—The  
7 amendments made by paragraphs (2) and (3) shall  
8 take effect on the day after the date of the enact-  
9 ment of the Balanced Budget Act of 1997.

10 (b) RESTRICTIONS ON DEBT RESTRUCTURING.—

11 (1) IN GENERAL.—Subpart 1 of part E of title  
12 IV of the District of Columbia Home Rule Act is  
13 amended by adding at the end the following new sec-  
14 tion:

15 “RESTRICTIONS ON RESTRUCTURING OF DEBT

16 “SEC. 468. Notwithstanding any other provision of  
17 this title, the District may not borrow any funds or issue  
18 any bonds, notes, or other obligations to repay any other  
19 borrowing of funds or issuance of bonds, notes, or other  
20 obligations unless—

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

25 “(2) the date provided for the final repayment  
26 of the new borrowing or issuance is not later than



1 the date provided for the final repayment of the  
2 original borrowing or issuance.”.

3 (2) CLERICAL AMENDMENT.—The table of sec-  
4 tions for subpart 1 of part E of title IV of the Dis-  
5 trict of Columbia Home Rule Act is amended by  
6 adding at the end the following new item:

“Sec. 468. Restrictions on restructuring of debt.”.

7 (c) REQUIRING ALL BONDS TO BE SOLD AT PUBLIC  
8 SALE.—

9 (1) IN GENERAL.—Section 466 of the District  
10 of Columbia Home Rule Act (D.C. Code, sec. 47–  
11 326), as amended by section 11504 of the Balanced  
12 Budget Act of 1997, is amended by striking “may  
13 be sold at a private sale” and all that follows  
14 through “may be sold” and inserting “shall be sold”.

15 (2) EFFECTIVE DATE.—The amendment made  
16 by paragraph (1) shall take effect as if included in  
17 the enactment of section 11504 of the Balanced  
18 Budget Act of 1997.

19 REOPENING OF PENNSYLVANIA AVENUE

20 SEC. 159. Notwithstanding any other provision of law  
21 or any other rule or regulation, beginning January 1,  
22 1998, the portion of Pennsylvania Avenue in front of the  
23 White House shall be reopened to regular vehicular traffic.

## 1 MISCELLANEOUS PROVISIONS

2 SEC. 160. (a) DEPOSIT OF ANNUAL FEDERAL CON-  
3 TRIBUTION WITH AUTHORITY.—

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

9 **“SEC. 205. DEPOSIT OF ANNUAL FEDERAL CONTRIBUTION**  
10 **WITH AUTHORITY.**

11 “(a) IN GENERAL.—

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

1       ment of outstanding bills owed by the District gov-  
2       ernment.

3               “(2) EXCEPTION FOR AMOUNTS WITHHELD FOR  
4       ADVANCES.—Paragraph (1) shall not apply with re-  
5       spect to any portion of the Federal contribution  
6       which is withheld by the Secretary of the Treasury  
7       in accordance with section 605(b)(2) of title VI of  
8       the District of Columbia Revenue Act of 1939 to re-  
9       imburse the Secretary for advances made under title  
10      VI of such Act.

11              “(b) EXPENDITURE OF FUNDS FROM ACCOUNT IN  
12      ACCORDANCE WITH AUTHORITY INSTRUCTIONS.—Any  
13      funds allocated by the Authority to the Mayor from the  
14      escrow account described in paragraph (1) may be ex-  
15      pended by the Mayor only in accordance with the terms  
16      and conditions established by the Authority at the time  
17      the funds are allocated.”.

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

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

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

24              (b) DISHONORED CHECK COLLECTION.—The Act en-  
25      titled “An Act to authorize the Commissioners of the Dis-

1 triet of Columbia to prescribe penalties for the handling  
2 and collection of dishonored checks”, approved September  
3 28, 1965 (D.C. Code, sec. 1-357) is amended—

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

8 (2) by adding at the end the following new sub-  
9 sections:

10 “(c) In a case in which the amount of a dishonored  
11 or unpaid check is collected as a result of a contract, the  
12 Mayor shall collect any costs or expenses incurred to col-  
13 lect such amount from such person who gives or causes  
14 to be given, in payment of any obligation or liability due  
15 the government of the District of Columbia, a check which  
16 is subsequently dishonored or not duly paid. In a case in  
17 which the amount of a dishonored or unpaid check is col-  
18 lected as a result of an action at law or in equity, such  
19 costs and expenses shall include litigation expenses and  
20 attorney’s fees.

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

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

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

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

11           (c) REQUIRING DISTRICT GOVERNMENT OFFICIALS  
12 TO PROVIDE INFORMATION UPON REQUEST TO CONGRES-  
13 SIONAL COMMITTEES.—Notwithstanding any provision of  
14 law or any other rule or regulation, during fiscal year  
15 1998 and each succeeding fiscal year, at the request of  
16 the Committee on Appropriations of the House of Rep-  
17 resentatives, the Committee on Appropriations of the Sen-  
18 ate, the Committee on Government Reform and Oversight  
19 of the House of Representatives, or the Committee on  
20 Governmental Affairs of the Senate, any officer or em-  
21 ployee of the District of Columbia government (including  
22 any officer or employee of the District of Columbia Finan-  
23 cial Responsibility and Management Assistance Authority)  
24 shall provide the Committee with such information and

1 materials as the Committee may require, within such  
2 deadline as the Committee may require.

3 (d) PROHIBITING CERTAIN HELICOPTER FLIGHTS  
4 OVER DISTRICT.—None of the funds made available in  
5 this Act or in any other Act may be used by the District  
6 of Columbia to grant a permit or license to any person  
7 for purposes of any business in which the person provides  
8 tours of any portion of the District of Columbia by heli-  
9 copter.

10 (e) CONFORMING REFERENCES TO INTERNAL REVE-  
11 NUE CODE OF 1986.—Section 4(28A) of the District of  
12 Columbia Income and Franchise Act of 1947 (D.C. Code,  
13 sec. 47–1801.4(28A)) is amended to read as follows:

14 “(28A) The term ‘Internal Revenue Code of  
15 1986’ means the Internal Revenue Code of 1986  
16 (100 Stat. 2085; 26 U.S.C. 1 et seq.), as amended  
17 through August 20, 1996. The provisions of the In-  
18 ternal Revenue Code of 1986 shall be effective on  
19 the same dates that they are effective for Federal  
20 tax purposes.”.

21 (f) STANDARD FOR REVIEW OF RECOMMENDATIONS  
22 OF BUSINESS REGULATORY REFORM COMMISSION IN RE-  
23 VIEW OF REGULATIONS BY AUTHORITY.—Section  
24 11701(a)(1) of the Balanced Budget Act of 1997 is  
25 amended by striking the second sentence and inserting the

1 following: “In carrying out such review, the Authority  
2 shall include an explicit reference to each recommendation  
3 made by the Business Regulatory Reform Commission  
4 pursuant to the Business Regulatory Reform Commission  
5 Act of 1994 (D.C. Code, sec. 2–4101 et seq.), together  
6 with specific findings and conclusions with respect to each  
7 such recommendation.”.

8 (g) TECHNICAL CORRECTIONS RELATING TO BAL-  
9 ANCED BUDGET ACT OF 1997.—(1) Effective as if in-  
10 cluded in the enactment of the Balanced Budget Act of  
11 1997, section 453(c) of the District of Columbia Home  
12 Rule Act (D.C. Code, sec. 47–304.1(c)), as amended by  
13 section 11243(d) of the Balanced Budget Act of 1997, is  
14 amended to read as follows:

15 “(c) Subsection (a) shall not apply to amounts appro-  
16 priated or otherwise made available to the Council, the  
17 District of Columbia Financial Responsibility and Man-  
18 agement Assistance Authority established under section  
19 101(a) of the District of Columbia Financial Responsibil-  
20 ity and Management Assistance Act of 1995, or the Dis-  
21 trict of Columbia Water and Sewer Authority established  
22 pursuant to the Water and Sewer Authority Establish-  
23 ment and Department of Public Works Reorganization  
24 Act of 1996.”.

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

3 (A) in the heading, by striking “DEPARTMENT  
4 OF PARKS AND RECREATION” and inserting “PARKS  
5 AUTHORITY”; and

6 (B) by striking “Department of Parks and  
7 Recreation” and inserting “Parks Authority”.

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

10 **TITLE II—DISTRICT OF COLUM-**  
11 **BIA MEDICAL LIABILITY RE-**  
12 **FORM**

13 **Subtitle A—Standards for Health**  
14 **Care Liability Actions and**  
15 **Claims in the District of Colum-**  
16 **bia**

17 **SEC. 201. SHORT TITLE.**

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

20 **SEC. 202. STATUTE OF LIMITATIONS.**

21 A District of Columbia health care liability action  
22 may not be brought after the expiration of the 2-year pe-  
23 riod that begins on the date on which the alleged injury  
24 that is the subject of the action was discovered or should  
25 reasonably have been discovered, but in no case after the



1 expiration of the 5-year period that begins on the date  
2 the alleged injury occurred.

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

4 (a) **LIMITATION ON NONECONOMIC DAMAGES.**—The  
5 total amount of noneconomic damages that may be award-  
6 ed to a claimant for losses resulting from the injury which  
7 is the subject of a District of Columbia health care liability  
8 action may not exceed \$250,000, regardless of the number  
9 of parties against whom the action is brought or the num-  
10 ber of actions brought with respect to the injury.

11 (b) **JOINT AND SEVERAL LIABILITY.**—In any District  
12 of Columbia health care liability action, a defendant shall  
13 be liable only for the amount of noneconomic damages at-  
14 tributable to such defendant in direct proportion to such  
15 defendant's share of fault or responsibility for the claim-  
16 ant's actual damages, as determined by the trier of fact.  
17 In all such cases, the liability of a defendant for non-  
18 economic damages shall be several and not joint.

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

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

1           (1) conduct specifically intended to cause harm,  
2       or

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

5       (b) PROPORTIONAL AWARDS.—The amount of puni-  
6       tive damages that may be awarded in any District of Co-  
7       lumbia health care liability action may not exceed 3 times  
8       the amount of damages awarded to the claimant for eco-  
9       nomic loss, or \$250,000, whichever is greater. This sub-  
10      section shall be applied by the court and shall not be dis-  
11      closed to the jury.

12      (c) APPLICABILITY.—This subsection shall apply to  
13      any District of Columbia health care liability action  
14      brought on any theory under which punitive damages are  
15      sought. This subsection does not create a cause of action  
16      for punitive damages. This subsection does not preempt  
17      or supersede any law to the extent that such law would  
18      further limit the award of punitive damages.

19      (d) BIFURCATION.—At the request of any party, the  
20      trier of fact shall consider in a separate proceeding wheth-  
21      er punitive damages are to be awarded and the amount  
22      of such award. If a separate proceeding is requested, evi-  
23      dence relevant only to the claim of punitive damages, as  
24      determined by applicable District of Columbia law, shall

1 be inadmissible in any proceeding to determine whether  
2 actual damages are to be awarded.

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

5 (a) PROHIBITING AWARD OF PUNITIVE DAMAGES  
6 WITH RESPECT TO CERTAIN APPROVED DRUGS AND DE-  
7 VICES.—

8 (1) IN GENERAL.—In any District of Columbia  
9 health care liability action, punitive damages may  
10 not be awarded against a manufacturer or product  
11 seller of a drug or medical device which caused the  
12 claimant's harm if—

13 (A) such drug or device was subject to pre-  
14 market approval by the Food and Drug Admin-  
15 istration with respect to the safety of the for-  
16 mulation or performance of the aspect of such  
17 drug or device which caused the claimant's  
18 harm, or the adequacy of the packaging or la-  
19 beling of such drug or device which caused the  
20 harm, and such drug, device, packaging, or la-  
21 beling was approved by the Food and Drug Ad-  
22 ministration; or

23 (B) the drug is generally recognized as  
24 safe and effective pursuant to conditions estab-  
25 lished by the Food and Drug Administration

1           and applicable regulations, including packaging  
2           and labeling regulations.

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

6                   (A) intentionally and wrongfully withheld  
7                   from or misrepresented to the Food and Drug  
8                   Administration information concerning such  
9                   drug or device required to be submitted under  
10                  the Federal Food, Drug, and Cosmetic Act (21  
11                  U.S.C. 301 et seq.) or section 351 of the Public  
12                  Health Service Act (42 U.S.C. 262) that is ma-  
13                  terial and relevant to the harm suffered by the  
14                  claimant, or

15                   (C) made an illegal payment to an official  
16                   or employee of the Food and Drug Administra-  
17                   tion for the purpose of securing or maintaining  
18                   approval of such drug or device.

19           (b) SPECIAL RULE REGARDING CLAIMS RELATING  
20 TO PACKAGING.—In a District of Columbia health care  
21 liability action relating to the adequacy of the packaging  
22 or labeling of a drug which is required to have tamper-  
23 resistant packaging under regulations of the Secretary of  
24 Health and Human Services (including labeling regula-  
25 tions related to such packaging), the manufacturer or

1 product seller of the drug shall not be held liable for puni-  
2 tive damages unless such packaging or labeling is found  
3 by the court by clear and convincing evidence to be sub-  
4 stantially out of compliance with such regulations.

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

7 (1) DRUG.—The term “drug” has the meaning  
8 given such term in section 201(g)(1) of the Federal  
9 Food, Drug, and Cosmetic Act (21 U.S.C.  
10 321(g)(1)).

11 (2) MEDICAL DEVICE.—The term “medical de-  
12 vice” has the meaning given such term in section  
13 201(h) of the Federal Food, Drug, and Cosmetic  
14 Act (21 U.S.C. 321(h)).

15 (3) PRODUCT SELLER.—

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

20 (i) sells, distributes, rents, leases, pre-  
21 pares, blends, packages, labels, or is other-  
22 wise involved in placing, a product in the  
23 stream of commerce, or

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

1 (B) EXCLUSION.—Such term does not in-  
2 clude—

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

4 (ii) a provider of professional services  
5 in any case in which the sale or use of a  
6 product is incidental to the transaction and  
7 the essence of the transaction is the fur-  
8 nishing of judgment, skill, or services; or

9 (iii) any person who—

10 (I) acts in only a financial capac-  
11 ity with respect to the sale of a prod-  
12 uct; or

13 (II) leases a product under a  
14 lease arrangement in which the selec-  
15 tion, possession, maintenance, and op-  
16 eration of the product are controlled  
17 by a person other than the lessor.

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

19 (a) IN GENERAL.—In any District of Columbia  
20 health care liability action in which the damages awarded  
21 for future economic and noneconomic loss exceeds  
22 \$50,000, a person shall not be required to pay such dam-  
23 ages in a single, lump-sum payment, but shall be per-  
24 mitted to make such payments periodically based on when

1 the damages are found likely to occur, as such payments  
2 are determined by the court.

3 (b) FINALITY OF JUDGMENT.—The judgment of the  
4 court awarding periodic payments under this section may  
5 not, in the absence of fraud, be reopened at any time to  
6 contest, amend, or modify the schedule or amount of the  
7 payments.

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

11 **SEC. 207. TREATMENT OF COLLATERAL SOURCE PAY-**  
12 **MENTS.**

13 (a) INTRODUCTION INTO EVIDENCE.—In any Dis-  
14 trict of Columbia health care liability action, any defend-  
15 ant may introduce evidence of collateral source payments.  
16 If any defendant elects to introduce such evidence, the  
17 claimant may introduce evidence of any amount paid or  
18 contributed or reasonably likely to be paid or contributed  
19 in the future by or on behalf of the claimant to secure  
20 the right to such collateral source payments.

21 (b) NO SUBROGATION.—No provider of collateral  
22 source payments may recover any amount against the  
23 claimant or receive any lien or credit against the claim-  
24 ant's recovery or be equitably or legally subrogated the

1 right of the claimant in a District of Columbia health care  
2 liability action.

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

6 (d) COLLATERAL SOURCE PAYMENTS DEFINED.—In  
7 this section, the term “collateral source payments” means  
8 any amount paid or reasonably likely to be paid in the  
9 future to or on behalf of a claimant, or any service, prod-  
10 uct, or other benefit provided or reasonably likely to be  
11 provided in the future to or on behalf of a claimant, as  
12 a result of an injury or wrongful death, pursuant to—

13 (1) any State or Federal health, sickness, in-  
14 come-disability, accident or workers’ compensation  
15 Act;

16 (2) any health, sickness, income-disability, or  
17 accident insurance that provides health benefits or  
18 income-disability coverage;

19 (3) any contract or agreement of any group, or-  
20 ganization, partnership, or corporation to provide,  
21 pay for, or reimburse the cost of medical, hospital,  
22 dental, or income disability benefits; and

23 (4) any other publicly or privately funded pro-  
24 gram.



1 **SEC. 208. APPLICATION OF STANDARDS TO CLAIMS RE-**  
2 **SOLVED THROUGH ALTERNATIVE DISPUTE**  
3 **RESOLUTION.**

4 (a) IN GENERAL.—Any alternative dispute resolution  
5 system used to resolve a District of Columbia health care  
6 liability action or claim shall contain provisions relating  
7 to statute of limitations, non-economic damages, joint and  
8 several liability, punitive damages, collateral source rule,  
9 and periodic payments which are identical to the provi-  
10 sions relating to such matters in this title.

11 (b) ALTERNATIVE DISPUTE RESOLUTION SYSTEM  
12 DEFINED.—In this title, the term “alternative dispute res-  
13 olution system” means a system that provides for the reso-  
14 lution of District of Columbia health care liability claims  
15 in a manner other than through District of Columbia  
16 health care liability actions.

17 **Subtitle B—General Provisions**

18 **SEC. 211. GENERAL DEFINITIONS.**

19 (a) DISTRICT OF COLUMBIA HEALTH CARE LIABIL-  
20 ITY ACTION.—

21 (1) IN GENERAL.—In this title, the term “Dis-  
22 trict of Columbia health care liability action” means  
23 a civil action brought against a health care provider,  
24 an entity which is obligated to provide or pay for  
25 health benefits under any health benefit plan (in-  
26 cluding any person or entity acting under a contract

1 or arrangement to provide or administer any health  
2 benefit), or the manufacturer, distributor, supplier,  
3 marketer, promoter, or seller of a medical product,  
4 in which the claimant alleges a claim (including  
5 third party claims, cross claims, counter claims, or  
6 distribution claims) based upon the provision of (or  
7 the failure to provide or pay for) health care services  
8 or the use of a medical product within the District  
9 of Columbia, regardless of the theory of liability on  
10 which the claim is based or the number of plaintiffs,  
11 defendants, or causes of action.

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

14 (A) a hospital or medical expense incurred  
15 policy or certificate,

16 (B) a hospital or medical service plan con-  
17 tract,

18 (C) a health maintenance subscriber con-  
19 tract, or

20 (D) a Medicare+Choice plan (as described  
21 in section 1859(b)(1) of the Social Security  
22 Act),

23 that provides benefits with respect to health care  
24 services.

1           (3) HEALTH CARE PROVIDER.—The term  
2           “health care provider” means any person that is en-  
3           gaged in the delivery of health care services in the  
4           District of Columbia and that is required by the  
5           laws or regulations of the District of Columbia to be  
6           licensed or certified to engage in the delivery of such  
7           services in the District of Columbia, and includes an  
8           employee of the government of the District of Co-  
9           lumbia (including an independent agency of the Dis-  
10          trict of Columbia).

11          (b) DISTRICT OF COLUMBIA HEALTH CARE LIABIL-  
12          ITY CLAIM.—The term “District of Columbia health care  
13          liability claim” means a claim in which the claimant al-  
14          leges that injury was caused by the provision of (or the  
15          failure to provide) health care services within the District  
16          of Columbia.

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

18               (1) ACTUAL DAMAGES.—The term “actual dam-  
19               ages” means damages awarded to pay for economic  
20               loss.

21               (2) CLAIMANT.—The term “claimant” means  
22               any person who brings a District of Columbia health  
23               care liability action and any person on whose behalf  
24               such an action is brought. If such action is brought  
25               through or on behalf of an estate, the term includes

1 the claimant’s decedent. If such action is brought  
2 through or on behalf of a minor or incompetent, the  
3 term includes the claimant’s legal guardian.

4 (3) CLEAR AND CONVINCING EVIDENCE.—The  
5 term “clear and convincing evidence” is that meas-  
6 ure or degree of proof that will produce in the mind  
7 of the trier of fact a firm belief or conviction as to  
8 the truth of the allegations sought to be established.  
9 Such measure or degree of proof is more than that  
10 required under preponderance of the evidence but  
11 less than that required for proof beyond a reason-  
12 able doubt.

13 (4) ECONOMIC LOSS.—The term “economic  
14 loss” means any pecuniary loss resulting from injury  
15 (including the loss of earnings or other benefits re-  
16 lated to employment, medical expense loss, replace-  
17 ment services loss, loss due to death, burial costs,  
18 and loss of business or employment opportunities),  
19 to the extent recovery for such loss is allowed under  
20 applicable District of Columbia law.

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

24 (6) HEALTH CARE SERVICE.—The term “health  
25 care service” means any service for which payment

1       may be made under a health benefit plan including  
2       services related to the delivery or administration of  
3       such service.

4               (7) NONECONOMIC DAMAGES.—The term “non-  
5       economic damages” means damages paid to an indi-  
6       vidual for pain and suffering, inconvenience, emo-  
7       tional distress, mental anguish, loss of consortium,  
8       injury to reputation, humiliation, and other nonpecu-  
9       niary losses.

10              (8) PERSON.—The term “person” means any  
11       individual, corporation, company, association, firm,  
12       partnership, society, joint stock company, or any  
13       other entity, including any governmental entity.

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

19   **SEC. 212. NONAPPLICATION TO CERTAIN ACTIONS; PRE-**  
20                                   **EMPTION.**

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

22              (1) an action for damages arising from a vac-  
23       cine-related injury or death to the extent that title  
24       XXI of the Public Health Service Act applies to the  
25       action, or

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

4       (b) PREEMPTION.—This title shall preempt any Dis-  
5       trict of Columbia law to the extent such law is inconsistent  
6       with the limitations contained in this title. This title shall  
7       not preempt any District of Columbia law that provides  
8       for defenses or places limitations on a person’s liability  
9       in addition to those contained in this title or otherwise  
10      imposes greater restrictions than those provided in this  
11      title.

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

15           (1) waive or affect any defense of sovereign im-  
16      munity asserted by the District of Columbia under  
17      any provision of law;

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

20           (3) affect the applicability of any provision of  
21      the Foreign Sovereign Immunities Act of 1976;

22           (4) preempt any choice-of-law rules with respect  
23      to claims brought by a foreign nation or a citizen of  
24      a foreign nation; or

1           (5) affect the right of any court to transfer  
2           venue or to apply the law of a foreign nation or to  
3           dismiss a claim of a foreign nation or of a citizen  
4           of a foreign nation on the ground of inconvenient  
5           forum.

6 **SEC. 213. RULES OF CONSTRUCTION REGARDING JURIS-**  
7                                   **DICTION OF FEDERAL COURTS.**

8           (a) **AMOUNT IN CONTROVERSY.**—In an action to  
9           which this title applies and which is brought under section  
10          1332 of title 28, United States Code, the amount of non-  
11          economic damages or punitive damages, and attorneys’  
12          fees or costs, shall not be included in determining whether  
13          the matter in controversy exceeds the sum or value of  
14          \$50,000.

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

21                                   **Subtitle C—Effective Date**

22 **SEC. 221. EFFECTIVE DATE.**

23          This title shall apply to any District of Columbia  
24          health care liability action and to any District of Columbia  
25          health care liability claim subject to an alternative dispute

1 resolution system, that is initiated on or after the date  
2 of the enactment of this title, except that any such action  
3 or claim arising from an injury occurring prior to such  
4 date shall be governed by the applicable statute of limita-  
5 tions provisions in effect at the time the injury occurred.

6 **TITLE III—DISTRICT OF COLUM-**  
7 **BIA EDUCATION REFORM ACT**  
8 **OF 1997**

9 **Subtitle A—Amendments to Dis-**  
10 **trict of Columbia School Reform**  
11 **Act of 1995**

12 **SEC. 301. SHORT TITLE.**

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

15 **SEC. 302. GENERAL EFFECTIVE DATE.**

16 Section 2003 of the District of Columbia School Re-  
17 form Act of 1995 (Public Law 104–134; 110 Stat. 1321–  
18 112; D.C. Code § 31–2851) is amended by striking “shall  
19 be effective” and all that follows through the period at  
20 the end and inserting “shall take effect on the date of  
21 the enactment of this Act.”.

22 **SEC. 303. TIMETABLE FOR APPROVAL OF PUBLIC CHARTER**  
23 **SCHOOL PETITIONS.**

24 Section 2203(i)(2)(A) of the District of Columbia  
25 School Reform Act of 1995 (Public Law 104–134; 110



1 Stat. 3009–504; D.C. Code § 31–2853.13(i)(2)(A)) is  
2 amended to read as follows:

3 “(A) IN GENERAL.—

4 “(i) ANNUAL LIMIT.—Subject to sub-  
5 paragraph (B) and clause (ii), during cal-  
6 endar year 1997, and during each subse-  
7 quent calendar year, each eligible charter-  
8 ing authority shall not approve more than  
9 10 petitions to establish a public charter  
10 school under this subtitle.

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

1 **SEC. 304. INCREASE IN PERMITTED NUMBER OF TRUSTEES**  
2 **OF PUBLIC CHARTER SCHOOL.**

3 Section 2205(a) of the District of Columbia School  
4 Reform Act of 1995 (Public Law 104–134; 110 Stat.  
5 1321–122; D.C. Code § 31–2853.15(a)) is amended by  
6 striking “7,” and inserting “15,”.

7 **SEC. 305. LEASE TERMS FOR PERSONS OPERATING CHAR-**  
8 **TER SCHOOLS.**

9 (a) LEASING FORMER OR UNUSED PUBLIC SCHOOL  
10 PROPERTIES.—

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

16 “(A) IN GENERAL.—Notwithstanding any  
17 other provision of law relating to the disposition  
18 of a facility or property described in subpara-  
19 graph (C), the Mayor and the District of Co-  
20 lumbia Government—

21 “(i) subject to clause (ii), shall give  
22 preference to an eligible applicant whose  
23 petition to establish a public charter school  
24 has been conditionally approved under sec-  
25 tion 2203(d)(2), or a Board of Trustees,  
26 with respect to the purchase of a facility or

1 property described in subparagraph (C), if  
2 doing so will not result in a significant loss  
3 of revenue that might be obtained from  
4 other dispositions or uses of the facility or  
5 property; and

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

13 “(I) the eligible applicant or  
14 Board of Trustees requests a lease  
15 pursuant to this paragraph for the  
16 purpose of operating the facility or  
17 property as a public charter school  
18 under this subtitle; and

19 “(II) the facility or property is  
20 not yet otherwise disposed of (by sale,  
21 lease, or otherwise).”.

22 (2) TERMINATION OF LEASE.—Section  
23 2209(b)(1) of the District of Columbia School Re-  
24 form Act of 1995 (Public Law 104–134; 110 Stat.

1 3009–505; D.C. Code § 31–2853.19(b)(1)) is  
2 amended—

3 (A) by redesignating subparagraph (B) as  
4 subparagraph (C); and

5 (B) by inserting after subparagraph (A)  
6 the following:

7 “(B) TERMINATION OF LEASE.—Any lease  
8 entered into pursuant to this paragraph with  
9 respect to a public charter school shall be  
10 deemed to terminate—

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

19 “(ii) upon the revocation of the char-  
20 ter granted to the school under section  
21 2213, or, in a case where judicial review of  
22 the revocation is sought under section  
23 2213(c)(6), upon the entry of an order, not  
24 subject to further review, upholding the  
25 revocation, whichever occurs later; or

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

10           (3) CONFORMING AMENDMENT.—Section  
11           225(d) of the District of Columbia Financial Re-  
12           sponsibility and Management Assistance Act of 1995  
13           (Public Law 104–8; 110 Stat. 3009–508; D.C. Code  
14           § 47–392.25(d)) is amended by striking “section  
15           2209(b)(1)(B) of the District of Columbia School  
16           Reform Act of 1995” and inserting “section  
17           2209(b)(1)(C) of the District of Columbia School  
18           Reform Act of 1995, other than a facility or real  
19           property that is subject to a lease under section  
20           2209(b)(1)(A)(ii) of such Act,”.

21           (b) CONVERSIONS OF PUBLIC SCHOOLS.—Section  
22           2209(b) of the District of Columbia School Reform Act  
23           of 1995 (Public Law 104–134; 110 Stat. 3009–505; D.C.  
24           Code § 31–2853.19(b)) is amended by adding at the end  
25           the following:

1           “(3) SPECIAL RULE FOR PERSONS CONVERTING  
2 PUBLIC SCHOOL INTO CHARTER SCHOOL.—

3           “(A) IN GENERAL.—Notwithstanding any  
4 other provision of law relating to the disposition  
5 of a facility or property described in this para-  
6 graph, the Mayor and the District of Columbia  
7 Government shall lease a facility or property, at  
8 an annual rate of \$1, to an eligible applicant  
9 whose petition to establish a public charter  
10 school has been conditionally approved under  
11 section 2203(d)(2), or a Board of Trustees, if—

12           “(i) the facility or property is under  
13 the jurisdiction of the Board of Education;

14           “(ii) the eligible applicant or Board of  
15 Trustees requests a lease pursuant to this  
16 paragraph for the purpose of operating the  
17 facility or property as a public charter  
18 school under this subtitle; and

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

21           “(I) was operated as a District of  
22 Columbia public school, and the re-  
23 quirements of section 2202(a) were  
24 met; or

1                   “(II) was operated as a public  
2                   charter school under this subtitle.

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

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

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

22                  “(iii) in the case of a lease to an eligi-  
23                  ble applicant whose petition to establish a  
24                  public charter school has been conditionally  
25                  approved under section 2203(d)(2), upon

1 the termination of such conditional ap-  
2 proval by reason of the applicant's failure  
3 timely to submit the identification and in-  
4 formation described in section  
5 2202(6)(B)(i).”.

6 (c) LEASING CURRENT PUBLIC SCHOOL PROP-  
7 ERTIES.—

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

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



1           “(i) operating the facility or property  
2           as a public charter school under this sub-  
3           title; or

4           “(ii) using the facility or property for  
5           a purpose directly related to the operation  
6           of a public charter school under this sub-  
7           title.”.

8           (2)   TERMINATION   OF   LEASE.—Section  
9           2209(b)(2) of the District of Columbia School Re-  
10          form Act of 1995 (Public Law 104–134; 110 Stat.  
11          3009–506; D.C. Code § 31–2853.19(b)(2)) is  
12          amended—

13               (A) by redesignating subparagraph (B) as  
14               subparagraph (C); and

15               (B) by inserting after subparagraph (A)  
16               the following:

17               “(B) TERMINATION OF LEASE.—Any lease  
18               entered into pursuant to this paragraph with  
19               respect to a public charter school shall be  
20               deemed to terminate—

21               “(i) upon the denial of an application  
22               to renew the charter granted to the school  
23               under section 2212, or, in a case where ju-  
24               dicial review of the denial is sought under  
25               section 2212(d)(6), upon the entry of an

1 order, not subject to further review, up-  
2 holding a decision to deny such an applica-  
3 tion, whichever occurs later;

4 “(ii) upon the revocation of the char-  
5 ter granted to the school under section  
6 2213, or, in a case where judicial review of  
7 the revocation is sought under section  
8 2213(c)(6), upon the entry of an order, not  
9 subject to further review, upholding the  
10 revocation, whichever occurs later; or

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

20 **SEC. 306. AUTHORIZATION OF APPROPRIATIONS FOR PUB-**  
21 **LIC CHARTER SCHOOL BOARD.**

22 Section 2214(g) of the District of Columbia School  
23 Reform Act of 1995 (Public Law 104–134; 110 Stat.  
24 1321–133; D.C. Code § 31–2853.24(g)) is amended by in-  
25 serting “to the Board” after “appropriated”.

1 **SEC. 307. ADJUSTMENT OF ANNUAL PAYMENT FOR RESI-**  
2 **DENTIAL SCHOOLS.**

3 Section 2401(b)(3)(B) of the District of Columbia  
4 School Reform Act of 1995 (Public Law 104–134; 110  
5 Stat. 1321–137; D.C. Code § 31–2853.41(b)(3)(B)) is  
6 amended—

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

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

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

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

13 **SEC. 308. ADJUSTMENT OF ANNUAL PAYMENT FOR FACILI-**  
14 **TIES COSTS.**

15 Section 2401(b)(3) of the District of Columbia School  
16 Reform Act of 1995 (Public Law 104–134; 110 Stat.  
17 1321–137; D.C. Code § 31–2853.41(b)(3)) is amended by  
18 adding at the end the following:

19 “(C) ADJUSTMENT FOR FACILITIES  
20 COSTS.—Notwithstanding paragraph (2), the  
21 Mayor and the District of Columbia Council, in  
22 consultation with the Board of Education and  
23 the Superintendent, shall adjust the amount of  
24 the annual payment under paragraph (1) to in-  
25 crease the amount of such payment for a public  
26 charter school to take into account leases or

1 purchases of, or improvements to, real property,  
2 if the school, not later than April 1 of the fiscal  
3 year preceding the payment, requests such an  
4 adjustment.”.

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

6 (a) IN GENERAL.—Section 2403(b) of the District of  
7 Columbia School Reform Act of 1995 (Public Law 104–  
8 134; 110 Stat. 1321–140; D.C. Code § 31–2853.43(b)) is  
9 amended to read as follows:

10 “(b) PAYMENTS TO NEW SCHOOLS.—

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

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

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

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

1 section (a)(2)(A) or its first final payment  
2 under subsection (a)(2)(B); and

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

4 “(3) EXPENDITURES FROM FUND.—

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

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

1           “(C) FORM OF PAYMENT.—Payments  
2           under this subsection shall be made by elec-  
3           tronic funds transfer from the New Charter  
4           School Fund to a bank designated by a public  
5           charter school.

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

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

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

20           “(5) SCHOOLS DESCRIBED.—A public charter  
21           school described in this paragraph is a public char-  
22           ter school that—

23                   “(A) did not enroll any students during  
24                  any portion of the fiscal year preceding the

1 most recent fiscal year for which funds are ap-  
2 propriated to carry out this subsection; and

3 “(B) operated as a public charter school  
4 during the most recent fiscal year for which  
5 funds are appropriated to carry out this sub-  
6 section.

7 “(6) AUTHORIZATION OF APPROPRIATIONS.—  
8 There are authorized to be appropriated to the Chief  
9 Financial Officer of the District of Columbia such  
10 sums as may be necessary to carry out this sub-  
11 section for each fiscal year.”.

12 (b) REDUCTION OF ANNUAL PAYMENT.—

13 (1) INITIAL PAYMENT.—Section 2403(a)(2)(A)  
14 of the District of Columbia School Reform Act (Pub-  
15 lic Law 104–134; 110 Stat. 1321–139; D.C. Code  
16 § 31–2853.43(a)(2)(A)) is amended to read as fol-  
17 lows:

18 “(A) INITIAL PAYMENT.—

19 “(i) IN GENERAL.—Except as pro-  
20 vided in clause (ii), not later than October  
21 15, 1996, and not later than October 15 of  
22 each year thereafter, the Mayor shall  
23 transfer, by electronic funds transfer, an  
24 amount equal to 75 percent of the amount  
25 of the annual payment for each public

1 charter school determined by using the for-  
2 mula established pursuant to section  
3 2401(b) to a bank designated by such  
4 school.

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

15 (2) FINAL PAYMENT.—Section 2403(a)(2)(B)  
16 of the District of Columbia School Reform Act (Pub-  
17 lic Law 104–134; 110 Stat. 1321–139; D.C. Code  
18 § 31–2853.43(a)(2)(B)) is amended—

19 (A) in clause (i)—

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

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



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

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

5 “(iii) REDUCTION IN CASE OF NEW  
6 SCHOOL.—In the case of a public charter  
7 school that has received a payment under  
8 subsection (b) in the fiscal year imme-  
9 diately preceding the fiscal year in which a  
10 transfer under clause (i) is made, the  
11 amount transferred to the school under  
12 clause (i) shall be reduced by an amount  
13 equal to 25 percent of the amount of the  
14 payment under subsection (b).”.

15 **SEC. 310. ELIGIBILITY CRITERIA FOR PRIVATE, NONPROFIT**  
16 **CORPORATION.**

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

20 **“SEC. 2603. ELIGIBILITY CRITERIA FOR PRIVATE, NON-**  
21 **PROFIT CORPORATION.**

22 “A private, nonprofit corporation shall be eligible to  
23 receive a grant under section 2602 if the corporation is  
24 a business organization incorporated in the District of Co-  
25 lumbia, that—

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

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

8           “(3) has experience in working with State and  
9 local educational agencies with respect to the inte-  
10 gration of academic studies with workforce prepara-  
11 tion programs; and

12           “(4) has a structure through which additional  
13 resources can be leveraged and innovative practices  
14 disseminated.”.

## 15       **Subtitle B—Student Opportunity** 16                               **Scholarships**

### 17       **SEC. 341. DEFINITIONS.**

18       As used in this subtitle—

19           (1) the term “Board” means the Board of Di-  
20 rectors of the Corporation established under section  
21 342(b)(1);

22           (2) the term “Corporation” means the District  
23 of Columbia Scholarship Corporation established  
24 under section 342(a);

25           (3) the term “eligible institution”—

1 (A) in the case of an eligible institution  
2 serving a student who receives a tuition scholar-  
3 ship under section 343(d)(1), means a public,  
4 private, or independent elementary or secondary  
5 school; and

6 (B) in the case of an eligible institution  
7 serving a student who receives an enhanced  
8 achievement scholarship under section  
9 343(d)(2), means an elementary or secondary  
10 school, or an entity that provides services to a  
11 student enrolled in an elementary or secondary  
12 school to enhance such student's achievement  
13 through activities described in section  
14 343(d)(2);

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

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

23 **SEC. 342. DISTRICT OF COLUMBIA SCHOLARSHIP COR-**  
24 **PORATION.**

25 (a) GENERAL REQUIREMENTS.—

1           (1) IN GENERAL.—There is authorized to be es-  
2           tablished a private, nonprofit corporation, to be  
3           known as the “District of Columbia Scholarship  
4           Corporation”, which is neither an agency nor estab-  
5           lishment of the United States Government or the  
6           District of Columbia Government.

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

12          (3) CONSULTATION.—The Corporation shall ex-  
13          ercise its authority—

14                (A) in a manner consistent with maximiz-  
15                ing educational opportunities for the maximum  
16                number of interested families; and

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

24          (4) APPLICATION OF PROVISIONS.—The Cor-  
25          poration shall be subject to the provisions of this

1 subtitle, and, to the extent consistent with this sub-  
2 title, to the District of Columbia Nonprofit Corpora-  
3 tion Act (D.C. Code, sec. 29–501 et seq.).

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

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

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

21 (8) AVAILABILITY.—Funds authorized to be ap-  
22 propriated under this subtitle shall remain available  
23 until expended.

24 (9) USES.—Funds authorized to be appro-  
25 priated under this subtitle shall be used by the Cor-

1       poration in a prudent and financially responsible  
2       manner, solely for scholarships, contracts, and ad-  
3       ministrative costs.

4               (10) AUTHORIZATION.—

5               (A) IN GENERAL.—There are authorized to  
6       be appropriated to the District of Columbia  
7       Scholarship Fund—

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

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

10                      and

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

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

18       (b) ORGANIZATION AND MANAGEMENT; BOARD OF  
19       DIRECTORS.—

20               (1) BOARD OF DIRECTORS; MEMBERSHIP.—

21               (A) IN GENERAL.—The Corporation shall  
22       have a Board of Directors (referred to in this  
23       subtitle as the “Board”), comprised of 7 mem-  
24       bers with 6 members of the Board appointed by  
25       the President not later than 30 days after re-

1 ceipt of nominations from the Speaker of the  
2 House of Representatives and the majority  
3 leader of the Senate.

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

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

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

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

24 (F) POSSIBLE INTERIM MEMBERS.—If the  
25 President does not appoint the 6 members of

1 the Board in the 30-day period described in  
2 subparagraph (A), then the Speaker of the  
3 House of Representatives and the Majority  
4 Leader of the Senate shall each appoint 2 mem-  
5 bers of the Board, and the Minority Leader of  
6 the House of Representatives and the Minority  
7 Leader of the Senate shall each appoint 1 of  
8 the Board, from among the individuals nomi-  
9 nated pursuant to subparagraphs (A) and (B),  
10 as the case may be. The appointees under the  
11 preceding sentence together with the appointee  
12 of the Mayor, shall serve as an interim Board  
13 with all the powers and other duties of the  
14 Board described in this subtitle, until the Presi-  
15 dent makes the appointments as described in  
16 this paragraph.

17 (2) POWERS.—All powers of the Corporation  
18 shall vest in and be exercised under the authority of  
19 the Board.

20 (3) ELECTIONS.—Members of the Board annu-  
21 ally shall elect 1 of the members of the Board to be  
22 chairperson of the Board.

23 (4) RESIDENCY.—All members appointed to the  
24 Board shall be residents of the District of Columbia



1 at the time of appointment and while serving on the  
2 Board.

3 (5) NONEMPLOYEE.—No member of the Board  
4 may be an employee of the United States Govern-  
5 ment or the District of Columbia Government when  
6 appointed to or during tenure on the Board, unless  
7 the individual is on a leave of absence from such a  
8 position while serving on the Board.

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

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

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

1           (9) NO BENEFIT.—No part of the income or as-  
2           sets of the Corporation shall inure to the benefit of  
3           any Director, officer, or employee of the Corpora-  
4           tion, except as salary or reasonable compensation for  
5           services.

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

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

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

23          (c) OFFICERS AND STAFF.—

24                 (1) EXECUTIVE DIRECTOR.—The Corporation  
25                 shall have an Executive Director, and such other

1 staff, as may be appointed by the Board for terms  
2 and at rates of compensation, not to exceed level  
3 EG-16 of the Educational Service of the District of  
4 Columbia, to be fixed by the Board.

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

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

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

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

20 (d) POWERS OF THE CORPORATION.—

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

1           (2) HIRING AUTHORITY.—The Corporation may  
2 hire, or accept the voluntary services of, consultants,  
3 experts, advisory boards, and panels to aid the Cor-  
4 poration in carrying out this subtitle.

5 (e) FINANCIAL MANAGEMENT AND RECORDS.—

6           (1) AUDITS.—The financial statements of the  
7 Corporation shall be—

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

11                   (B) audited annually by independent cer-  
12 tified public accountants.

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

16 (f) RESPONSIBILITIES OF THE CORPORATION.—

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

1 paper of general circulation), and deadlines for steps  
2 in the scholarship application and award process.

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

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

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

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

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

23 (3) CERTIFICATION.—

24 (A) IN GENERAL.—Not later than 60 days  
25 after receipt of an application in accordance

1 with paragraph (2), the Corporation shall cer-  
2 tify an eligible institution to participate in the  
3 scholarship program under this subtitle.

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

9 (4) NEW ELIGIBLE INSTITUTION.—

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

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

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

24 (iii) a business plan;

25 (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  
20 program.

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  
2 students.

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. PERMITTING WAIVER OF CERTAIN CONTRACTING**  
22 **REQUIREMENTS FOR SCHOOL CONSTRUC-**  
23 **TION AND REPAIR.**

24 In carrying out any construction or repair project for  
25 the District of Columbia Public Schools, the Contracting  
26 Officer for the District of Columbia Public Schools may

1 waive any requirements contained in the document enti-  
2 tled “District of Columbia Public Schools Standard Con-  
3 tract Provisions” (as such document was in effect on No-  
4 vember 2, 1995 and including any revisions or modifica-  
5 tions to such document) published by the District of Co-  
6 lumbia public schools for use with construction or mainte-  
7 nance projects, except that nothing in this section may be  
8 construed to permit the waiver of any requirements under  
9 Executive Order 11246 or other civil rights standards.

10 **SEC. 364. REPEAL OF TAX EXEMPTION FOR LABOR ORGANI-**  
11 **ZATIONS.**

12 (a) IN GENERAL.—Notwithstanding any provision of  
13 any Federally-granted charter or any other provision of  
14 law, the real property of any labor organization located  
15 in the District of Columbia shall be subject to taxation  
16 by the District of Columbia in the same manner as any  
17 similar organization.

18 (b) LABOR ORGANIZATION DEFINED.—In subsection  
19 (a), the term “labor organization” means any organization  
20 of any kind, or any agency or employee representation  
21 committee or plan, in which employees participate and  
22 which exists for the purpose, in whole or in part, of dealing  
23 with employers concerning grievances, labor disputes,  
24 wages, rates of pay, hours of employment, or conditions  
25 of work.

1 **SEC. 365. TREATMENT OF SUPERVISORY PERSONNEL AS**  
2 **AT-WILL EMPLOYEES.**

3 Notwithstanding any other provision of law or regula-  
4 tion (including any law or regulation providing for collec-  
5 tive bargaining or the enforcement of any collective bar-  
6 gaining agreement), all supervisory personnel of the Dis-  
7 trict of Columbia Public Schools shall be appointed by,  
8 shall serve at the pleasure of, and shall act under the di-  
9 rection and control of the Emergency Transitional Edu-  
10 cation Board of Trustees, and shall be considered at-will  
11 employees not covered by the District of Columbia Govern-  
12 ment Comprehensive Merit Personnel Act of 1978.

13 **SEC. 366. DETERMINATION OF NUMBER OF STUDENTS EN-**  
14 **ROLLED.**

15 Not later than 30 days after the date of the enact-  
16 ment of this Act, and not later than 30 days after the  
17 beginning of each semester which begins after such date,  
18 the District of Columbia Auditor shall submit a report to  
19 Congress, the Mayor, the Council, the Chief Financial Of-  
20 ficer of the District of Columbia, and the District of Co-  
21 lumbia Financial Responsibility and Management Assist-  
22 ance Authority providing the most recent information  
23 available on the number of students enrolled in the Dis-  
24 trict of Columbia Public Schools and the average daily at-  
25 tendance of such students.

1 **SEC. 367. BUDGETING ON SCHOOL-BY-SCHOOL BASIS.**

2 (a) PREPARATION OF INITIAL BUDGETS.—Not later  
3 than 30 days after the date of the enactment of this Act,  
4 the District of Columbia Public Schools shall prepare and  
5 submit to Congress a budget for each public elementary  
6 and secondary school for fiscal year 1998 which describes  
7 the amount expected to be expended with respect to the  
8 school for salaries, capital, and other appropriate cat-  
9 egories of expenditures.

10 (b) USE OF BUDGETS FOR FUTURE AGGREGATE  
11 BUDGET.—The District of Columbia Public Schools shall  
12 use the budgets prepared for individual schools under sub-  
13 section (a) to prepare the overall budget for the Schools  
14 for fiscal year 1999.

15 **SEC. 368. REQUIRING PROOF OF RESIDENCY FOR INDIVID-**  
16 **UALS ATTENDING SCHOOLS AND SCHOOL**  
17 **CHILD CARE PROGRAMS.**

18 None of the funds made available in this Act or any  
19 other Act may be used by the District of Columbia Public  
20 Schools in fiscal year 1998 or any succeeding fiscal year  
21 to provide classroom instruction or child care services to  
22 any minor whose parent or guardian does not supply the  
23 Schools with proof of the State of the minor's residence.

24 **SEC. 369. DISTRICT OF COLUMBIA SCHOOL OF LAW.**

25 (a) REQUIRING FULL ACCREDITATION.—



1           (1) IN GENERAL.—If the District of Columbia  
2       School of Law is not fully, unconditionally accredited  
3       by the American Bar Association as of January 31,  
4       1998, none of the funds made available in this Act  
5       or any other Act may be expended for or on behalf  
6       of the School except for purposes of providing assist-  
7       ance to assist students enrolled at the School as of  
8       such date who are residents of the District of Co-  
9       lumbia in paying the tuition for enrollment at other  
10      law schools in the Washington Metropolitan Area, in  
11      accordance with a plan submitted to Congress.

12           (2) RESTRICTIONS ON USE OF FUNDS PRIOR TO  
13      ACCREDITATION.—None of the funds made available  
14      in this Act or any other Act may be used by or on  
15      behalf of the District of Columbia School of Law for  
16      recruiting or capital projects until the School is  
17      fully, unconditionally accredited by the American  
18      Bar Association.

19           (b) NO OTHER SOURCE OF FUNDING PERMITTED.—  
20      None of the funds made available in this Act or any other  
21      Act for the use of any entity (including the University of  
22      the District of Columbia) other than the District of Co-  
23      lumbia School of Law may be transferred to, made avail-  
24      able for, or expended for or on behalf of the District of  
25      Columbia School of Law.

1 **SEC. 370. WAIVER OF LIABILITY IN PRO BONO ARRANGE-**  
2 **MENTS.**

3 (a) **IN GENERAL.**—Notwithstanding any other provi-  
4 sion of law or any rule or regulation—

5 (1) any person who voluntarily provides goods  
6 or services to or on behalf of the District of Colum-  
7 bia Public Schools without the expectation of receiv-  
8 ing or intending to receive compensation shall be im-  
9 mune from civil liability, both personally and profes-  
10 sionally, for any act or omission occurring in the  
11 course of providing such goods or services (except as  
12 provided in subsection (b)); and

13 (2) the District of Columbia (including the Dis-  
14 trict of Columbia Public Schools) shall be immune  
15 from civil liability for any act or omission of any  
16 person voluntarily providing goods or services to or  
17 on behalf of the District of Columbia Public Schools.

18 (b) **EXCEPTION FOR INTENTIONAL ACTS OR ACTS OF**  
19 **GROSS NEGLIGENCE.**—Subsection (a)(1) shall not apply  
20 with respect to any person if the act or omission in-  
21 volved—

22 (1) constitutes gross negligence;

23 (2) constitutes an intentional tort; or

24 (3) is criminal in nature.

1           (c) EFFECTIVE DATE.—This section shall apply with  
2 respect to the provision of goods and services occurring  
3 during fiscal year 1998 or any succeeding fiscal year.

4           This Act may be cited as the “District of Columbia  
5 Appropriations, Medical Liability Reform, and Education  
6 Reform Act of 1998”.

Union Calendar No. 170

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

**H. R. 2607**

[Report No. 105-298]

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## **A BILL**

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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OCTOBER 6, 1997

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