



No. 39

September 24, 2003

H.R. 2765/S. 1583 – District of Columbia Appropriations Bill, FY2004

Calendar No. 272

S. 1583 was reported from the Senate Appropriations Committee as an original bill on September 4; Senate Report 108-142.

NOTEWORTHY

- The Senate bill provides an appropriation of \$545 million in federal funds for the District, which is \$124 million more than the budget request and \$36 million more than last year. The bill recommends a total of \$7.43 billion for the District's local budget, which includes \$5.7 billion for operating expenses.
- The bill creates a D.C. School Improvement Initiative to provide education opportunities for low-income D.C. school children. The fund would disperse \$13 million for such scholarships and also contribute \$13 million towards the betterment of D.C. public schools and \$13 million towards charter schools within the D.C. public school system. This provision drew considerable controversy in Appropriations Committee deliberations, and could be the subject of a filibuster, as well as an amendment to strike.
- The bill makes significant increases in D.C. Courts and funding for the D.C. Foster Care program.
- On September 9, the House passed its D.C. Appropriations bill, H.R. 2765, by a vote of 210-206. That bill provides \$466 million in federal funds, including \$10 million for a D.C. Parental Choice Incentive program.

Highlights

Total Resources for Local Budget: It is estimated that a total of \$7.59 billion will be available to the District of Columbia for FY 2004 for its local budget. Included in this figure are appropriations from local funds, federal grants, and private and other funds. The financing of appropriations from District funds is from various local taxes, fees, charges, and other collections received by the District government. This total includes \$5.7 billion for the District's operating expenses.

Federal Funds: An estimated total of \$2.33 billion in federal funds will be available to the District government during FY 2004. Included in this total is \$1.79 billion from the various federal grant programs and \$545 million in specified federal payments, including those for the D.C. School Improvement Initiative, Foster Care Programs, and the D.C. Courts. Other federal funds will be received by the District from the various federal grant programs. In addition, federal reimbursements are received from such programs as Medicaid and Medicare.

Background

The Appropriations Committee marked up the D.C. funding bill on July 17, and the bill was ordered reported, subject to amendment, by a vote of 22 to 7. On September 4, the bill was amended in committee, reported, and placed on the Senate Calender (and the previous vote was vitiated). The final vote on September 4 was 29-0.

Bill Provisions

D.C. School Improvement Initiative – The Appropriations Committee has recommended a \$40 million commitment to students in the District of Columbia. This plan is the Senate's response to President Bush's call to ensure *every* child is receiving a quality education. The bill appropriates \$13 million for scholarships for low-income children in under-performing schools, \$13 million for D.C. charter schools, \$13 million to improve D.C. public schools, and \$1 million for administrative expenses. The program would authorize scholarships of up to \$7,500 for 2,000 low-income students in under-performing schools through a lottery. Scholarships could be used in D.C. private schools for tuition, transportation and fees. Students who use vouchers will be assessed so that their progress can be compared to student progress in public schools. The D.C. Mayor has oversight over the initiative, which is a five-year pilot program. The plan has the strong support of thousands of D.C. parents, Democrat Mayor Anthony Williams, School Board President Peggy Cooper Cafritz, and D.C. City Councilman and Education Committee Chairman Kevin Chavous.

Resident Tuition Program – The committee recommended \$17 million in federal funds to D.C. Tuition Assistance Program, which funds scholarships of up to \$10,000 annually for D.C. residents. The scholarship is intended to make up the difference between in-state and out-of-state tuition at public universities, but smaller scholarships may also be used at private universities in the metropolitan area and at historically black colleges. This funding level would meet the President's request and represents an increase over last year's funding level of \$16.9 million.

Foster Care Improvement – The committee recommends \$14 million in new federal funds to aid D.C.'s troubled foster care system. The funding would be used to improve D.C.'s ability to protect the 7,000 children in its care and expedite the process of finding permanent homes. The committee has recommended that the funding be divided as follows: \$3 million for intensive early intervention; \$3.9 million for mental health assessments and services for foster children; \$3 million for loan repayments for social care workers; \$1.1 million for recruitment of foster parents; and \$3 million for computer systems to track foster children.

School for Handicapped Children – The committee recommended \$2 million to establish a school for mentally retarded and multiple-handicapped children and adults at St. Coletta of Greater Washington.

D.C. Courts – The committee recommended \$172 million for D.C. Courts, \$11 million more than FY03 and \$8 million more than the budget request. The increase is intended to improve Family Court and make capital improvements, including integrating computer systems and making necessary security upgrades.

Hospital Bioterrorism Preparedness – The committee recommended \$10 million (\$7 million for Children's Hospital Center and \$3 million for Washington Hospital Center) to prepare for the possibility of an act of bioterrorism in the District.

Children's Hospital – The committee recommended \$10 million to establish a pediatric Intensive Care Unit and to continue construction of a separate Cardiac Intensive Care Unit. This amount is \$5 million more than was appropriated in FY03, and no funds were requested by the President.

Unified Communications Center – The committee recommended \$5 million to create a Unified Communications Center, which would serve as a central communications and command center for first responder; \$9.9 million was appropriated for this purpose in FY03.

Security Costs Related to Federal Government - The committee recommended \$15 million in federal payment to D.C. to offset the cost related to providing security for the federal government and international organizations located in D.C. This amount is equal to the President's request and FY03 funding.

Anacostia River Walk and Trail Design - The committee recommended \$6 million for the Anacostia Waterfront Initiative, \$1 million more than was appropriated in FY03 and \$4 million less than the President requested. The Initiative will build a hiking and biking trail along the river and connect both to Maryland trails and the National Mall.

Other Provisions:

Needle Exchange – The bill maintains the current prohibition on the use of federal funds for a needle exchange program, but it modifies current law to allow D.C. to use locally generated revenues to support programs that provide individuals with sterile needles and syringes. The Senate passed similar language in FY03 and FY02, but the provision was not maintained in the conference. The House-passed FY04 bill, H.R. 2765, retains the current-law prohibition on the use of federal and District funds for a needle exchange program.

Domestic Partners – The bill prohibits the use of federal funds to implement the Domestic Partners Act, but continues to allow D.C. to use locally generated revenues to implement the Act.

Lobbying – The bill maintains the current prohibition on the use of federal funds for lobbying purposes, but would change current law to allow for use of locally generated revenues for lobbying purposes.

Abortion – As in previous years, the bill prohibits the use of any appropriated funds for abortion, except “where the life of the mother would be endangered if the fetus were carried to term or where the pregnancy is the result of an act of rape or incest.”

IDEA Attorney’s Fees Cap – The bill limits attorneys’ fees for lawsuits brought under the Individuals with Disabilities Act to \$4,000. It also requires the D.C. Chief Financial Officer to certify that attorneys bringing suits against the city under IDEA actually perform the work for which they bill. The bill would require attorneys to disclose any financial, corporate, legal, memberships on boards of directors, or other relationships with any special education diagnostic services, schools, or other special education service providers to which the attorneys have referred any clients. Attorneys with a pecuniary interest from such connections will be prohibited from recovering fees for IDEA cases.

Marijuana – The bill would continue to prohibit the use of any funds to reduce or eliminate penalties for possession of any Schedule I controlled substance, including marijuana, for any purpose.

Contraceptives – The bill recommends that any D.C. law, rule, or regulation concerning contraceptive coverage contain a “conscience clause” protecting those with moral and religious opposition to contraceptive use.

Cost

In consultation with the Congressional Budget Office, the Appropriations Committee reports that the bill contains \$545 million in budgetary authority, the same amount as the Committee allocation. The bill is expected to result in \$539 million in outlays. Of those outlays, \$488 million is projected for FY04, \$50 million for FY05 and \$7 million for FY06.

Administration Position

At the time of publication, the Administration had not yet issued a Statement of Administration Policy on this bill.

In the Statement of Administration Policy issued with regard to the House-passed bill, the Administration supported the overall bill, the inclusion of a school choice incentive fund, the cap on attorney's fees for the IDEA lawsuits, and a House prohibition on the use funds to support a D.C. lawsuit against gun manufacturers.

Possible Amendments

D.C. School Improvement Initiative – Amendments are expected to block or prevent effective implementation of this new program. It is anticipated that Senator Durbin will present a amendment to strike the D.C. Student Opportunity Scholarships Act.