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CRS Report for Congress

Appropriations for FY2000: District of Columbia

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Appropriations are one part of a complex federal budget process that includes budget resolutions, appropriations (regular, supplemental, and continuing) bills, rescissions, and budget reconciliation bills. The process begins with the President's budget request and is bounded by the rules of the House and Senate, the Congressional Budget and Impoundment Control Act of 1974 (as amended), the Budget Enforcement Act of 1990, and current program authorizations.

This report is a guide to one of the 13 regular appropriations bills that Congress passes each year. It is designed to supplement the information provided by the House and Senate Appropriations Subcommittees on the District of Columbia. It summarizes the current legislative status of the bill, its scope, major issues, funding levels, and related legislative activity. The report lists the key CRS staff relevant to the issues covered and related CRS products.

This report is updated as soon as possible after major legislative developments, especially following legislative action in the committees and on the floor of the House and Senate.

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Appropriations for FY2000: District of Columbia

Summary

On November 29, 1999, President Clinton signed the Consolidated Appropriations Act for FY2000, formerly H.R. 3194, into law as P.L. 106-113. The Act appropriates funds for the District of Columbia, Division A of the act, and four other appropriation measures, Division B of the act, including: Commerce, Justice, State, Judiciary; Foreign Operation Appropriations; Interior Appropriations; and Labor, Health and Human Services, and Education Appropriations for FY2000. Division B of P.L. 106-113, also includes a section governing Miscellaneous Appropriations, and provisions amending the Balanced Budget Act of 1997, State Department authorization, milk supports, and intellectual properties. As originally forwarded to the conference committee, H.R. 3194 provided appropriations for FY2000 solely for the District of Columbia. The House approved the conference measure on November 18, 1999, and the Senate approved the measure on November 19, 1999.

Division A of P.L. 106-113 is the third District of Columbia Appropriations Act for FY2000 considered by Congress. The Act includes $436 million in special federal payments to the District of Columbia. This is slightly higher than the amount included in the vetoed version of H.R. 3064 ($429 million) and H.R. 2587 ($430 million). The difference is $6.7 million in federal funds for the environmental cleanup of the Lorton Correctional Facility.

On November 3, 1999, President Clinton vetoed H.R. 3064, which included funds for the District of Columbia and the Departments of Labor, Health and Human Services, and Education for FY2000. On September 28, 1999, the President vetoed H.R. 2587, Congress' first attempt to appropriate funds for the District of Columbia for FY2000. District officials urged the President to veto H.R. 2587, because of the inclusion of several so called "social rider" provisions. They characterized the provisions as assaults on the city's limited home rule. P.L. 106-113 includes many of the social riders contained in H.R. 2587 and H.R. 3064. The Act includes provisions that prohibit:

- the use of federal or local funds to establish and maintain a needle exchange program, but would allow the private financing of needle exchange programs;
- the District from decriminalizing the use of marijuana and implementing Initiative 59 governing medical marijuana;
- the use of federal or District funds to finance a court challenge aimed at securing congressional voting representation in the House and Senate for District residents, but would allow the city's corporation counsel to review and comment on private lawsuits filed on behalf of citizens of the District of Columbia;
- the use of federal or District funds for abortions except in cases or rape, incest, or the mother's health is endangered; and
- the implementation of a domestic partners act passed in 1992 that would extend health, employment, and other benefits and protections to unmarried, cohabiting, heterosexual or homosexual couples.

Key Policy Staff

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DSP= Domestic Social Policy Division, G&F=Government and Finance Division

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Appropriations for FY2000: District of Columbia

Most Recent Developments

On November 29, 1999 President Clinton signed into law P.L. 106-113, the Consolidated Appropriations Act for FY2000, formerly H.R. 3194. The Act appropriates FY2000 funds for the District of Columbia; the Departments of Commerce, Justice, State, and Judiciary; Foreign Operations; the Department of Interior; and the Departments of Labor, Health and Human Services, and Education Appropriations. As originally forwarded to the conference committee on November 18, 1999, H.R. 3194 provided FY2000 appropriations solely for the District of Columbia. H.R. 3194 was the third attempt to appropriate funds for the District of Columbia for FY2000. As passed by Congress and signed by the President , Title I of Division A of P.L. 106-113 appropriates $436 million in special federal payments to the District of Columbia.

Table 1. Status of District of Columbia Appropriations: FY2000

Committee Markup		House Report	House Passage	Senate Report	Senate Passage	Conf. Report	Conf. Report Approved		President's Action
House	Senate						House	Senate	
H.R. 2587									
7/20/99	6/24/99	H.Rept. 106-249	7/29/99	S.Rept. 106-88	7/1/99	H.Rept. 106-299	9/9/99 Yea-208 Nay-206	9/16/99 Yea-52 Nay-39	vetoed 9/28/99
H.R. 3064									
na	na	na	10/14/99	na	10/15/99	H.Rept. 106-419	10/28/99 Yea-218 Nay-211	11/2/99 Yea-49 Nay-48	vetoed 11/3/99
H.R. 3194									
na	na	na	11/3/99	na	11/3/99	H.Rept. 106-479	11/18/99 Yea-296 Nay-135	11/19/99 Yea-74 Nay-24	11/29/99 P.L. 106-113

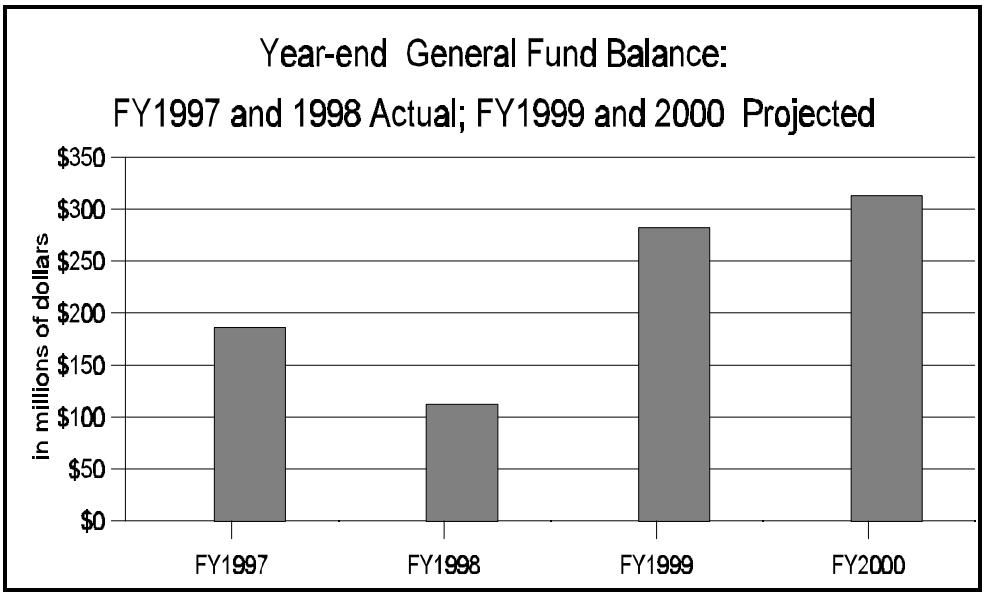
Background

District of Columbia Financial Condition

The District of Columbia Financial Responsibility and Management Assistance Act of 1995 (P.L. 104-8) created the Authority and the Office of Chief Financial Officer (CFO). The Authority and CFO are charged with improving the delivery of city services and returning the District of Columbia to a position of financial solvency as evidenced by four consecutive years of balanced municipal budgets. Working in concert with the District's elected political leadership, the Authority and the CFO have implemented a series of financial and management reforms. These reforms, the shifting of some state-like functions to the federal government, improved tax collections, and an improved economy have resulted in two consecutive years of budget surpluses, with the possibility of yet a third.

The District ended FY1997 with a surplus of $185,900,000. For FY1998, the city's budget surplus was $112,492,000. The FY1998 surplus was in part the result of the National Capital Revitalization Act of 1997 (P.L. 105-33). The Act allocated to the city more than $5 billion in federal funds; transferred government financial responsibility for prisons and court operations; and the accumulated pension liability for police, firefighters, teachers, and judges to the federal government. The Act also increased the federal share for Medicaid from 50% to 70%.

At the end of FY1998, the District's accumulated general fund balance was $112 million. The city's accumulated general fund surplus at the end of FY1999 is projected to be $282 million, according to the District's proposed FY2000 budget. The District of Columbia Appropriations Act for FY1999 [P.L. 105-277, Division A, Sec. 101(c)], requires the inclusion of a $150 million operating reserve in any budget submitted for congressional approval, beginning with the budget for FY2000. Based on this provision, the District's proposed FY2000 budget would produce a projected FY2000 year-end surplus of $313 million.



Changes in District Leadership

During 1998, the District's elected political leadership changed. On November 5, 1998, voters elected the District's former CFO, Anthony Williams, to be mayor of the District of Columbia. Mr. Williams, who had served three years as the District's CFO before resigning on June 8, 1998, ran on his record as CFO. Mr. Williams defeated four veteran members of the Council of the District of Columbia (the Council) during the primary and general elections.

Changes in the city's mayoral leadership were also accompanied by changes in the city's elected legislative body, the Council of the District of Columbia. In the general election in November 1998, District voters elected three new city council members—Vincent Orange, Jim Graham, and Phil Mendelson— and reelected David Catania, who had been elected in December 1997 in a special election. Catania and the three new Council members, who unseated established incumbents, ran on reform-minded, "good government" platforms.

The District voters also elected five members to the city's elected school board. They include Gail Dixon (At-large), Westy Byrd (Ward 2), Tom Kelly (Ward 7), William Lockridge (Ward 8), and Dwight Singleton (Ward 4). None had served previously on the elected school board. In addition, the school board successfully challenged the Authority's power to appoint an education oversight committee, arguing that the oversight committee lacked the authority to usurp the board's powers. This led to the signing of an agreement between the Authority and the school board that would allow the school board to regain control of the public schools by June 30, 2000.

In addition to changes in elected leadership, there were changes in the composition of the Authority. During the three-month period from June through August the President appointed four new members to the five-member Authority, including a new chair. In mid-June 1998, the President appointed Robert P. Watkins, a former federal prosecutor, and Dr. Alice Rivlin, vice chair of the Federal Reserve Board, to the Authority for three-year terms. The President also reappointed Constance Newman to a one-year term on July 29, 1998. On August 4, 1998, the President appointed Eugene Kinlow, a board member of Washington Metropolitan Transit Authority, and Darius Mans, a World Bank economist, to two-year terms on the Authority. September 1, 1998 marked the start of the terms of the newly appointed members of the Authority. The President designated Dr. Rivlin as the Authority's new chair, replacing Dr. Andrew Brimmer. Also stepping down from the Authority were Joyce Ladner, Edward Singletary, and Stephen Harlan.

Management Reform

On March 5, 1999, the President signed the District of Columbia Management Restoration Act of 1999 (P.L. 106-1). The act repeals the District of Columbia Management Reform Act of 1997 (Subtitle B of Title XI of the Balanced Budget Act of 1997, P.L. 105-33), thus restoring to the mayor management authority for the daily operation of the city's nine largest departments.

The act allows the mayor to appoint and dismiss department heads. It also restores the Council's authority to confirm mayoral appointments without the concurrence of the Authority. This transfer in management authority represents progress by the city's elected government, working with the Authority, in its effort to restore self-government largely lost since April 1995. In restoring the mayor 's management authority Congress seeks greater accountability and less diffusion of responsibility by clarifying the lines of responsibility and authority between the mayor and the Authority.

The change in the Authority's leadership and the election of Anthony Williams as mayor has coincided with statutory changes in the relationship between elected city officials and the Authority. In the past the Authority took a much more direct role in daily operations of the District government. Mayor Williams, the former CFO, successfully lobbied the Authority to transfer control of the nine major agencies from the Chief Management Officer (CMO) to the mayor, restoring some measure of home rule. The transfer of power to hire and dismiss the department heads in charge of the city's nine largest agencies changes the role of the Authority from direct management to oversight.

Management reforms have proceeded unevenly, according to a variety of observers. Despite progress made in some agencies, others have recently faltered. The police department is reported to have been slow to decrease the number of officers doing administrative work; response time problems persist in the District's 911 (emergency) and 1010 (non-emergency) telephone system. In addition, the District is losing $1.8 million annually because it maintains 9,000 unused telephone lines. Moreover, the city's property management department acknowledged that the District has been leasing at least eight blighted, vacant, or abandoned buildings for a period of years. An additional 162 blighted and abandoned buildings including schools, tax delinquent housing and commercial real estate controlled by the city have been identified by city agencies.

District of Columbia City Council Reform

In early 1999, two studies critical of the Council's operations were released. In January 1999, The National Conference of State Legislatures released a *Report to the Council of the District of Columbia: Building a Stronger, More Effective Institution*. The study, which was conducted at the request of the Council, detailed problems in the operation and organization of the District's legislative body, created under the Home Rule Act of 1974. In February, the DC Appleseed Center released its study of the operation and organization of the Council, entitled *Operational Reform of the District of Columbia Council: A Fix-It-Yourself Manual*. Both reports criticized the operations of the Council and recommended reforms. The studies found the Council too reliant on the use of the emergency legislation process, noting that it used the emergency process to pass nearly half of its legislation. The studies also found that the Council is hampered by operational and structural problems such as: the fragmented and parochial nature of its committee structure; the prevalence of patronage in its committee staffing; and the lack of a centralized professional staff capable of providing in-depth analysis of proposed legislation. The studies also noted the Council's inconsistent execution of its oversight responsibilities, and the unfocused and undisciplined nature of public hearings.

Included among the various recommendations of the studies are the following:

- abolish the current committee structure and the practice of allowing the chair of each Council committee to select committee staff;
- create a centralized, permanent resource of professionally trained public policy staffers capable of performing legislative and public policy research, bill drafting, fiscal analysis, and related legislative services;
- improve dissemination of information to the public;
- provide timely distribution of proposed bills and amendments to Council members to allow each member sufficient time to formulate an informed opinion concerning a proposal's meaning and impact; and
- improve the Council's standard legislative process by providing better and more timely information to Council members and the public.

Public Education

For the first time in four years, the District of Columbia public schools opened on time in September 1998. However, despite this minor accomplishment, the school system faced challenges in meeting the needs of its students. Like so many District government institutions, the city's public education system has experienced changes during the past year, and will face challenges in the coming months.

In April 1998, General Julius Becton resigned as chief executive of the District of Columbia public schools and was replaced by Arlene Ackerman. On November 3, 1998, voters elected five new members to the school board. In late October 1998, the Authority's chair, Alice Rivlin, signed a memorandum on returning authority to the Board of Education, offering the elected school board the promise of complete return of responsibility and authority for operations of the District's public schools by June 30, 2000. In 1996, the Authority had declared the school system to be in a state of crisis, stripped the elected school board of its powers, and appointed an emergency board of trustees. In January 1998, the elected school board successfully challenged the Authority's power to transfer its oversight and management powers to the appointed emergency board of trustees. The Rivlin memorandum of October, 1998, gives the elected school board some input on school discipline and facilities, and promises to increase the elected board's decision-making powers. The elected board continues to retain the power to grant charters to groups seeking to start public charter schools.

In 1998, the District experienced an expansion in the number of public charter schools. These schools are financially supported by public education funds, but operate independently of the school system bureaucracy. In 1998, 22 institutions received charter school designation. By September 1999, the number of charter schools is expected to reach 29. During the 1997-1998 school year, three charter schools operated in the city. Currently, approximately 3,600 (5%) of the total student population in the District of Columbia attends public charter schools.

In August 26, 1998, during testimony before the House Oversight Subcommittee on the District of Columbia, Constance Newman, a member of the Authority, identified problems in the school systems special education program. The District public school system provides special education services to nearly 7,700 students,

approximately 10%t of the District's public school population. The number of students seeking special education assistance is expected to grow to 11,000. This growth in special education needs has implications for the future cost of education and the pace of educational reform. The school system has budgeted $167 million for special education services for FY1999, which is 30% of the school system's total budget.

Funding is not the only issue. Delays in the period between the time a student is referred and assessed increase the number of students placed in private educational institutions, which adds to cost of special education. Concern about the cost of these delays prompted Congress to include a provision in the District of Columbia Appropriations Act for FY1999 that extends the time period between referral and assessment of a student's with special education needs from 50 days to 120 days. In addition, in September, 1998, the Superior Court appointed two receivers to improve educational instruction at the Oak Hill Prison School, which houses District youth offenders.

In response, the Council passed PR 13-113, on April 13, 1999. The resolution establishes a special committee (Council Special Education Program Investigation Special Committee) to investigate the delivery of special education services, and includes all members of the City Council of District of Columbia The resolution gives the Special Committee one year to investigate and recommend improvements in the delivery of services. In April, 1999, the superintendent of public schools placed three of the agency's top special education administrators on administrative leave. The superintendent also announced administrative and programmatic changes as part of a 90-day action plan intended to address some of the agency's longstanding problems, including transferring the responsibility for special education assessments to school principals.

Receiverships

The courts continue to play a significant role in the daily operations of the District government. According to the District's proposed budget for FY2000, 7% of proposed total general fund expenditures ($4.637 billion) will be controlled by court appointed receivers. Three agencies (the Child and Family Services; Mental Health Services, and District Columbia Jail Medical Services) account for at least $352 million in proposed spending controlled by court order. The budget does not include cost estimates for two other agencies controlled by court appointed receivers: the District of Columbia Public Housing Authority, and the Oak Hill Prison School.

In September 1998, the District of Columbia Superior Court appointed two receivers to manage the daily operations of the Oak Hill Prison School. The new receivers appointed by the court are Peter Leone and Sheri Mitchell of the University of Maryland. The judge stated that he was not satisfied with educational services provided to the youth offenders housed at the Oak Hill Prison, located in Laurel, Maryland. After appointing the receivers the judge stated that the operations of the school could be returned to the District school system before the next school year.

The city could also see the return of the Housing Authority from receivership by the year 2000, according to press reports. The agency has been in receivership since

1995. Legislation has been introduced by Council Chair Linda Cropp that would allow the agency to retain its independent status. Despite progress made by the District's public housing agency, there are no indications that three of the four other agencies under court ordered receivership are prepared to be returned to District government control any time soon.

Budget Request

No Supplemental Appropriations for FY1999

No additional funding for the District of Columbia was requested by the Clinton Administration or the Authority, and none was included in the Emergency Supplemental Appropriations Act for FY1999.

FY2000: The President's Budget Request

On February 1, 1999, the Clinton Administration released its FY2000 budget recommendations. The Administration's proposed budget includes $393 million in federal payments to the District of Columbia. The Administration also included $17 million for the Department of Education to support the college access legislation that would grant District residents in-state tuition status at public colleges and universities in neighboring states.

The Administration's budget request for the District of Columbia includes $80.3 million in funds for activities of the Court Services and Offender Supervision Agency of the District of Columbia. This would be a $20 million increase above the program's FY1999 level of $59 million. The major portion ($13 million) of the proposed increase would fund parole, probation, and offender supervision activities. The public defender and pretrial services agencies would receive $7.6 million more in federal assistance payments than the $25.6 million appropriated in FY1999.

For the second consecutive year, the budget did not include an unrestricted federal payment or federal contribution to the city; nor does the budget contain funding requests for federal payments for mental health activities, school construction, or special education. These proposals were included in the District's consensus budget. The District is seeking $117.3 in mental health assistance, $73.1 million in school construction assistance, and $30 million for special education. In its FY1999 payments to the District the federal government included $30 million in special education funding to address longstanding problems in processing and evaluating students with special needs.

FY2000: 302(b) Suballocation

Section 302(a) of the Congressional Budget Act requires that the House and Senate pass a concurrent budget resolution establishing aggregate spending ceiling (budget authority and outlays) for each fiscal year. These ceilings are used by House and Senate Appropriators as a blueprint for allocating funds. Section 302(b) of the Congressional Budget Act of 1974 requires Appropriation Committees in the House

and Senate to subdivide their 302(a) allocation of budget authority and outlays among the 13 appropriation subcommittees.

On June 24, 1999, the Senate Appropriation Committee approved a revised 302(b) suballocation for the District of $410 million. The Committee's initial 302(b) suballocation for the District of $393 million was consistent with the Administration's budget request. The House Appropriations Committee approved 302(b) suballocation of $453 million in budget authority for FY2000 for the District of Columbia. The Senate bill, S. 1283, would appropriate $410.7 million in budget authority for FY2000. This is consistent with the Senate's revised 302(b) suballocation.

FY2000: District Budget Request

On May 11, 1999, the Council approved a $4.7 billion budget for FY2000. The council's budget proposal, supported by the mayor and the Authority, includes $614.1 million in general and special federal payments. The FY2000 budget submitted for congressional approval also included a $150 million reserve fund mandated by the District of Columbia Appropriations Act of 1999 and $41 million in productivity, procurement, and management savings.

The Council also also approved a so-called tax parity act. According to its sponsors, this Act is intended to encourage economic development in the District by bringing the District's personal and business income tax structure in line with surrounding jurisdictions in the states of Maryland and Virginia. The tax parity act passed by the Council is projected to reduce commercial property taxes and personal and business income taxes by $300 million over a five-year period. The measure has been the source of debate among city leaders and during congressional hearings. Democrats on the House and Senate on the District of Columbia appropriations subcommittees have raised concerns about the need to improve services before the city undertakes tax cuts. Republicans on the House and Senate subcommittees support the tax cuts as part of a larger strategy to encourage business development and reverse the exodus of middle class families.

Congressional Action on the Budget

Congress not only appropriates federal payments to the District to fund certain activities, but also reviews the District's entire budget including the expenditure of local funds. The District subcommittees of both the House and Senate Appropriations Committees must approve — and may modify — the District's budget. House and Senate versions of the District budget are reconciled in a joint conference committee and must be passed by the House and the Senate. After this final action by the House and the Senate, the District's budget is forwarded to the President who can sign it into law or veto it.

FY2000: Senate Bill, H.R. 2587/S. 1283

Federal Funds. On July 1, 1999, the Senate approved S.1283, a bill providing FY2000 appropriations for the District of Columbia. On August 3, 1999, the Senate received H.R. 2587, the House bill appropriating funds for the District of Columbia

for FY2000. The Senate struck all but the enacting clause in H.R. 2587, and substituted the language of S. 1283. The Senate version of H.R. 2587 includes $410.7 million in federal payments to the District of Columbia (See Table 2). This is $208.8 million less than provided in FY1999. This decrease in federal funding coincides with the District's improved fiscal prospects including a projected $282 million budget surplus for FY2000. The Senate Appropriations bill included funding increases for court operations, courts services and offender supervision. The bill would have provided the following:

- an additional $8.8 million for court operations with the majority of the increase allocated to the Superior Court for the District of Columbia; and
- a $20.9 million increase in funding for parole revocation and probation activities ($13.3 million) and pretrial and public defender services ($7.6 million).

The bill specifically earmarked $5.9 million in parole revocation and probation funds for drug screening and testing activities.

The Senate also recommends a $17 million federal payment to fund a legislative initiative that grants eligible residents of the District of Columbia in-state tuition status when seeking college admission in neighboring states. The Committee also approved $1 million in funding for a crime fighting initiative aimed at reducing the street corner sale of illegal drugs.

In addition to the special federal payments identified above, the District estimates that it will receive an additional $1.508 billion in federal funds to administer various federal grants provided to state, county, and local governments. These grant funds combined with the special federal payments would provide the District with $1.919 billion in federal funds for FY2000.

Local Funds. The District's budget as approved by the Senate Appropriations Committee includes $4.658 billion in general fund operating expenses and $676 million in enterprise funds representing $5.334 billion in total operating expenses. The budget would also limit to 5% a proposed increase in salary compensation for Council members. This would provide an annual salary of $84,635 for council members, who are considered part-time legislators, with no restrictions on outside income. The budget as approved by the Council would have increased council member salaries by 15% to $92,464. The Senate bill let stand a provision included in the District's proposed budget that would increase the salary of the chair of the city council to $102,000. The council chair would continued to be prohibited from earning outside income.

The Senate bill increases the amount of funds available for economic development activities by $31 million above the amount approved for FY1999. In addition, the bill, as approved by the full Senate, would increase funding for public education by $78 million, which is $17 million more than the city's consensus budget blueprint. The bill would also increase funding for public safety activities by $23 million.

Table 2. District of Columbia General and Special Federal Payment Funds: Proposed FY2000 Appropriations

(in millions of dollars)

Programs	Enacted FY1999	FY2000						
				H.R. 2587 (vetoed)			H.R. 3064 vetoed	H.R. 3194
		Admin.	City's budget	House	Senate	Conf.	Conf.	Conf.
Federal Payments: General and Special Fund								
Resident Tuition Program	0.0	0.0	0.0	17.0	17.0	17.0	17.0	17.0
Corrections Trustee for Operations	184.8	176.0	176.0	183.0	176.0	176.0	176.0	176.0
District of Columbia Courts Operation	128.0	137.4	137.4	100.7	136.4	99.7	99.7	99.7
Court operations	121.0	128.4	128.4	91.7	128.4	99.7	99.7	99.7
Court of Appeals	[7.8]	[7.4]	[7.4]	[7.2]	[7.4]	[7.2]	[7.2]	[7.2]
Superior Court	[72.4]	[78.6]	[78.6]	[75.2]	[78.6]	[75.2]	[75.2]	[68.3]
Court system	[40.7]	[42.5]	[42.5]	[9.2]	[42.4]	[9.3]	[9.3]	[16.1]
Child Abuse and Neglect	[6.9]	[6.9]	[6.9]	0.0[a]	[6.9]	0.0	0.0	0.0
Indigent representation	[25.0]	[26.0]	[26.0]	0.0[b]	[26.0]	0.0	0.0	0.0
Capital Improvements	7.0	9.0	9.0	9.0	8.0	[8.0]	[8.0]	[8.0]
Defender Services in D.C. Courts[c]	0.0	0.0	0.0	33.3	0.0	33.3	33.3	33.3
Court Services and Offender Supervision Agency for the District of Columbia	59.4	80.3	$80.3	105.5	$80.3	93.8	93.8	93.8
Parole Revocation, Adult Probation and Offender Supervision	[33.8]	[47.1]	[47.1]	[69.4]	[47.1]	[58.6]	[58.6]	[58.6]
Drug testing and screening	—	—	—	[32.2]	[5.9]	[20.5]	[20.5]	[20.5]
Public Defender Service	[14.5]	[17.4]	[17.4]	[17.4]	[17.4]	[17.4]	[17.4]	[17.4]
Pretrial Service Agency	[11.1]	[15.8]	[15.8]	[18.7]	[15.8]	[17.8]	[17.8]	[17.8]
Incentives for the Adoption of Foster Children	0.0	0.0	0.0	8.5	0.0	5.0	5.0	5.0
Metro. Police Open-Air drug market elimination initiative	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0
Management Reform	25.0	0.0	0.0	0.0	0.0	—	—	—
Metro improvements	25.0	0.0	0.0	0.0	0.0	—	—	—
Boys Town operations	7.1	0.0	0.0	0.0	0.0	—	—	—
Infrastructure Fund	18.8	0.0	0.0	0.0	0.0	—	—	—

Programs	Enacted FY1999	FY2000						
				H.R. 2587 (vetoed)			H.R. 3064 vetoed	H.R. 3194
		Admin.	City's budget	House	Senate	Conf.	Conf.	Conf.
Lorton study	7.0	0.0	0.0	0.0	0.0	—	—	—
Citizen compliant review office	1.2	0.0	0.0	1.2	0.0	0.5	0.5	0.5
Firefighters pay raise	3.2	0.0	0.0	0.0	0.0	—	—	—
Waterfront park improvements	1.0	0.0	0.0	—	0.0	—	—	—
City and national museums	2.7	0.0	0.0	—	0.0	—	—	—
Southwest waterfront improvements study	3.0	0.0	0.0	—	0.0	—	—	—
Public charter schools	15.6	0.0	0.0	—	0.0	—	—	—
Children's National Medical Center	1.0	0.0	0.0	3.5	0.0	3.5	2.5	2.5
U.S. Park police helicopter operations	8.5	0.0	0.0	—	0.0	—	—	—
Mentor services	0.2	0.0	0.0	0.25	0.0	0.25	0.25	0.25
Medicaid coordinated care demonstration	3.0	0.0	0.0	—	0.0	—	—	—
Mental Health	0.0	0.0	117.3	—	0.0	—	—	—
School Construction	0.0	0.0	73.1	—	0.0	—	—	—
Special Education	30.0	0.0	30.0	—	0.0	—	—	—
Revitalization Corp.	25.0	0.0	0.0	—	0.0	—	—	—
Y2K Information technology	20.0	0.0	0.0	—	0.0	—	—	—
Infrastructure & economic dev. projects	50.0	0.0	0.0	—	0.0	—	—	—
Lorton Environmental Cleanup	0.0	0.0	0.0	--	---	---	---	6.7
Total federal payments	619.5	393.7	614.1	453.0	410.7	430.1	429.1	435.8

a. Funds would be provided under a separate heading-- Defender Services for the District of Columbia Courts. The Committee's recommendation is based on the Courts misuse of funds appropriated for such activities in previous years.
b. Funds would be provided under a separate heading-- Defender Services for the District of Columbia Courts. The Committee's recommendation is based on the Courts misuse of funds appropriated for such activities in previous years.
c. In previous years funds would be provided as part of District of Columbia Court operations. The Committee recommends creation of a separate appropriations to ensure payment of attorneys representing indigent persons, guardianship, and abused and neglected children in court proceedings.

The Senate Appropriations Committee made only a few changes in how the District's proposed budget would use locally generated funds. The Senate Committee reduced the amount of funds available to the City Administrator's office to $12.8 million . This is $12.3 million below the $25.1 million identified in the District's

budget for FY2000. This $12.8 million is $11.9 million more than was available in FY1999. During FY1999, the many of the duties and responsibilities of the city administrator were subsumed by the chief management officer. When Congress passed the District of Columbia Management Restoration Act of 1999, on March 8, 1999, it transferred to the mayor many of the responsibilities for the daily operation of the District government. The increase in funding above the FY1999 allocation reflects the transfer of responsibility, staff, and funding from the chief management officer to the city administrator.

The Senate Committee bill requires the city to maintain a $150 million reserve fund. The purpose of the reserve fund is the protect the District against future expenditure overruns or revenue shortfalls. During congressional hearings on its budget the city sought to persuade congressional appropriators to reduce or eliminate the $150 million reserve requirement. District officials noted the city had eliminated its accumulated deficit by the end of FY1998 and had realized a budget surplus of $112 million. The District officials noted that the fund balance is projected to grow to $292 by the end of the current fiscal year.

District officials contend that the city's general fund surpluses of the last two years (1997 and 1998), as well as projected surpluses, exceed the 5% percent of general fund expenditure threshold that Wall Street uses to assess a local government's fiscal health. The Committee bill includes a provision that would require District officials to report to Congress any planned expenditure from the fund at least 30 days in advance.

General Provisions. The Senate Committee bill, S. 1283, as reported, includes several policy related general provisions. The bill would continue to prohibit the use of District revenues to fund the following activities:

- abortions except to save the life of the mother, or in cases of rape or incest;
- the Health Care Benefits Expansion Act of 1992, which would provide health care coverage and other benefits to unmarried couples not related by blood; and
- civil court challenges or petition drives seeking to provide the District of Columbia with congressional voting representation.

The bill would also establish April 1, 2000, as the deadline for the removal of all inmates classified above the medium security level from the Northeast Ohio Correctional Center in Youngstown, Ohio.

In addition to the $150 million reserve fund, the Committee bill includes a provision that would require a 4% surplus general fund balance. The bill would allow any amount above a 4% general fund surplus to be used for debt reduction or non-recurring expenses. However, the Committee bill would limit the amount that could be used for non-recurring expenses to no more than half the amount above the four percent general fund balance requirement. The Committee bill also includes a provision that would allow the city to use tax abatement to encourage revitalization of commercial properties in empowerment zones.

Table 3. District of Columbia General: District of Columbia Funds

(in millions of dollars)

Programs	Enacted FY1999	FY2000					
		District's budget	H.R. 2587 (vetoed)			H.R. 3064 vetoed	H.R. 3194
			House	Senate	Conf.	Conf.	House
Division of Expenses: District of Columbia Funds							
GENERAL FUND							
Governmental direction and support	$164.144	174.667	162.356	162.356	162.356	167.356	162.356
Economic development and regulation	159.039	190.335	190.335	190.335	190.335	190.335	190.335
Public safety and justice	755.786	778.670	785.760	778.470	785.760	778.770	778.770
Public education system	788.956	850.411	867.411	867.411	867.411	867.411	867.411
Human support services	1,514.751	1,525.996	1,526.361	1,526.111	1,526.361	1,526.361	1,526.361
Public works	266.912	271.395	271.395	271.395	271.395	271.395	271.395
Receivership programs	318.979	337.077	345.577	337.077	342.077	342.077	342.077
Workforce investments	0.000	8.500	8.500	8.500	8.500	8.500	8.500
Reserve Fund	0.000	150.000	150.000	150.000	150.000	150.000	150.000
DC Financial Responsibility and Management Assistance Authority	7.840	3.140	3.140	3.140	3.140	3.140	3.140
Repayment of Loans and Interest	382.170	328.417	328.417	328.417	328.417	328.417	328.417
Repayment Gen. Fund Recovery Debt	38.453	38.286	38.286	38.286	38.286	38.286	38.286
Pay interest on short term borrowing	11.000	9.000	9.000	9.000	9.000	9.000	9.000
One Judiciary Square Certificate of Participation	7.926	7.950	7.950	7.950	7.950	7.950	7.950
Optical and dental insurance payments	0.000	1.295	1.295	1.295	1.295	1.295	1.295

Programs	Enacted FY1999	FY2000						
		District's budget	H.R. 2587 (vetoed)			H.R. 3064 vetoed	H.R. 3194	
			House	Senate	Conf.	Conf.	House	
Productivity Savings	{10.000}	{20.000}	{20.000}	{20.000}	{20.000}	{20.000}	{20.000}	
Procurement and management savings	{10.000}	{21.457}	{21.457}	{21.457}	{21.457}	{21.457}	{21.457}	
Human Resource Development	6.674	0.000	0.000*	0.000	0.000	0.000	0.000	
Productivity bank	0.000	20.000	20.000	20.000	20.000	18.000	20.000	
General fund total operating expenses	**4,418.030**	**4,653.682**	**4,694.236**	**4,658.286**	**$4,670.826**	**$4,668.834**	**$4,668.834**	
ENTERPRISE FUNDS								
Water and Sewer Authority	273.314	279.608	279.608	279.608	279.608	279.608	279.608	
Lottery and charitable Games	225.200	234.400	234.400	234.400	234.400	234.400	234.400	
DC Sports Commission	8.751	10.846	10.846	10.846	10.846	10.846	10.846	
DC Public Benefit Corp.	66.764	89.008	89.008	89.008	89.008	89.008	89.008	
DC Retirement Board	18.202	9.892	9.892	9.892	9.892	9.892	9.892	
Correctional Industries Fund	9.432	1.810	1.810	1.810	1.810	1.810	1.810	
Convention Center Enterprise Fund	48.139	50.226	50.226	50.226	50.226	50.226	50.226	
Cable Television	2.108	0.000	0.000	0.000	0.000	0.000	0.000	
Public Service Commission	5.026	0.000	0.000	0.000	0.000	0.000	0.000	
Office of the People's Council	2.501	0.000	0.000	0.000	0.000	0.000	0.000	
Dept. of Insur. and Secur. Regulation	7.001	0.000	0.000	0.000	0.000	0.000	0.000	
Office of Banking and Fin. Regulation	.640	0.000	0.000	0.000	0.000	0.000	0.000	
Total enterprise funds	**660.978**	**675.790**	**675.970**	**675.790**	**675.790**	**675.790**	**675.790**	

Programs	Enacted FY1999	FY2000					
		District's budget	H.R. 2587 (vetoed)			H.R. 3064 vetoed	H.R. 3194
			House	Senate	Conf.	Conf.	House
Total operating expenses	**5,079.008**	**5,329.472**	**5,370.026**	**5,334.076**	**$5,346.616**	**$5,362,626**	**$5,362,626**
CAPITAL OUTLAY							
General Fund	1,711.161	798.666	1,218.638	1,415.806	1,260,524	1,218,637	1,218,637
Total District of Columbia Funds	**$6,790.169**	**$6,231.475**	**6,785.833**	**$6,749.882**	**$6,607.140**	**$6,778,432**	**$6,778,432**

Senate Floor Consideration of S. 1283. On July 1, 1999 the Senate considered S. 1283 as reported by the Senate Appropriations Committee (S.Rept. 106-88). The Senate passed by voice vote the Committee-approved bill with few spending changes. During floor debate on the bill, the Senate did consider eight amendments. It passed six of those amendments. The other two amendments were withdrawn. One of the withdrawn amendments would have extended the prohibition on the use of city and federal funds to pay for a needle exchange program. The other amendment that was withdrawn would have deleted the proposed $17 million federal contribution for the tuition assistance program.

The floor amendments adopted by the Senate include provisions that would:

- amend the District of Columbia Code to require the arrest and termination of parole of any prisoner found in possession of illegal drugs;
- require the General Accounting Office to undertake a study of the District's criminal justice system and to report its findings and recommendations to Congress not later than one year after enactment of the amendment;
- encourage the District public schools to develop a violence prevention program; and
- direct the National Park Service to expedite the site selection of two cellular towers in Rock Creek Park.

FY2000: House Bill, H.R. 2587

Federal Funds. On July 20, 1999, the House Appropriations Committee reported out H.R. 2587, a bill providing FY2000 appropriations for the District of Columbia. The House Appropriations Committee bill would provide $453 million in federal payments to the District of Columbia (See Table 2). This is $166 million less than provided in FY1999, but $43 million more than recommended by the Senate. The bill would provide the following:

- a reduction of $27.3 million for court operations with the majority of the decrease coming from a proposed transfer of funds to a new defender services account;
- a newly created court-related defender services account totaling $33.3 million to be used to pay attorneys representing indigent persons, guardianship, and child abuse and neglect court cases; and
- a $46.1 million increase in funding for parole revocation and probation activities ($35.6 million) and pretrial and public defender services ($10.5 million).

The Committee specifically earmarked $32.2 million of the total $69.4 million in parole revocation and probation funds for drug screening and testing activities.

The House Committee also recommends a $17 million federal payment to fund a proposed legislative initiative that would grant eligible residents of the District of Columbia in-state tuition status when seeking college admission in other states. The Committee also approved $1.2 million in funding for a citizens compliant review board to review police misconduct charges.

Local Funds. The District's budget as approved by the House Appropriations Committee includes $4.694 billion in general fund operating expenses and $676 million in enterprise funds representing $5.370 billion in total operating expenses. The House Appropriations Committee bill would:

- increase the amount of funds available for economic development activities by $31 million above the amount approved for FY1999, which is consistent with the actions of the Senate;
- increase funding for public education by $78 million, also consistent with the Senate's bill;
- increase funding for public safety activities by $30 million above the FY1999 level;
- reduce the amount of funds available to the City Administrator's office to $12.8 million, which is consistent with the Senate's actions; and
- require the city to maintain a $150 million reserve fund, which is consistent with language in the Senate bill.

General Provisions. The House Appropriations Committee bill, H.R. 2587, as reported, includes several general provisions that were also included in the Senate-passed bill. Like the Senate bill, H.R. 2587 would continue to prohibit the use of District revenues to fund:

- abortions except to save the life of the mother, or in cases of rape or incest;
- the Health Care Benefits Expansion Act of 1992, which would provide health care coverage and other benefits to unmarried couples not related by blood; and
- civil court challenges or petition drives seeking to provide the District of Columbia with congressional voting representation.

Both the House and Senate bills would establish April 1, 2000, as the deadline for the removal of all inmates classified above the medium security level from the Northeast Ohio Correctional Center in Youngstown, Ohio.

H.R. 2587 includes several provisions not found in S. 1283. The House Appropriations Committee-passed bill would:

- lift the prohibition on the use of federal funds for a needle exchange program intended to reduce the spread of HIV and AIDS;
- lift the prohibition on the use of federal funds to count ballots related to medical marijuana initiative; and
- require the city's deputy mayor for economic development to undertake an inventory of rental property lease agreements entered into by all city agencies.

In addition to the $150 million reserve fund, the Committee bill includes a provision that would require the city to allocate general fund surpluses as follows:

- the first $250 million in excess or surplus revenues shall be used to finance seasonal cash needs in lieu of short-term borrowing;
- amounts above the first $250 million in surplus revenues are to be used to accelerate repayment of cash borrowed from the Water and Sewer Fund; and
- third, surplus funds may then be used to reduce outstanding long-term bond indebtedness.

This differs from the Senate bill which would allow any amount above a 4% general fund surplus to be used for debt reduction or non-recurring expenses.

House Floor Consideration of H.R. 2587. On July 29, 1999, the House completed and passed H.R. 2587, an amended version of the House Appropriations Committee-approved bill. The bill was first brought to the floor on July 27, 1999, after being reported out of Committee on July 20, 1999 (H.Rept. 106-249). The House passed the amended bill by a vote of 333 yeas to 92 nays. During floor debate on the bill seven amendments were considered. The House passed three, rejected two, and two amendments were withdrawn by their sponsors.

One of the withdrawn amendments would have instituted penalties for the possession of tobacco products by minors. The second amendment that was withdrawn would have specifically stated that the city could use funds to purchase automated external defribillators.

The House rejected an amendment that would have barred adoption of children by unmarried couples. Also rejected by the House was an amendment introduced by the District's non-voting delegate, Delegate Eleanor Holmes Norton, that would have stricken Sec. 146 from H.R. 2587. Sec. 146 of H.R. 2587, would continue to prohibit the use of District of Columbia or federal funds in the filing of a petition or civil action seeking to gain congressional voting representation in the House and the Senate for residents of the District.

The House passed an amendment that would extend the prohibition on the use of city and federal funds to pay for a needle exchange program. Earlier, the House

Appropriations Committee considered language that would have allowed the city to use city funds, but not federal funds, for a needle exchange program. Proponents of a needle exchange program contended that it would help reduce the rate of HIV infections caused by the sharing of needles by drug addicted persons. Opponents contend that needle exchange programs are ineffective and amount to government sanctioning of the use of illegal drugs. They also point to the appropriation of $13 million in additional funds for drug treatment. A similar Senate amendment prohibiting he use of District or federal funds for a needle exchange was introduced but withdrawn during Senate floor consideration of S. 1283.

The House approved an amendment introduced by the Chairman of the District of Columbia Appropriations Subcommittee, Representative Istook, that would allow the Court Services and Offender Supervision Agency to develop a sex offender registry. The House also approved an amendment that would allow the city to tally and make public the results of last November's medical marijuana ballot initiative. But, the amendment would prohibit the District from legalizing or reducing the criminal penalty for the possession, use, or distribution of a schedule 1 substance, which would included marijuana, as defined by the Control Substance Act.

FY2000: Conference Committee Bill, H.R. 2587

Federal Funds. On September 16, 1999 the Senate approved the conference committee version of H.R. 2587, a bill providing FY2000 appropriations for the District of Columbia. On September 9, 1999, the House passed the conference committee version of H.R. 2587. On August 5, 1999, a House and Senate conference committee reported out its version of H.R. 2587. The conference committee bill, which was accompanied by H.Rept. 106-299, would provide $430 million in federal payments to the District of Columbia (See Table 2). This is $189 million less than provided in FY1999, but $19 million more than recommended by the Senate. The bill would provides the following:

- a reduction of $21 million for court operations with the majority of the decrease coming from a proposed transfer of funds to a new defender services account;
- a newly created court-related defender services account totaling $33.3 million to be used to pay attorneys representing indigent persons, guardianship, and child abuse and neglect court cases, as recommended by the House;
- $17 million for the tuition support/ college access program;
- $5 million in foster care adoption incentives; and
- a $22.8 million increase in funding for parole revocation, probation, pretrial and public defender services.

Local Funds. The District's budget as approved by the conference committee includes $4.671 billion in general fund operating expenses and $676 million in enterprise funds. The conference committee bill would:

- increase the amount of funds available for economic development activities by $31 million above the amount approved for FY1999, which is consistent with the actions of the House and the Senate;

- increase funding for public education by $78 million, also consistent with the House and Senate's bill;
- increase funding for public safety activities by $30 million above the FY1999 level;
- reduce the amount of funds available to the City Administrator's office to $12.8 million, which is consistent with the Senate's actions; and
- require the city to maintain a $150 million reserve fund, which is consistent with language in the Senate bill.

General Provisions. The conference committee version of H.R. 2587, as reported, includes several general provisions that were also included in the House and Senate-passed bills. The conference committee bill would prohibit the use of federal and District revenues to fund, finance, administer, or undertake:

- abortions except to save the life of the mother, or in cases of rape or incest;
- the Health Care Benefits Expansion Act of 1992, which would provide health care coverage and other benefits to unmarried couples not related by blood; and
- civil court challenges or petition drives seeking to provide the District of Columbia with congressional voting representation.

The conference committee-approved bill includes two provisions included in the House, but not the Senate-passed version of H.R. 2587. The conference bill would:

- prohibit the use of federal or local funds to establish or maintain a needle exchange program; and
- prohibit the District from decriminalizing the medical use of marijuana.

The conference committee bill includes $4.7 billion in general fund operating expenses, and $676 million in enterprise funds. It would appropriate $430.1 million in special federal payments to the District of Columbia.

The conference committee version of H.R. 2587, would allocate $99.7 million for court operations, and an additional $33.3 million for defender services for attorneys representing indigent persons and abused and neglected children under a new account. The bill also would appropriate $93.8 million for offender supervision activities. The conference committee bill includes a $150 million reserve, and requires the city to maintain a 4% general fund balance. The bill also includes $5 million in federal funds for innovative programs intended to increase the rate of adoption of children in foster care.

Presidential Veto of H.R. 2587

On September 28, 1999, with the support of the District's elected leadership, President Clinton vetoed H.R. 2587, the District of Columbia Appropriations Act for FY2000. In his veto message returning the unsigned bill to Congress, the President noted that he vetoed the bill because it contained "a number of highly objectionable provisions that are unwarranted intrusions into local citizens' decisions about local matters." Included among the provisions that the President wanted eliminated from the bill were provisions:

- prohibiting the funding of a needle exchange program;
- prohibiting the use of federal and District funds for abortions except for in cases where the mother's life is endangered or in situations involving rape or incest;
- prohibiting the implementation of the Domestic Partners Act of 1992;
- prohibiting the use of federal and District funds in any effort intended to win voting representation in the Congress for District residents;
- limiting fees paid to attorneys representing student seeking special education assistance; and
- decriminalizing the use of marijuana for medical purposes.

The bill also included a number of provisions supported by the President including provisions providing:

- $17 million in funding for a tuition assistance program that would provide scholarship assistance to qualified District students attending colleges and universities;
- additional funding to promote the adoption of a children in foster care; and
- additional funding for the Court Services and Offender Supervision Agency.

FY2000: H.R. 3064

House Bill. On October 14, 1999, two weeks after the President vetoed H.R. 2587, the House passed H.R. 3064 appropriating funds for the District of Columbia for FY2000. Many of the social riders that had provoked a Presidential veto of H.R. 2587 were also found in the House version of H.R. 3064, including provisions limiting abortions and prohibiting the implementation of the medical marijuana initiative and a needle exchange program. The House bill did not include provisions intended to expedite the placement of cellular towers in Rock Creek Park.

Senate Bill. On October 15, 1999, the Senate completed its version of H.R. 3064. The Senate version of H.R. 3064 contains many of the same provisions included in the House version of the bill. The Senate bill also includes the provision calling for the expedited consideration of the placement of cellular towers in Rock Creek Park. The cellular tower provision was opposed by the city on the grounds that it circumvented local zoning authority.

Conference Committee Version of H.R. 3064. On October 27, 1999, a conference committee on the District of Columbia Appropriations Act for FY2000 reported its version of H.R. 3064 (H.Rept.106-419). The conference bill included a number of social riders and home rule-related prohibitions opposed by the city's elected leadership. The bill would:

- prohibit the city from using funds to defeat any legislation pending before Congress or any state legislature;
- limit the use of federal and District funds for abortion services in those instances where the mother's health is endangered or the pregnancy is a result of rape or incest;
- prohibit the implementation of the District's Domestic Partnership Health Care Benefits Act of 1992; and

- prohibit the implementation of Initiative 59, the medical marijuana provision.

The conference committee bill would continue to limit the compensation awarded to attorneys representing students with special education needs to no more than $50 per hour or $1,560 total. However, the bill includes a new provision that would allow the mayor, the control board, and the superintendent of public schools to negotiate and agree on a new rate and amount of compensation. The conference bill continues to prohibit the city's Corporation Counsel from assisting in the filing of court challenges aimed at providing District residents with voting representation in Congress. But, the bill includes language that allows the Corporation Counsel to review and comment on briefs in private lawsuits and to consult with officials of the District government regarding such lawsuits. This includes pending suits involving voting representation in Congress.

The conferees also agreed to include a provision that would prohibit the use of federal or District funds for a needle exchange program. Congress may consider a compromise provision that will allow the private funding of a needle exchange program in the District. The conference committee bill includes a provision that would expedition the consideration and placement of cellular antennae for wireless communications in Rock Creek Park. The bill includes a provision intended to appease District officials who complained that the process circumvented zoning and review powers of the District government. The new provision states that the subsection is not intended to affect or preempt existing local authority or applicable environmental, historic preservation, or judicial review laws.

The Departments of Labor, Health and Human Services, and Education Appropriations Act for FY2000, formerly H.R. 3037, was attached to the bill during conference consideration in a move intended to expedite its consideration. The conference bill version of H.R. 3064 also includes a 0.97% across-the-board cut for all discretionary programs. This cut would result in a $4.2 million reduction in federal payments to the District of Columbia for FY2000. In addition, conferees used the District of Columbia appropriations measure to amend the Departments of Veteran Affairs, Housing and Urban Development, and Independent Agencies Appropriations Act for FY2000, P.L. 106-74, to include a number of earmarked projects targeted to receive funding under the Community Development Block Grant Economic Development Initiative administered by the Department of Housing and Urban Development. The House approved the conference report on October 28, 1999. The Senate approved the report on November 2, 1999.

Presidential Veto of H.R. 3064. On November 3, 1999, President Clinton, vetoed H.R. 3064, as anticipated. In his veto message, the President cited the bill's 1% across-the-boa rd cut in discretionary spending, and misplaced funding priorities. The veto marked the second time this year the President has vetoed a funding bill for the District of Columbia.

FY2000: H.R. 3194, Consolidated Appropriations for FY2000; P.L. 106-113

On November 2, 1999, H.R. 3194 was introduced in the House. The House and Senate passed their respective versions of the measure on November 3, 1999. The Senate appointed conferees on November 3, 1999 and the House appointed conferees on November 4, 1999. As originally introduced the bill dealt exclusively with appropriations for the District of Columbia. On November 18, 1999, in a move to expedite consideration of a number of appropriations bills before recessing for the year, a conference committee attached to the District of Columbia Appropriations Act, H.R. 3194, four other appropriations. It renamed H.R. 3194, the Consolidated Appropriations Act of FY2000 and designated Division A of the bill the District of Columbia Appropriations Act for FY2000. The House, by a vote of 219 to 135 approved the conference report (H. Rept. 106-479) accompanying H.R. 3194, on November 18, 1999. The Senate approved the measure on November 19, 1999 by a vote of 74 to 24. On November 29, 1999, the President signed the measure into law as P.L. 106-113.

Title I of Division A of the new District of Columbia Appropriations Act for FY2000, P.L. 106-113, includes $436 billion in special federal payments to the District of Columbia. The Act also includes many of the same social riders in H.R. 3064 that District officials found objectionable, including provisions:

- prohibiting the implementation of the medical marijuana initiative;
- limiting the use of public funds for abortion to cases involving rape or incest or where the mother's health is endangered; and
- prohibiting the implementation of the Domestic Partnership Act of 1992, which would extend medical, employment, and government benefits to unmarried couples.

In addition, the act would allow organizations, such as the Whitman-Walker Center, receiving public funds to administer privately funded needle exchange programs in effort to reduce the spread of HIV. An earlier House version of H.R. 3194 would have prohibited organizations receiving public funding from sponsoring a privately funded needle exchange program.

P.L. 106-113 includes several compromise provisions agreed to during congressional negotiations on H.R. 3064. P.L. 106-113 allows the mayor, the superintendent of public schools, and the control board to establish new compensation rates and ceiling for private attorneys representing students seeking special education assistance. Currently, attorneys representing such students may only receive $60 an hour and no more than $1,560 total for such cases, a rate attorneys claim is insufficient to cover the costs of such representation. P.L. 106-113 includes a provision that allows the city's corporation counsel to review private lawsuits and brief elected city leaders on their impact, but would continue to prohibit the city from participating in or working on a private law suit seeking voting representation in Congress.

Key Policy Issues

Needle Exchange

The creation of a needle exchange program funded with federal or District funds is one of the key policy issues debated during House consideration of the District's appropriations bills for FY2000. The controversy surrounding creation of a needle exchange program touched on issues of home rule, public health policy, and government sanctioning and facilitating the use of illegal drugs. Proponents of a needle exchange program contend that such programs reduce the spread of HIV among illegal drug users by reducing the incidents of shared needles. Opponents of such efforts contend that such programs amount to government sanctioning of illegal drugs by supplying drug addicted persons with the tools to use them. They content that public health concerns raised about the spread of AIDS and HIV through shared contaminated needles should be addressed through drug treatment and rehabilitation programs. Another view in the debate focuses on the issue of home rule and the city's ability to use local funds to institute such programs free from congressional actions.

The conference committee versions of H.R. 2587 and H.R. 3064, which was vetoed by the President on November 3, 1999, would have prohibited the use of federal and District funds to finance a needle exchange program. The Senate during consideration of its version of H.R. 2587, the District of Columbia Appropriations Act for FY2000, did not include a provision prohibiting the creation of such a program. The House District of Columbia Appropriations Subcommittee also did not include funding for such a program in the bill forwarded to the full Appropriations Committee. For its part the House Appropriations Committee reported a bill, H.R. 2587, that included a provision prohibiting the use of federal funds for a needle exchange program. The bill passed by the House on July 29, 1999, would have left intact language contained the District's Appropriations Act for FY1999, prohibiting the use of federal or local funds for a needle exchange program.

The conference committee version of H.R. 3064 continued the prohibition against the public funding of a needle exchange program. Congress agreed on a compromise that would have allowed the private funding of a needle exchange program, but would continue to prohibit the use of federal and District funds for such a program. Presently, only one entity, Prevention Works, a private non-profit AIDS awareness and education program, operates a privately funded needle exchange program.

The House version of H.R. 3194 included a provision that would prohibit any organization that receives federal or District funds from funding a needle exchange program with private funds. This was a reversal of language contained in H.R. 3064, which prohibited organizations from using public funds for needle exchange activities, but did not prevent or prohibit an organization that receives public funds from operating a privately funded needle exchange program. P.L. 106-113 and the Senate version of H.R. 3194 included the language of H.R. 3064, allowing organizations to continue to receive public funds for other activities while using private funds to finance needle exchange programs.

Medical Marijuana

The medical marijuana initiative provision in the District of Columbia Appropriations bills is yet another issue that engenders controversy. Last year Congress included a provision that prohibited the city from counting ballots of an initiative that would allow the medical use of marijuana to assist persons suffering debilitating health conditions and diseases including cancer and HIV infection. The District of Columbia Appropriations Act for FY2000, P.L. 106-113, and H.R. 3064, as vetoed by the President, prohibit the implementation of the medical marijuana initiative known as Initiative 59.

A House Appropriations Committee version of H.R. 2587, the first version of the District of Columbia Appropriations Act for FY2000, included a provision that would have prohibited the use of federal funds to tally the results of the ballot initiative, but would have allowed the city to use local funds to determine the outcome of the initiative. The District of Columbia Board of Elections estimated the cost of tallying the results as approximately $1.36. The House provision of H.R. 2587, was later changed to include a prohibition on the use federal and District funds to implement any law legalizing the use of marijuana, even for medical purposes. The conference committee version of H.R. 2587, which was vetoed by the President, would have allowed the tallying of the votes cast for and against the medical use of marijuana, but would have kept in place all penalties for the use, distribution, or possession of schedule 1 control substances, which would include marijuana. Opponents of the conference committee provision content that such actions undercuts the concept of home rule. The provision's proponents argue that the provision allows the people's voice to be heard, but keeps in place federal sanctions.

Last year, the Congress' power prohibiting the counting of a medical marijuana ballot initiative was challenged in a suit filed by the D.C. Chapter of the American Civil Liberties Union (ACLU). On September 17, 1999, District Court Judge Richard Roberts ruled that Congress, despite its unique legislative responsibility for the District under Article I, Sec. 8 of the Constitution, did not possess the power to stifle or prevent political speech, which included the ballot initiative. Judge Roberts ruling allowed the city to tally the votes on the November 1998 ballot initiative. To prevent the implementation of the initiative, Congress had 30 days to pass a resolution of disapproval from the date the medical marijuana ballot initiative (Initiative 59) is certified by the Board of Elections and Ethics. Language prohibiting the implementation of the initiative was included in P.L. 106-113; the conference version of H.R. 3064, which was vetoed by the President; and in the House, Senate, and conference versions of H.R. 3194.

Reserve Fund and Future General Fund Surpluses

During House and Senate hearings on the District of Columbia Appropriations Act for FY2000, District officials unsuccessfully sought the removal of a provision contained in the District of Columbia Appropriations Act for FY1999. The provision required the District to establish a $150 million reserve fund in future budgets starting in FY2000.

The city contends that such a reserve fund is not needed given the city's surpluses of the last two years and project surpluses in the coming years. P.L. 106-113, consistent with earlier House and Senate appropriation bills for FY2000, requires the city to maintain the reserve fund. The House version of H.R. 2587 would have directed the city to use any general fund surplus above $250 million to cover seasonal cash shortfalls in lieu of short-term borrowing, then to accelerate the repayment of funds borrowed from the water and sewer fund, and finally to repay down long-term debt. The Senate's original version of H.R. 2587 required the city to use any surplus above 4% of the general fund balance for one-time expenses and debt reduction. P.L. 106-113 and the vetoed H.R. 3064 adopted the Senate language that was first included in H.R. 2587.

Tuition Assistance

P.L. 106-113 (formerly H.R. 3194), like its earlier but vetoed counterparts, H.R. 3064 and H.R. 2587, includes a $17 million federal contribution to fund a legislative initiative that grants eligible residents of the District of Columbia in-state tuition status when seeking college admissions in state supported schools in Maryland and Virginia. The Act also provides assistance to eligible students seeking admissions to private institutions. On November 1, 1999, Congress completed action on the tuition assistance program (H.R. 974), the required enabling legislation that had to be signed by the President before the $17 million could be made available. A college access bill was introduced in the Senate, S. 856. On September 9, 1999, the Senate Committee on Governmental Affairs, amended H.R. 974 by substituting the language contained in S. 856 and reported the bill to the Senate accompanied by S. Rept 106-154. The Senate passed its version of H.R. 974 on October 19, 1999. The House passed its version of H.R. 974, on May 24, 1999. On November 1, 1999, the House receded to the Senate amendment to H.R. 974, and passed the measure by voice vote. The President signed the bill into law, P.L. 106-98, on November 12, 1999.

Defender Services in District of Columbia Courts

Congress has become increasingly concerned about the management of the District's court system. The House committee report (H.Rept. 106-249) accompanying the House version of H.R. 2587, criticized the courts management, and accused court administrators of playing shell games with funds appropriated for payment of lawyers representing abused children. The House report included language recommending that the proposed pay raise for court employees be delayed. The conference committee-approved version of H.R. 2587, H.R. 3064, H.R. 3194 included provisions calling for a GAO report on the operation of the District's justice system including the courts. In addition, the conference committee-approved bills included a provision that transfers $33.3 million in funds for lawyers representing abused and neglected children and indigent persons to a separate account. The provision is intended to ensure that the court administrators do not misspend dedicated funds. P.L. 106-113 includes the same provisions.

In a related matter, on October 4, 1999, Superior Court Administrator Ulysses Hammond announced his resignation effective February 18, 2000. Hammond had

been under increasing scrutiny and criticism over concerns surrounding the mismanagement of court operations and budget shortfalls.

Abortion

The public funding of abortion services for District of Columbia residents is a perennial issue debated by Congress during its annual deliberations on the District of Columbia appropriations. P.L. 106-113, includes a provision that prohibits the use of federal or District funds for abortion services except in cases where the life of the mother is endangered or the pregnancy is the result of rape or incest. This prohibition has been in place since 1995, when Congress approved the District of Columbia Act for FY1996, P.L. 104-134.

Since 1979, with the passage of the District of Columbia Appropriations Act of 1980, P.L. 96-93, Congress has placed some limitation or prohibition on the use of public funds for abortion services for District residents. From 1979 to 1988, Congress restricted the use of federal funds for abortion services to cases where the mother's life would be endangered or the pregnancy resulted from rape or incest. The District was free to use District funds for abortion services.

When Congress passed the District of Columbia Appropriations Act for FY1989, P.L. 100-462, it restricted the use of *District* and *federal* funds for abortion services to cases where the mother's life would be endangered if the pregnancy was taken to term. The inclusion of District funds, and the elimination of rape or incest as qualifying conditions for public funding of abortion services, was pushed for by President Reagan, who threatened to veto the District's appropriations act if the abortion provision was not modified. In 1989, President Bush twice vetoed the District's FY1990 appropriations act over the abortion issue. He signed P.L. 101-168. after insisting that Congress include language prohibiting the use of District revenues to pay for abortion services except in cases where the mother's life was endangered.

The District successfully fought for the removal of the provision limiting District funding of abortion services, when Congress considered and passed the District of Columbia Appropriations Act for FY1994, P.L. 103-127. The FY1994 Act also reinstated rape and incest as qualifying circumstances allowing for the public funding of abortion services. The District's success was short lived. The District of Columbia Appropriations Act for FY1996, P.L. 104-134, and subsequent District of Columbia appropriations acts, limited the use of *District* and *federal* funds for abortion services to cases where the mother's life is endangered or cases where the pregnancy was the result of rape or incest.

District officials, when urging President Clinton to veto the FY2000 Appropriations Act, H.R. 2587, cited the prohibition on the use of District funds as just another example of congressional intrusion into local matters. District officials had hoped that Clinton's veto would lead to the removal or modification of the abortion provision and other social provisions they feel intrude on home rule. The abortion prohibition was unchanged during conference consideration of H.R. 3064. The prohibition also is included in P.L. 106-113.