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SENATE

{ REPORT
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DISTRICT OF COLUMBIA APPROPRIATIONS BILL, 2007

JULY 13, 2006.—Ordered to be printed

Mr. BROWNBACK, from the Committee on Appropriations,
submitted the following

REPORT

[To accompany S. 3660]

The Committee on Appropriations reports the bill (S. 3660) 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, 2007, and for other purposes, reports favorably thereon and recommends that the bill do pass.

Amounts of new budget (obligational) authority for fiscal year 2007

Total of bill as reported to the Senate	\$597,000,000
Amount of 2006 appropriations	596,970,000
Amount of 2007 budget estimate	597,200,000
Amount of House allowance	575,200,000
Bill as recommended to Senate compared to—	
2006 appropriations	+ 30,000
2007 budget estimate	– 200,000
House allowance	+ 21,800,000

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SUMMARY OF BILL

The following discussion of the bill includes general information on initiatives and concerns of the Committee and an analysis of the total resources estimated to be available to the District of Columbia in the coming fiscal year.

The Committee recommendation contains items funded by the House in a different bill, H.R. 5576. The Committee believes that it is appropriate to fund these items in this bill. For ease of comparison, the Committee report sets forth a "House allowance" as if these items had been contained in this bill. These items were contained in the Transportation, Treasury, the Judiciary, Housing and Urban Development, and Related Agencies Appropriations Act, 2007 (H.R. 5576), as passed the House, but were not considered or contained in the Committee recommendation to the Senate on that bill.

FEDERAL FUNDS

The Committee considered requests from the President for Federal funds totaling \$597,200,000 in budget authority for the District of Columbia appropriation. The Committee recommendation is \$597,000,000 and is appropriated as follows: (1) \$33,200,000 for District of Columbia resident tuition support; (2) \$206,629,000 for the District of Columbia Courts; (3) \$43,475,000 for Defender Services in the District of Columbia Courts; (4) \$183,653,000 for the Court Services and Offender Supervision Agency for the District of Columbia; (5) \$32,710,000 for the Public Defender Service in the District of Columbia; (6) \$8,533,000 for security costs related to the presence of the Federal Government in the District of Columbia; (7) \$1,000,000 for transportation assistance; (8) \$7,000,000 for the combined sewer overflow; (9) \$5,000,000 for security, economic development, education and health projects; (10) \$5,000,000 for support of the Anacostia Waterfront Initiative; (11) \$40,000,000 for school improvement; (12) \$2,000,000 for foster care improvements; (13) \$4,500,000 for a new bioterrorism and forensics laboratory; (14) \$4,000,000 for Marriage Development Accounts and marriage promotion; (15) \$4,000,000 for improvements to the Navy Yard Metro Station; and (16) \$15,000,000 for a new central library in the District of Columbia.

TOTAL RESOURCES AVAILABLE

Based on recommendations in the bill, a total of \$9,057,361,000 will be available to the District of Columbia government during fiscal year 2007. Included in this figure are appropriations from local funds, Federal grants, Federal payments, and private and other funds. The financing of the appropriations from District funds are

generated from revenues from various local taxes, fees, charges, and other collections received by the District government.

GENERAL STATEMENT

The Committee has included funding for three new Federal-local initiatives in the District of Columbia. These include: (1) promoting and sustaining healthy marriages; (2) encouraging literacy through the establishment of a new state-of-the-art central library; and (3) enhancing transitional housing opportunities for successful ex-offender reentry to the community.

Promoting Healthy Marriages

The Committee understands that most children born and raised in households where their biological parents are married are more financially and emotionally stable. Given the enormous benefits that accrue to children who are raised by their married parents, the Committee believes that it is a moral and societal imperative that our nation esteem, support, foster, and encourage the institution of marriage.

The Committee is pleased to announce that the Mayor of the District of Columbia will take important actions to encourage marriage in the District of Columbia. These actions include: (1) eliminating marriage penalties for low-income couples who decide to wed; (2) increasing the earned income tax credit for married couples in the District; and (3) assigning priority status to married couples and their families for low-income and federally funded housing. The Committee is also providing \$1,000,000 to the District of Columbia Department of Human Services to support occupational training for married parents to improve their prospects for full-time employment.

As a way to assist low-income married couples to save money to pay for job training or education, buy a home or start their own business, the Committee began providing funds to establish "Marriage Development Accounts" [MDAs] in the District of Columbia last fiscal year. MDAs are available to married couples who are citizens or legal residents of the District of Columbia whose Federal adjusted gross income does not exceed 300 percent of Federal poverty level and whose net worth is less than \$10,000.

Participating couples have a high incentive to save because their contributions will be matched at a ratio of 3:1 by the Federal Government and partnering private institutions. As a requirement of participation, couples receive training that helps them repair their credit, set a budget and savings schedule, and manage their money. The Committee is pleased with the interest in MDAs and is providing funds to continue the program during this fiscal year.

Recognizing the importance of grassroots support to ensure the success of these efforts, the Committee is directing that grantees use a portion of these funds to expand their network of service providers by partnering with local churches, faith-based organizations,

and non-profit organizations. These service providers will offer life skills training and marital and pre-marital counseling.

Promoting Literacy

The Committee is troubled that the adult illiteracy rate in the District of Columbia is 37 percent, and notes that the rate is much higher in predominantly lower-income communities.

The Committee supports Mayor Anthony Williams' vision of a new state-of-the art central library in the District of Columbia. The Mayor has said that libraries are a key foundation of our communities. They are anchors for children who are learning to read; resource hubs for people wishing to complete an education or earn a GED; places of literary inspiration for future writers or those with a natural love for reading; places to access and explore the Internet; and knowledge centers for anyone wishing to pursue their hobbies or dreams.

According to the Mayor, the District of Columbia central library has been neglected for decades and is now in a state of disrepair. Because of this, there is a significant and urgent need for a new library. Therefore, the Committee is providing \$15,000,000 as a Federal contribution for a new library, recognizing that the lion's share of the funds—approximately \$170,000,000 will come from local funds. The Committee is informed that the site of the new central library will be at the location of the old convention center.

The Committee agrees with the Mayor that a new library system will serve as a gateway to learning and be a valuable asset for the city. The benefits are clear. A state-of-the-art library system would give all District residents access to the latest books and technology, meeting and quiet rooms, enhanced special collections, and valuable programming for adults and children, including literacy and lifelong learning workshops.

By creating a 21st century library in the Nation's capital with innovative programming and state-of-the-art technology, the new central library will be recognized as a national model setting the standard for library systems around the country. The President agrees that a new central library is urgently needed and has requested funding for this effort.

Reducing Prisoner Recidivism

The Committee is aware that every year 2,500 former prisoners return home to the District. These returning offenders are assigned to the Court Services and Offender Supervision Agency for release plan investigations during their parole or probation terms. Those who cannot identify a safe place to live are assigned to halfway houses where their stays are capped at 120 days.

The Committee strongly believes that reducing the likelihood of homelessness for those exiting the halfway house system is critical to combating recidivism among returning prisoners. Therefore, the Committee has provided funds to increase the amount of transitional housing for returning offenders.

The Committee also believes that mentors can help ex-offenders better reintegrate into their communities by providing them with the emotional, psychological, spiritual, and motivational support they need. Mentors can help ex-offenders find employment, make

sure that they attend counseling sessions, and encourage them to reconcile with family members.

Financial Condition of the District of Columbia

The Committee commends the Mayor, the City Council, and the Chief Financial Officer of the District of Columbia in improving its bond rating from the junk bond status of the mid-1990's to investment grade status every year since February 2001. The Committee notes that Wall Street bond rating agencies have upgraded the city's rating to A. This accomplishment is due in large part to three factors: (1) consistent trends of increased financial reserves, (2) stringent budget monitoring and controls in the 3 fiscal years following elimination of the control board, and (3) growth in taxable assessed values.

D.C. Water and Sewer Authority [WASA].—The Congress is aware of a conflict between the statutes authorizing the independent financial oversight authority of the D.C. Chief Financial Officer [CFO] and the WASA Establishment and Reorganization Act of 1996 and is examining the necessary legislative actions. The Committee will work with the appropriate authorizing committees and the District to develop permanent legislation governing WASA's financial management and accountability.

Kenilworth Park.—The Committee directs the Chief Financial Officer of the District of Columbia to provide quarterly financial reports on obligations and expenditures of all funds provided for improvements at Kenilworth Park in the District of Columbia in the District of Columbia Appropriations Act for fiscal year 2002 (Public Law 107–96; 115 Stat. 929) and the District of Columbia Appropriations Act for fiscal year 2003 (Public Law 108–7; 117 Stat. 112). The Committee expects these funds to be used to create a regional youth recreation park and urges the Mayor to expedite improvements at the park to benefit the community.

Historic Preservation in the District of Columbia

The Committee urges the District of Columbia Historic Preservation Office to consider funding applications for construction and renovation projects for non-governmental historic sites on the National Mall.

DISTRICT OF COLUMBIA

FEDERAL FUNDS

A total of \$597,000,000 in Federal funds are estimated to be available to the District of Columbia government, the District of Columbia Courts, the District of Columbia Court Services and Offender Supervision Agency, and other D.C. entities. A total of \$2,020,101,000 in Federal funds will be received by the District government from the various Federal grant programs. In addition, the District of Columbia receives Federal reimbursements from such programs as Medicaid and Medicare.

The following table summarizes the various Federal funds estimated to be available to the District government during fiscal year 2007:

FEDERAL FUNDS
(In thousands of dollars)

Item	2007 estimate
Federal Payment for Resident Tuition Support	33,200
Federal Payment for Emergency Planning and Security Costs	8,533
Federal Payment to the District of Columbia Courts	206,629
Federal Payment for Defender Services	43,475
Federal Payment to the Court Services and Offender Supervision Agency	183,653
Federal Payment to the District of Columbia Water and Sewer Authority	7,000
Federal Payment for the Anacostia Waterfront Initiative	5,000
Federal Payment to the Criminal Justice Coordinating Council	1,300
Federal Payment for Transportation Assistance	1,000
Federal Payment for Foster Care and Adoption Improvements	2,000
Federal Payment to the Chief Financial Officer	5,000
Federal Payment for a Forensics Lab	4,500
Federal Payment for School Improvement	40,000
Federal Payment for Marriage Development and Improvement	4,000
Total, Federal funds in bill	597,000
Federal Grants	2,020,101
Total, Federal Funds	2,617,101

**FEDERAL PAYMENT FOR DISTRICT OF COLUMBIA RESIDENT TUITION
SUPPORT**

Appropriations, 2006	\$32,868,000
Budget estimate, 2007	35,100,000
House allowance	35,100,000
Committee recommendation	33,200,000

The Committee recommends \$33,200,000 in Federal funds for the District of Columbia Tuition Assistance Program, an increase of \$332,000 over the fiscal year 2006 enacted level and \$1,900,000 below the President's budget request. On November 12, 1999, Public Law 106-98, the District of Columbia College Access Act of 1999, was signed into law. The Act established the Tuition Assist-

ance Program, a grant program under the direction of the Mayor of the District of Columbia, in consultation with the Secretary of Education.

Under the Act, grants are awarded to District residents for undergraduate education within 3 years of graduating or obtaining a graduate equivalent degree. The applicant must be a District resident for 12 consecutive months before the academic year of the award. Grants pay the difference between in-State and out-of-State tuition at public universities, with a cap of \$10,000 per student per school year, and a total cap of \$50,000. Grants may also be used for tuition at private colleges in the metropolitan area and at any private historically black college or university, with a cap of \$2,500 per student per year, and a total cap of \$12,500. In addition, the District of Columbia College Access Improvement Act of 2001 (Public Law 107-157) expanded the Tuition Assistance Program to individuals who enroll in an institution of higher education more than 3 years after graduating from a secondary school and to individuals who attend private, historically black colleges and universities nationwide.

Every year since the inception of the tuition assistance grant program, the Federal Government has provided sufficient funds to allow all eligible participants to attend out-of-State colleges and universities at the in-State tuition rate. The Committee is pleased to note that 55 percent of all participants are the first members of their families to attend college and that 75 percent of students surveyed at one of the largest schools in the city said that the program influenced their decision to pursue postsecondary education. Clearly, the program is working well and more and more District students are gaining the opportunity to attend colleges and universities of their choice.

The Committee recognizes that this program has enabled many District of Columbia residents to pursue post-secondary educational opportunities. The program allows the District to provide similar opportunities to D.C. residents that State-level university systems provide in all States.

The Committee remains concerned that the significant annual funding increases in a brief 2-year span signal that program costs have the potential of growing well beyond the level at which future Federal funding may be available and sustainable. To address this concern, the Committee directs the Mayor and the District's State Education Office officials to work closely with its Senate and House authorizing and appropriations Committees to immediately take steps to institute effective cost containment measures and regularly report to Congress about the effects of these efforts. The Committee further directs the District to fully explore non-Federal sources of additional funds to augment the Federal investment to meet program needs.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA COURTS

Appropriations, 2006	\$216,723,000
Budget estimate, 2007	196,629,000
House allowance	219,629,000
Committee recommendation	206,629,000

The Committee recommends \$206,629,000 for the District of Columbia Courts. This is \$10,094,000 less than the fiscal year 2006 enacted level and \$10,000,000 above the President's budget request. As part of the District of Columbia Revitalization Act of 1997, the Federal Government began to finance the D.C. Courts. This includes funding for the operations of the D.C. Court of Appeals, Superior Court, and the Court System. By law, the annual budget includes estimates of the expenditures for the operations of the Courts prepared by the Joint Committee on Judicial Administration and the President's recommendation for funding the Courts' operations.

Court Operations

The Committee recommends \$158,700,000 for the Courts' operations, \$2,348,000 below the fiscal year 2006 enacted level and the same as the President's request.

Court Capital Expenditures

The Committee recommends \$60,929,000 for capital improvements, a total of \$10,600,000 above the President's budget request and \$19,800,000 below the fiscal year 2006 level.

The increased funds for capital expenditures will allow the Courts to continue to renovate, improve, and expand court facilities. The Committee recognizes that the relocation of the Court of Appeals from its existing location in the Moultrie Courthouse to the Old Courthouse at 451 Indiana Avenue is a critical step towards meeting the space needs of the D.C. Court of Appeals and providing critical additional space for Superior Court operations, including the newly formed Family Court in the Moultrie Building. The Committee understands that the readaptation of the Old Courthouse for modern day use as a functional courthouse includes the restoration of this national historic landmark, expansion of the courthouse, and construction of an underground parking garage west of the historic building.

This increase will also enable the Courts to continue implementation of the Integrated Justice Information System [IJIS] and allow the Courts to upgrade fire and security alarm systems.

Transfer Authority

The Committee authorizes the Courts to transfer up to \$1,000,000 of the operations funds provided in the Federal Payment to the D.C. Courts among the accounts within the Federal Payment to the District of Columbia Courts appropriation. This flexibility will be especially important in implementing Family Court reforms. The Committee authorizes the Courts to transfer up to 4 percent of the capital funds provided. This flexibility will enable the Courts to prioritize renovations and construction projects.

Reporting Requirements

The Courts are directed to submit monthly reports, through the General Services Administration, to the Senate and House Committees on Appropriations, within 15 calendar days after the end of each month, on the status of obligations by object class and a monthly personnel summary by position, full-time equivalent posi-

tions, and program/function. The obligation report should show, at a minimum, the original operating plan, current operating plan, obligations year to date, percent obligated, planned obligations year to date, percentage deviation from plan year to date, projected total obligations end of year, and projected surplus/deficit.

In addition, the obligation report shall: (1) include a breakdown of expenditures for the Counsel for Child Abuse and Neglect Program and the program of representation of indigents in criminal cases; (2) include a monthly breakdown of expenditures for the D.C. Courts' capital improvements; and (3) where year-to-date obligations exceed or fall below the plan estimates by 1 percent or more, include an explanation of why a category is over- or under-budgeted.

Financial Plan.—The Executive Officer of the District of Columbia Courts shall provide a financial plan of the fiscal year 2007 enacted level for operations and capital improvements of the D.C. Courts to the Committees on Appropriations of the House of Representatives and Senate no later than March 31, 2007. The financial plan shall detail by object class the planned expenditure of the Courts' appropriation, describing any new initiatives or deviation from the conference report. The Committee shall provide a joint House-Senate letter of approval to the Courts after review of the financial plan. The Courts must provide 30 days notice to the Committee in order to deviate from the financial plan after approval of such plan by Congress.

DEFENDER SERVICES IN DISTRICT OF COLUMBIA COURTS

Appropriations, 2006	\$43,560,000
Budget estimate, 2007	43,475,000
House allowance	43,475,000
Committee recommendation	43,475,000

The Committee recommends \$43,475,000 for Defender Services in the District of Columbia, which provides for attorneys for indigent defendants, child abuse and guardianship cases administered by the D.C. Courts. This is the same as the President's request and \$85,000 below the fiscal year 2006 enacted level. This funding will allow D.C. attorneys and investigators to receive the same hourly rate as their Federal counterparts.

FEDERAL PAYMENT TO THE COURT SERVICES AND OFFENDER SUPERVISION AGENCY FOR THE DISTRICT OF COLUMBIA

Appropriations, 2006	\$169,839,000
Budget estimate, 2007	181,653,000
House allowance	181,653,000
Committee recommendation	183,653,000

The Committee recommends \$183,653,000 for the Court Services and Offender Supervision Agency [CSOSA]. This recommendation is \$2,000,000 above the President's budget request and \$13,814,000 more than the fiscal year 2006 enacted level.

The District of Columbia Revitalization Act of 1997 established CSOSA, assuming the functions of the District's pretrial services, adult probation, parole, and adult offender supervision functions. The mission of CSOSA for the District of Columbia is to increase public safety, prevent crime, reduce recidivism, and support the

fair administration of justice in close collaboration with the community.

The Revitalization Act relieved the District of Columbia of “state-level” financial responsibilities and restructured a number of criminal justice functions, including pretrial services, parole, and adult probation. Following passage of the Revitalization Act, under the direction of a trustee appointed by the U.S. Attorney General, three separate and disparately functioning entities of the District of Columbia government were reorganized into one Federal agency. CSOSA assumed its probation function from the D.C. Superior Court and its parole function from the D.C. Board of Parole. The Revitalization Act transferred the parole supervision functions to CSOSA and the parole decisionmaking functions to the U.S. Parole Commission [USPC]. On August 5, 1998, the parole determination function was transferred to the USPC, and on August 4, 2000, the USPC assumed responsibility for parole revocation and modification with respect to felons. The CSOSA appropriation is comprised of three components: The Community Supervision Program [CSP], the District of Columbia Pretrial Services Agency [PSA], and the Public Defender Service [PDS] for the District of Columbia. PDS is a federally funded independent D.C. agency responsible for the defense of indigent individuals and receives funding by transfer from the CSOSA appropriation. The CSP is responsible for supervision of offenders (either on probation or parole), and the PSA is responsible for supervising pretrial defendants.

The Committee understands that the majority of the additional funds it is providing will be used to increase the capacity of residential substance abuse treatment for offenders at Karrick Hall from 21 to 100 participants. These resources will fund the level of treatment slots at the fully authorized level. The Committee recognizes that most offenders have serious drug addiction problems and must receive treatment in order to lead productive, crime-free lives. The Committee is pleased that CSOSA has made such steady progress in increasing the drug treatment capacity for offenders.

The funding provided will also enable CSOSA to enhance its community-based and sanctions-based supervision strategy and support the fair administration of justice by providing the courts and the U.S. Parole Commission with timely, accurate and complete information required in their decisionmaking process.

Prison Reentrant Housing Initiative

The Committee believes strongly that reducing the likelihood of homelessness for returning offenders is critical to combating recidivism. Therefore, the Committee intends that the funds provided above the President’s request be used to expand the availability of transitional housing for ex-offenders. The Committee is aware that ex-offenders are faced with rebuilding their lives as they seek to join the workforce, support their families and become productive members of society. Despite successes in delivery of social and health care services, there is a very pressing need for affordable housing. Stable housing increases the likelihood that the offender will successfully complete his or her term of parole or supervised release, find and maintain employment, maintain family relationships, and access the programs and services that contribute to suc-

cessful reentry. CSOSA originally brought this issue to the attention of the D.C. Department of Housing and Community Development [DHCD] in December 2004, noting the direct correlation between stable housing and offenders' compliance with the conditions of community supervision. An important aspect of supervision is the offender's growing awareness of, and participation in, community-based social services; this occurs during the term of supervision and constitutes a critical stage of the reentry process. Currently, the D.C. reentry initiative offers individuals exiting the criminal justice system direct services and access to 30 community-based nonprofit organizations. Unity health care provides health services through a clinic designed specifically for reentrants. The Department of Employment Services provides job readiness and job placement services at its offices, and case workers assist reentrants in obtaining GED certification and enrollment in college courses at UDC.

FEDERAL PAYMENT FOR PUBLIC DEFENDER SERVICE FOR THE DISTRICT OF COLUMBIA

Appropriations, 2006	\$29,535,000
Budget estimate, 2007	32,710,000
House allowance	32,710,000
Committee recommendation	32,710,000

The Committee is providing \$32,710,000 for the Public Defender Service in the District of Columbia, which is the same as the President's request and \$3,175,000 more than the fiscal year 2006 enacted level.

The mission of the Public Defender Service [PDS] is to provide and promote quality legal representation to indigent adults and children facing a loss of liberty in the District of Columbia and thereby protect society's interest in the fair administration of justice. The Public Defender Service for the District of Columbia enjoys a national reputation for excellence in the delivery of indigent defense services and is often cited as a model for other public defender agencies. Beginning in 1960 as the Legal Aid Agency, the agency was expanded and the name was changed to the Public Defender Service in 1970. PDS is a Federally funded, independent legal organization governed by an 11-member Board of Trustees. In previous years, the Committee has provided funds for PDS through the Court Services and Offender Supervision Agency. Beginning this year, the Committee is funding PDS as a separate line-item, recognizing its status as an independent agency.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA FOR SECURITY COSTS RELATED TO THE PRESENCE OF THE FEDERAL GOVERNMENT

Appropriations, 2006	\$13,365,000
Budget estimate, 2007	8,533,000
House allowance	8,533,000
Committee recommendation	8,533,000

The Committee is aware that the District police, fire, and emergency personnel have had to provide security for a number of events due to the fact that the District of Columbia is the seat of the Federal Government and headquarters of many international organizations. Recently, the need for the District of Columbia to

provide security has increased, thereby increasing overtime costs for personnel and diverting police from neighborhood patrols. The President has supported reimbursing the District for these costs. The Committee recommends \$8,533,000 for this purpose which is the same as the President’s request and \$4,832,000 below the fiscal year 2006 level.

FEDERAL PAYMENT TO THE CHIEF FINANCIAL OFFICER OF THE DISTRICT OF COLUMBIA

Appropriations, 2006	\$28,908,000
Budget estimate, 2007	
House allowance	5,000,000
Committee recommendation	5,000,000

The Committee is providing \$5,000,000 to the Chief Financial Officer of the District of Columbia for education, job-training, security, economic development, and health projects in the District of Columbia. The Committee is providing funds for the following projects in the following amounts:

Project	Amount
Children’s National Medical Center for facilities	\$500,000
Children’s National Medical Center for African-American cord-blood bank	250,000
D.C. Poison Control Center	250,000
Unity Healthcare for medical care tracking technology	250,000
Boys and Girls Clubs of D.C. for facilities repairs	200,000
Father McKenna Homeless Shelter	100,000
East of the River Police-Clergy Partnership	200,000
Youth Leadership Foundation	200,000
National Council of La Raza in the District of Columbia	350,000
Mary’s Center	200,000
Gospel Rescue Mission	100,000
Center for Inspired Teaching for teacher training	50,000
CentroNia to expand academic enrichment model for early childhood education	100,000
Discovery Creek Children’s Museum of Washington for Its Wise to Immunize Project	100,000
Girl Scout Council of the Nation’s Capital for Young Leaders Program	100,000
Historic building restoration and renovation	500,000
Green Door for the Homeless-to-Workplace Initiative	100,000
Kidsave DC Weekend Miracles for a program to support older foster youth	100,000
KIPP DC: Will Academy Partnership with Scott Montgomery Elementary to support the first charter-DCPS partnership	400,000
National Campaign to Prevent Teen Pregnancy for a continuing initiative with UCAN	100,000
Southeastern University for facilities capital improvements	100,000
Youth baseball partnership with Payne Elementary School	50,000
Washington Area Women’s Foundation Stepping Stones Initiative for low-income families	500,000
Whitman-Walker Clinic for facility planning and development	100,000
Washington Latin Public Charter School for a summer enrichment program	50,000
Washington National Opera for education programs only in D.C.	50,000

FEDERAL PAYMENT FOR THE ANACOSTIA WATERFRONT INITIATIVE IN THE DISTRICT OF COLUMBIA

Appropriations, 2006	\$2,970,000
Budget estimate, 2007	
House allowance	
Committee recommendation	5,000,000

The Committee recommends \$5,000,000 to continue to implement the Anacostia Waterfront Initiative, which is \$2,030,000 above the fiscal year 2006 enacted level. The President did not request any funds for this initiative. These funds will support the construction of a multi-use hiker and biker trail system along both sides of the

Anacostia River in the District of Columbia. This recreational amenity and transportation alternative will help connect neighborhoods and transform the Anacostia River into a great civic center for the city. The Committee understands that the 20-mile interconnected trail network will provide pedestrian and bicycle-friendly access to the shores of the Anacostia River and will serve to connect the regional trail system in Maryland to the National Mall. With alternative corridors and loops to choose from, users of the trail will find a variety of experiences and connections to other regional and national trails, including Fort Circle Trail, Bladensburg Trail, the East Coast Greenway and the Potomac Heritage Scenic Trail.

The Committee continues to support the use of innovative bridges along the Anacostia bike trail and urges the District’s Department of Transportation to consider using this new technology in other road projects throughout the city.

The Committee also intends that \$2,000,000 of the funds provided will be used for infrastructure upgrades to revitalize and increase access to the area.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

Appropriations, 2006	\$6,930,000
Budget estimate, 2007	7,000,000
House allowance	7,000,000
Committee recommendation	7,000,000

The Committee is providing \$7,000,000, to be matched 100 percent with local funds, for the Water and Sewer Authority [WASA] to implement the Combined Sewer Overflow Program. This is \$70,000 more than the amount appropriated in fiscal year 2006 and the same as the President’s request. The Committee notes that this funding will assist WASA in designing a new system to address combined sewer overflows. The combined sewer system, which serves 33 percent of the District, was constructed in 1890 by the Federal Government. Because of its age and capacity constraints, the system discharges sanitary waste and storm-water into the surrounding rivers approximately 60–75 times per year during heavy rains.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA FOR TRANSPORTATION

Appropriations, 2006	\$990,000
Budget estimate, 2007	
House allowance	
Committee recommendation	1,000,000

The Committee recommends \$1,000,000 for transportation assistance in the District of Columbia, which is \$10,000 above the fiscal year 2006 enacted level. The President did not request funds for this purpose.

The Committee intends that these resources be used for expenses related to phase II implementation of the District’s downtown circulator transit system. This new surface transportation service is providing high-frequency, high-quality, and low-cost service to connect the east and west sides of downtown, the White House, the

National Mall and monuments area, the Capitol Complex, Union Station, and Georgetown. The Committee understands that these funds will be matched 100 percent by the District of Columbia and by the private sector (led by the Downtown Business Improvement District group). The Committee understands that Phase I of the Circulator is now operating and will include the following routes: (1) north-south along 7th Street, NW, between the Convention Center and the SW Waterfront; and (2) east-west between Georgetown and Union Station. The Committee directs the District of Columbia Department of Transportation to report on progress to minimize idling of buses and traffic congestion.

FEDERAL PAYMENT FOR FOSTER CARE IMPROVEMENT AND POST-ADOPTIVE SERVICES

Appropriations, 2006	\$1,980,000
Budget estimate, 2007	
House allowance	
Committee recommendation	2,000,000

The Committee understands that in the District of Columbia, the Child and Family Services Agency [CFSA] is responsible for protecting approximately 3,000 children in “out-of-home” placements, and another 5,000 children in “in-home” placements. During its history, many children in CFSA’s care have languished for extended periods of time due to managerial shortcomings and long-standing organizational divisiveness in the city. As a result, the agency was placed in receivership in 1995. In June 2001, the court removed CFSA from receivership and put the agency under probation. That probationary period ended in January 2003.

Concerned about CFSA’s troubled history, the Committee began a Federal foster care initiative in fiscal year 2004 which focused on improving several critical areas. These critical needs are: (1) intensive, early intervention when children enter care; (2) early mental health assessments and mental health services for all children in foster care; (3) recruitment and retention of qualified social workers; (4) recruitment and retention of foster parents; and (5) improved computer tracking of all children in foster care.

Loan Repayment for Social Workers

The Committee is providing \$1,000,000 for the repayment of student loans for social workers at CFSA. The Committee understands that the higher the caseload per social worker, the lower the quality of service to each of the caseworker’s children. The District, like many cities, suffers from a high turnover rate of social workers. In fact, the national turnover rate has doubled since 1991. Clearly, the relatively low pay and difficult working conditions of social workers has resulted in a child welfare workforce crisis.

The Committee recognizes that steps must be taken to encourage more workers to enter the child welfare workforce and improve the salaries, working conditions, and training of workers. Student loan repayment is aiding in the retention and improvement of conditions for the District’s social workers.

Post Adoptive Services

The Committee is providing \$750,000 to assist CFSA in providing post permanency services to adoptive parents and guardians to ensure that children remain in stable homes. These resources will fund mental health services, respite support, training seminars, one-on-one counseling support, and a post-permanency resource center.

Recruitment and Retention of Foster Parents

The Committee is providing \$250,000 to recruit and retain foster parents. The Committee recognizes that CFSA has experienced difficulties recruiting and retaining an adequate number of appropriate, qualified foster parents. This lack of sufficient numbers of foster homes has given rise to so-called group homes in the District.

One reason for the shortage of foster parents is the lack of availability of respite care in the District. The Committee has been informed that foster parents do not have the same opportunities for respite as biological parents. Foster parents cannot merely send their children to spend the weekend with a relative or family friend, or to visit with a classmate at his or her home. Foster parents must seek out persons who have met many agency-established criteria. Therefore, foster parents often care for their children—many of whom have special needs—without significant breaks.

Of the funds provided, the Committee intends that the Washington Council of Governments, which has years of experience with the D.C. foster care system, provide the direct service implementation of this respite proposal and that the Foster and Adoptive Parents Advocacy Center provide the oversight, quality control, and evaluation of the program. The Committee intends that resources shall provide: (1) emergency respite, which would be provided with less than 1 month’s notice; (2) planned respite, which would be planned at least 1 month in advance; and (3) ongoing respite, which would be at pre-established meeting times and places, e.g., Saturday programs, enrichment programs, and field trips.

FEDERAL PAYMENT FOR SCHOOL IMPROVEMENT IN THE DISTRICT OF COLUMBIA

Appropriations, 2006	\$39,600,000
Budget estimate, 2007	40,800,000
House allowance	40,800,000
Committee recommendation	40,000,000

The Committee has included \$40,000,000 to augment and improve educational opportunities for all students in the District of Columbia. This is \$400,000 above the fiscal year 2006 enacted level and \$800,000 below the President’s budget request. This initiative is comprised of three interrelated components: investing in excellence in traditional public schools; expanding choice through high quality public charter schools; and offering opportunity scholarships for low-income students in under-performing schools. Therefore, of the funds provided, \$13,000,000 is to provide a scholarship program for low-income children in under-performing schools; \$13,000,000 is for the development of quality public charter schools; \$13,000,000 is to strengthen leadership and instructional

excellence and increase student achievement at District of Columbia Public Schools in accordance with the No Child Left Behind Act; and \$1,000,000 is for administrative expenses.

Improving Public Education

The Committee notes that the Department of Education has informed the Superintendent of DCPS that the Department has serious and continuing concerns with DCPS' administration of federally funded education programs. As a result of the problems identified in several audits and reviews, the Department has designated DCPS a "high-risk" grantee for all the grants it receives from the Department.

For a number of years, independent single audit findings and Department program reviews have identified significant problems that DCPS has had in meeting some of the most fundamental program accountability requirements, including implementing appropriate financial, recordkeeping, and internal control systems and procedures. Many of the problems identified affect the delivery of services to students. In fact, DCPS is currently at the lowest levels of state educational agency performance as measured by National Assessment of Educational Progress scores. DCPS's average scores in the 2005 Trial Urban District Assessment (for reading and for math at both tested levels) were lower than every other participating city school district.

The most significant findings from these audits and reviews are:

- Fiscal management weaknesses, including:
 - Lack of timely allocation and use of Federal funds
 - Expenditures for salaries without appropriate documentation
 - Lack of proper controls for management of property and equipment
 - Lack of proper procurement controls
 - Lack of record keeping for and funding to charter schools
- Inadequate monitoring of subgrantees
- Repeated material findings in single audits
- Management information systems inadequate to meet Federal reporting requirements
- Continuing noncompliance with IDEA program requirements.

The Committee recognizes that the "high-risk designation is a very serious matter, and it expects that DCPS will take immediate steps to correct these problems and to demonstrate significant improvements. In light of this designation, the Committee is not confident in DCPS' ability to expend Federal resources provided by this Committee. As a result, the Committee is appropriating \$13,000,000 directly to the District of Columbia State Education Office to be used for the following purposes: (1) \$5,000,000 to hire, place, and train highly qualified teachers and principals in District of Columbia public schools; (2) \$5,500,000 for training and materials to expand the availability of advanced placement courses and for subsequent testing, and to expand vocational and technical programs which enhance postsecondary opportunities for students; (3) \$500,000 to support the Superintendent's Master Education Plan; and (4) \$2,000,000 for the High Performing Incentive Award program. The Committee believes that expenditures for these specific purposes can be directly linked to classroom conditions, can be

readily tracked, and whose impact can be measured in terms of student performance. The Committee intends that in order to be meaningful, the High Performing Incentive Awards be at least \$200,000 to each selected entity.

Improving Facilities and Efficiency.—The Committee has raised concerns with the District in public hearings in 2005 and prior, about the inefficiency of maintaining at least 5 million square feet of underutilized or unused space in DCPS facilities, identified by independent entities. The Committee supports the Superintendent and the D.C. Board of Education [BOE] goal to consolidate underutilized space in D.C. Public School facilities, specifically the BOE decision to consolidate 1 million square feet of space by the school year 2006–2007 and consolidate an additional 2 million square feet of space by school year 2007–2008.

The Committee is encouraged by the BOE and the Superintendent's decision for the first round of school consolidations including closing five public school facilities and leasing space in eight additional public schools for co-location with public charter schools. The Committee strongly supports more efficient use of public school facilities and the lease of unused space to public charter schools. The District has estimated \$8,000,000 in revenue in fiscal year 2007 from leases of unused space. The Committee supports DCPS efforts to generate additional revenue and more effectively target resources to expanding quality educational opportunities and to improving facilities.

The Committee supports the Superintendent's proposal to establish a dual language expansion and replication of Oyster Elementary School with Adams Elementary School, creating the first pre-kindergarten through eighth grade program at the two schools. This replication model will also establish a demonstration site for principals and families to learn about the highly effective program. The Committee is committed to establishing this model in school year 2007–2008 and expects DCPS to work with the Oyster community in developing this replication model to ensure it supports this excellent program.

In addition to the necessary school consolidations, the Council of the District of Columbia committed to better facilities in the School Modernization Financing Act of 2006. The legislation launches a \$2,500,000,000, 10-year school modernization program where priority is given to public school facilities which engage in partnerships with public charter schools and other District agencies. The Committee commends this action and supports this type of leveraging of public funds to maximize the benefit in the community. The Committee believes that any facilities modernization plan must continue to place a high priority eliminating excess capacity.

Oversight Structure.—The Committee notes for the record that the current management and accountability structure in the District of Columbia Public School system commingles the functions of the local education agency [LEA] and State education agency [SEA] and vests both in the D.C. Board of Education [BOE]. Under this structure, there are no clear delineations in funding, reporting, accounting, or staffing. Recently, the U.S. Department of Education designated DCPS a “high risk grantee” for Federal funding and

this structure is a contributing factor in the Department's lack of confidence.

In almost every other jurisdiction, the LEA is directly accountable to the SEA and the SEA is responsible for providing independent oversight accountability and support to the LEA. This is not so in the District. In the District, the State Education Office manages some Federal funding and programs, but has no authority over public schools. This single tiered system continues to frustrate the District's efforts to comply with Federal accountability standards set by the No Child Left Behind Act [NCLB]. Specifically, the District's accountability system lacks sufficient measures and interventions for schools failing to make "adequate yearly progress" as defined by the NCLB. In addition, the current structure poses additional accountability issues for public charter schools, who are monitored by the SEA in the District, instead of the LEA as in other jurisdictions.

The Committee directs the D.C. Board of Education to contract with an independent entity to develop legislation to separate the D.C. local education agency functions from the State education agency functions by establishing or designating a State-level entity to assume all State-level education functions and the SEA authority, separate from all LEAs. The independent entity, in consultation with the BOE, the Mayor, the Council of the District of Columbia, the Superintendent of DCPS, the State Education Office, and the D.C. Public Charter School Board shall develop legislation that is consistent with the following: implementing the State planning and accountability requirements of NCLB; best practices for State agency organization and functions; and Federal requirements for State roles and responsibilities. This proposed legislation shall be submitted to the Congress no later than 120 days after enactment of this act to inform congressional actions to clarify State-level functions.

Evaluation of D.C. Public School System.—The Committee directs the Government Accountability Office [GAO] to conduct a comprehensive review of the District of Columbia Public School System's personnel, management, and systems management. The review should assess DCPS's financial management and accounting, information technology systems, Federal grants management, and reporting processes. The Committee directs GAO to work with the Department of Education to determine what improvements DCPS needs to make to eliminate its "high risk" designation. The Committee directs GAO to report on these findings by May 1, 2007.

Strengthening Charter Schools

The Committee recommends \$13,000,000 for public charter schools in the District of Columbia, directed to specific initiatives which will strengthen schools, enhance capacity, improve academic quality, and create a network of integrated services. The Committee recommends the following allocation of resources: \$6,000,000 for the Direct Loan Fund for Charter Schools; \$3,500,000 for continuation of the City Build Charter School Program; \$1,000,000 for the Public Education Improvement Incentive Award program; \$1,050,000 for grants to public charter schools for co-location with

DCPS buildings; \$1,000,000 for a quality initiative; and \$450,000 for administration within the State Education Office.

The Committee has played a significant role in the development of public charter schools in the District of Columbia. In school year 2006–2007, there will be 58 public charter schools educating 25 percent of the student population, giving the District the distinction of having more charter schools per capital than any other city or State in the Nation.

The Committee received requests from several public charter schools in the District for capital improvements or construction funding. Instead of earmarking these funds, the Committee is providing \$6,000,000 for D.C. government programs to provide financing for public charter schools to improve facilities. The Committee has reviewed proposals for funding and recommends that the Office of Public Charter School Financing and Support give particular consideration to proposals submitted by the following schools: E.L. Haynes Public Charter School; Friendship Tech Prep Academy in Anacostia; KIPP DC preschool through grade 12 Campus; and Washington Latin School.

The Committee recommends that the Mayor conduct an assessment of the current open enrollment and lottery system for public charter schools in the District. This assessment should identify and recommend a solution to challenges in the open enrollment system, including supporting neighborhood schools, partnerships, or dual-language programs.

The Committee directs the Mayor to provide a quarterly financial report to the Committees on Appropriations on the performance of the Direct Loan Fund and Credit Enhancement for Public Charter Schools. The report shall include: (1) a summary of obligations, expenditures, and the purpose therefore; (2) the public charter schools benefiting from such funds and their expenditures; and (3) the investment of all funds, both local and Federal, and interest earnings from such investments.

The Committee is informed that the Securities and Exchange Commission [SEC] has frozen all assets of a certain business entity that the District had selected to conduct the banking transactions necessary to run the Charter School Revolving Loan and Credit Enhancement Programs. Assets held by this business entity include \$9,600,000 in Federal funds appropriated to the District of Columbia. Consequently, while the investigation is ongoing, these funds are not available to the District. In addition to the SEC's investigation, the U.S. Attorney's Office is conducting its own investigation. Further, the D.C. Office of the Inspector General, the Office of the Chief Financial Officer and the D.C. Office of the Attorney General are all coordinating various investigations into this matter. Whether and when the \$9,600,000 in funds will be made available to the District must be determined by the SEC.

The Committee understands that the District has agreed to take steps to ensure that the credit enhancement and direct loan programs are provided with the resources necessary to continue operations as though not affected by the freezing of funds by the SEC. In addition, the District has undertaken substantial reform of the programs since the Office of Public Charter School Financing and Support was placed within the State Education Office in fiscal year

2005. The State Education Office is instituting new processes and protections for the program and is working with the Office of the Chief Financial Officer to restructure its investment strategy.

The Committee encourages the Mayor to ensure that there is no disruption in the program to provide financing to qualified public charter schools and directs the Mayor to replenish funds if disruptions seem likely.

Quality.—The D.C. Board of Education voted in June 2006 to impose a moratorium on issuing additional charters in order to evaluate the BOE's desire to continue authorizing public charter schools. The BOE has authorized 25 schools and currently oversees 17 public charter schools in the District of Columbia.

Congress authorized, in the D.C. School Reform Act of 1995, the BOE and an independent entity, the D.C. Public Charter School Board [DCPCSB], as eligible chartering authorities (or authorizers) to authorize and oversee public charter schools in the District. Congress also allowed the Council of the District of Columbia to designate a third eligible chartering authority through legislation and for several Federal agencies to explore the feasibility of authorizing public charter schools in the District.

The Committee supports the benefits of inherent competition among multiple chartering authorities and recognizes that the District is only the second jurisdiction nationwide to have this structure. However, the Committee has raised concern with the quality of oversight performed on public charter schools and questioned if the BOE would be more efficient focusing only on DCPS. The Committee welcomes the current examination of the chartering authority structure and strongly urges the BOE, Mayor, Council and charter school community to make the goal of quality public charter schools the highest priority in considering any legislative action. The Committee would consider, with the appropriate authorizing committees of Congress, legislation to modify the chartering authority structure, including amending the D.C. School Reform Act to designate another authorizer.

The Committee directs the U.S. Government Accountability Office [GAO] to assess, as part of the biannual report to the Congress on the D.C. public charter school authorizers, the BOE moratorium and to make recommendations on what entity should assume responsibility for existing BOE public charter schools.

Consistent with Committee direction in 2005, the D.C. charter school authorizing boards, the BOE and the DCPCSB, have taken necessary steps to ensure that each authorized public charter school has an annual financial audit consistent with standards set by the D.C. Chief Financial Officer. The Committee encourages oversight of the financial accountability and transparency of the authorizing boards.

The Committee noted in the fiscal year 2006 report concern that the current law prohibits authorizers from revoking a charter at any time for failure to meet the public charter school's academic performance goals, authorizers may only revoke charters for financial or management concerns. The law governing charter school authorization and oversight should make academic achievement paramount.

Facilities.—Access to appropriate facilities is a major challenge of public charter schools. The Committee is encouraged that public charter schools will receive equal access to public facilities and financing. The following are specific areas of concern for the Committee.

The Superintendent's recommendation for the first phase of school consolidations or rightsizing proposed that unused public school space be leased to public charter schools and the revenue be used to improve the facilities in D.C. Public Schools. The Committee strongly supports this effort and has dedicated \$1,050,000 of the \$13,000,000 for public charter schools to support improving facilities occupied by public charter schools. The Committee strongly encourages the Superintendent to use a transparent process for leasing unused DCPS facilities to public charter schools consistent with the right of first refusal in the 1995 D.C. School Reform Act (D.C. Code 38–1802.09).

The Committee supports DCPS efforts to facilitate co-location of public charter schools and DCPS facilities to enable the District to better utilize its school facilities in a cost efficient manner. The Superintendent's recommendation for school consolidations or rightsizing proposes seven DCPS schools for co-location with a public charter school. The Committee was disappointed that a proposal in 2005 to make space in 10 DCPS schools available to public charter schools resulted in only two co-locations of public charter schools and DCPS. The Committee strongly supports partnerships and co-locations which maximize the benefit of public funds, and will look favorably upon such partnerships to further leverage local funding provided through the D.C. School Modernization Financing Act of 2006. The District requires that rental payments from a charter school be for the use of the host school, which provides a strong incentive to lease underutilized space (D.C. Code §38–1831.01(b)(2)) because rental payments from charter schools provide a reliable revenue source for host schools.

Surplus Public School Facilities.—In March 2000 the District of Columbia Financial Responsibility and Management Assistance Authority transferred jurisdiction of 38 public school properties to the control of the Mayor of the District of Columbia.

The School Reform Act of 1995 provided a preference for charter schools to obtain surplus property to alleviate identified lack of appropriate school space. The Committee strongly supported the legal preference in its fiscal year 2003 and 2004 Committee reports. In addition, Public Law 108–335, section 342(c) requires that charter schools are provided a right of first offer on the disposition of any property. The Committee is disappointed that the Mayor and the Council of the District of Columbia were unable to make more than two additional surplus former public school buildings available to public charter schools in the last year.

The Committee report 109–106 requested a report from the Mayor of the District of Columbia, in consultation with the Chairman of the Council of the District of Columbia, on the current use of all 38 original surplus properties, the market rate value of each property, and the profit generated from any prior sales to more fully understand the benefit to the city. This report was not submitted.

The Committee strongly believes that proceeds from sales or leases of surplus public school property should be deposited into a segregated account for school facilities improvement to enable the Superintendent to improve the entire system at a time when facilities funding is limited.

This year public charter schools spent \$16,000,000 on the private real estate market to renovate facilities for educational use. The Committee remains concerned about the lack of appropriate educational space for public charter schools while former public school facilities are used for other purposes. The Committee expects that additional surplus public school facilities will be made available expeditiously to charter schools, consistent with the right of first offer required under Section 342(c) of Public Law 108–335.

City Build Charter School Program.—The Committee recommendation includes \$3,500,000 to continue the City Build Charter School Program consistent with an independent study conducted in 2006. The program shall first identify communities which have the greatest near term potential of attracting or retaining residents as “City Build Communities”; then the Mayor may solicit proposals from public charter schools to locate in City Build Communities. The Committee believes that public charter schools which demonstrate community service activities, such as family literacy programs, should receive priority in future grants. In addition, the Committee continues to strongly encourage the Mayor of the District of Columbia and the Deputy Mayor for Planning and Economic Development to give priority and to highly leverage public funds to projects which include charter schools or other educational space in future development in the District. The Committee is reviewing the management of the City Build Program and may change the current structure to strengthen the program and improve its benefits to the community.

Improving Opportunities for School Choice

The Committee recommendation includes \$13,000,000 to continue a scholarship program to allow low-income students attending consistently under-performing public schools to choose to attend private schools within the District. The Committee believes that this program is improving the academic prospects of students receiving scholarships and is stimulating improvement within the public school system.

The Committee is providing funds for scholarships that will be available to low-income District students in grades kindergarten through 12 who are attending consistently low performing public schools. The scholarships are for the tuition, transportation, and fees at participating private schools within the District and cannot exceed \$7,500 per elementary, middle school, or high school student. If the funds provided are not sufficient to serve all the eligible applicants, scholarships will be awarded through random selection.

Program Is Succeeding

The Committee is very pleased with the first 2 academic years of the D.C. Opportunity Scholarship Program. In the program’s first 2 years, the Washington Scholarship Fund [WSF], the grantee

administering the program, accepted nearly 6,000 applications for approximately 2,400 available scholarships. The Committee understands the challenges that WSF has met, particularly given the short amount of time that the organization had to design, launch and recruit for this historic demonstration project in school choice.

In the “Evaluation of the D.C. Opportunity Scholarship Program: Second Year Report on Participation,” the Institute for Education Sciences at the U.S. Department of Education noted that:

- 44 percent of all eligible applicants entering grades 1 through 12 came from a public school designated as “in need of improvement” under the No Child Left Behind Act between 2003 and 2005. (When eligible applicants entering Kindergarten are added, that percentage rises to 65 percent).
- The average household income of the new 2005–2006 scholarship recipients was \$16,651, far below the statutory requirement of 185 percent of the poverty level.
- The number of scholarships awarded in the program’s first 2 years is high enough to create a robust “treatment” group across all 13 grades (K–12) for the rigorous, federally mandated evaluation of the program. The evaluation’s “control” group is also sufficient across all grades.

In the “Evaluation of the D.C. Opportunity Scholarship Program: First Year Report on Participation,” the Institute for Education Sciences at the U.S. Department of Education noted that:

- Compared to other scholarship programs across the Nation, this program has a more diverse group of participating schools, including 28 percent of schools that are not religiously affiliated.

In addition to these conclusions from the Department of Education’s reports, the Committee notes that last fall, 1,630 students entered D.C. non-public schools using Opportunity Scholarships. The second year of the program offered scholarship recipients a choice of 68 participating schools. The Committee is pleased that the treatment and control groups are sufficient for the federally mandated evaluation, including students in all 13 grades, K–12.

Preventing Families From Earning Out of the Program

Against the backdrop of this very promising start, the Committee is concerned that too many students will lose their scholarships because their household incomes are rising slightly. Once a student has been in the program for a year, the household income eligibility threshold rises from 185 percent of the poverty level to 200 percent of the poverty level. The Committee understands that for various reasons, nearly 650 students will lose their scholarships over the next 3 years if the 200 percent threshold is not raised. As a result, these students will be forced to leave their current, non-public schools and return to public schools. These students will remain in the Federal evaluation’s “treatment” group even though they are no longer being “treated.” This, along with very limited high school capacity, will jeopardize the Federal evaluation, which will be rendered inconclusive if less than 50 percent of the students in the “treatment” group are using their scholarships. In most cases, families are “earning out” of the program by a few hundred dollars. For

instance, a parent gets a slight raise, a promotion, or a higher-paying job, or parents that were separated reconcile.

For this reason, the Committee has included language to allow children already in the program to stay in the program if their families' incomes are below 300 percent of Federal poverty level.

Evaluation of D.C. School Choice Incentive Act.—The Committee directs the Government Accountability Office [GAO] to conduct a comprehensive review of the Opportunity Scholarship Program. Not later than April 1, 2007, the GAO shall report on the methodologies for conducting the program evaluation and shall assess and analyze the demographic and other characteristics of the students participating in and leaving the program; the selection criteria for schools wishing to participate and the methods used to select students who receive an offer to participate in the program; and an analysis of the administration of the program and use of Federal funds.

In addition, this GAO review shall assess the administration of testing or other measurements to compare the academic achievement and rates of retention, drop-out, graduation, and college admission of the students in the program with comparable students enrolled in the District of Columbia public school system. The report should also include information from parents of scholarship students as well as parents of the District of Columbia public school students about how satisfied they are with the quality of their child's education. This information should be presented by income level.

The GAO shall also report on the challenges facing the Washington Scholarship Fund as it administers the program. These challenges include outreach to low-income parents, the need for additional academic remediation for children who enter private school below grade level, and the oversight of the program participants. The study should also provide information on the challenges that schools who educate scholarship students face and the additional costs they bear to accept these students.

FEDERAL PAYMENT FOR FORENSICS AND BIOTERRORISM LABORATORY

Appropriations, 2006	\$4,950,000
Budget estimate, 2007	
House allowance	
Committee recommendation	4,500,000

The Committee recommends \$4,500,000 for costs associated with the construction of a new bioterrorism and forensics laboratory in the District of Columbia. This is \$450,000 less than the fiscal year 2006 enacted level. The President did not request funds for this activity. The District's laboratory capacity has not kept pace with the innovations in the field and is therefore unable to meet the demands of the current workload. Because of this lack of capacity, the District is forced to seek help from the FBI crime laboratory in Quantico, Virginia. The FBI has its own workload capacity and therefore limits the evidence it will process for the District to four pieces of forensic evidence for violent crimes. This lack of capacity and the limitations of old technology have led to many so-called "cold" or unsolved crime cases in the District. A new laboratory will not only allow the District to more effectively and efficiently proc-

ess crime cases, but it will be an essential element in processing evidence associated with potential bioterrorism attacks.

FEDERAL PAYMENT FOR MARRIAGE DEVELOPMENT ACCOUNTS AND MARRIAGE PROMOTION

Appropriations, 2006	\$2,970,000
Budget estimate, 2007	
House allowance	
Committee recommendation	4,000,000

The Committee is providing \$4,000,000 for marriage promotion and to continue Marriage Development accounts.

Children Raised by Married Parents Usually Have Brighter Futures

The Committee notes that the family is the very foundation and building block of a society. When families thrive, communities thrive, and society thrives. Marriage is the essence of family formation and our most important social institution. It is the place from which healthy children and, ultimately, a healthy society are born.

The Committee is aware that almost all available research shows—and social policy experts agree—that children do best when they grow up in homes with their married, biological parents. They are generally healthier, happier, and have brighter futures than children who grow up with only one parent. Statistics tell a compelling story: children raised by only 1 parent are three times more likely to repeat a grade in school; five times more likely to have behavioral problems; twice as likely to be depressed; three times more likely to use illicit drugs; twice as likely to become sexually active as teenagers; and are seven times more likely to live in poverty. In fact, children born to unmarried mothers are likely to live in poverty and require support from the welfare system.

Given the enormous benefits that accrue to children who are raised by their married parents, the Committee believes that it is a moral and societal imperative that our nation esteem, support, foster, and encourage the institution of marriage.

The Committee is pleased to announce that the Mayor of the District of Columbia will take important actions to encourage marriage in the District of Columbia. These actions include: (1) eliminating marriage penalties for low-income couples who decide to wed; (2) increasing the earned income tax credit for married couples in the District; and (3) assigning priority status to married couples and their families for low-income and federally funded housing. The Committee is also providing \$1,000,000 to the District of Columbia Department of Human Services to support occupational training for married parents to improve their prospects for full-time employment.

Low-Income Couples Face Significant Marriage Penalties

Through Committee hearings, briefings, and research, the Committee has learned that governmental policies have often worked to discourage marriage. In May witnesses testified before the Committee that government policies have served to weaken marriage over the past 40 years. Certain programs created in the 1960's had the unintended consequence of discouraging marriage by providing financial incentives for low-income parents to never get married.

These policies have made—and continue to make—it economically irrational for a poor mother to get married.

Four decades of these incentives have wrought a significant and tragic result for our children: fully 35 percent of all babies are born to single mothers. This compares to just 4 percent in 1960. And the picture is nothing short of devastating for African-American families: 70 percent of all children are born to single mothers.

The Committee has been informed that the lower the parents' income, the greater the likelihood that he or she will be raising children alone. According to the Congressional Research Service, 55 percent of all families with children whose incomes are below \$30,000 are headed by an unmarried parent. Families in this income range make up over one-third of all families with children in the United States.

Although the 1996 Welfare Reform Act attempted to remove the incentives for parents to remain unmarried, unwed birthrates have continued to increase. In fact, government policies often continue to penalize low-income couples with children who decide to get married.

During a recent hearing before this Committee, Dr. Eugene Steuerle of the Urban Institute testified about his work with Adam Carasso on what they call “the hefty tax on marriage facing many low-income households with children.” Dr. Steuerle pointed out that most households with children whose parents earn low or moderate incomes (under \$40,000) are significantly penalized for getting married. Essentially, a couple will fall off the “benefits cliff” when they take their wedding vows because even small increases in income result in thousands of dollars of lost benefits. Dr. Steuerle’s research has led him to make a very troubling observation. He testified before the Committee that “in aggregate, couples today face hundreds of billions of dollars in increased taxes or reduced benefits if they marry. Cohabitation or not getting married has become the tax shelter for the poor.”

At first this statement is a shocking one, but upon further consideration, it is quite understandable because it makes little economic sense for low-income couples to get married. If a low-income mother is faced with losing the ability to feed and clothe her children when she takes a wedding vow, why would she choose to do so?

The Committee also heard testimony from a mother of four who just recently married the father of her children. She testified that “a reality that contributed to our delay in getting married was fear over what would happen to the public benefits we need to support our family.” She went on to say that “it is the experience of people in my community that if a woman gets married her income from TANF (Temporary Assistance to Needy Families) and other benefits will decrease. This is a disincentive to marriage and I understand why. As a mother of four, the possibility of losing income I desperately needed to support my children altered my own judgment about marriage for so long.”

The decision for this couple to marry was economically irrational because it means that every month they have to get by on less than they used to before they got married. They are being financially penalized for taking a wedding vow. It is not surprising that in many

low-income communities marriage is disappearing and children are growing up without the love and nurturing of both parents. For four decades we have essentially been taxing low-income marriage and subsidizing single parenthood. It is no wonder, then, that we have less marriage and more single parents in low-income communities.

The Committee is aware that there are many single mothers who are heroically and successfully raising children on their own. They deserve our respect and support. But it is an indisputable fact that a father and a mother, bound together in marriage, provide the best environment in which to raise healthy children. As a society, we should strive to foster what is the very best for our children.

The Mayor Will Work to Eliminate Marriage Penalties in the District of Columbia

The Mayor of the District of Columbia has agreed to partner with this Committee to increase marriage rates in a number of ways. First, the District will begin using some of its TANF funds to provide additional cash supplements to couples who would otherwise have lost benefits by getting married. The District will determine the potential loss of benefits and will then provide monthly cash payments to replace those lost benefits. The District has agreed to provide these benefits for the first 2 years of the couples' marriage. This will effectively eliminate the "marriage penalty" and will "hold couples harmless" for their decision to wed. The Committee believes that in the long run eliminating marriage penalties will actually save money because fewer children will be raised by single parents in poverty and these children will, in turn, be less likely to rely on public assistance. But more importantly, eliminating marriage penalties for low-income families will encourage marriage and enable more children to grow up in the very best environment possible—with their married biological mother and father.

The Committee lauds the Mayor for taking this important step to eliminate marriage penalties and believes that all States should take aggressive measures to eliminate marriage penalties for low-income couples.

The Mayor Will Increase Earned Income Tax Credit for Married Couples in the District of Columbia

The Committee notes that the Mayor of the District of Columbia has also agreed to increase the Earned Income Tax Credit [EITC] for married coupled in the District of Columbia.

The Committee is informed that when a low-income working woman and a low-income working man decide to marry, they face reductions in their EITC benefits. This is because benefits are based on household income, rather than individual income. Unfortunately, this situation encourages couples to cohabit or never marry in order to preserve their EITC benefits.

One way to eliminate this penalty is to simply base the credit on individual income rather than family income. Another option is to extend the maximum benefit for married couples, while leaving it unchanged for single parents. The Committee understands that the Mayor has agreed to increase EITC benefits by using whichever method is easiest to administer.

The Mayor Will Assign Priority Status to Married Couples for Access to Low-income and Federally-funded Housing

The Committee is pleased that the Mayor has decided to give priority to married couples who are seeking low-income housing. The Committee understands that one obstacle to marriage for low-income single mothers is the loss of housing benefits if they decide to marry. When public-housing subsidies are withdrawn or substantially reduced following the marriage of a welfare recipient, the essential message this sends to single mothers is: If you want your welfare benefits to continue, avoid marrying an employed man.

Given the important stability that affordable housing provides to families, the Committee is pleased that the Mayor has decided to give married couples priority access to low-income housing. The Committee believes that other States should considering following the Mayor's example.

More Job Training and Employment Opportunities Will Help Stabilize Marriages

According to the Congressional Research Service, more than one-third of all unmarried parents in the District of Columbia have household incomes that are less than \$10,000 per year, making them the city's largest single income grouping of unmarried parents. Nearly 86 percent of all families with children having income less than \$10,000 per year are headed by a single parent. These are the parents that require direct assistance because most do not have full-time, full-year employment and therefore count on public benefits to sustain them.

According to District of Columbia officials, the disproportionately low levels of functional literacy of TANF recipients creates a serious challenge to moving persons into higher paying jobs that lead to long-term self-sufficiency and marital stability. With little formal education and low functional literacy rates, many single parents simply are not well-positioned to advance beyond entry level jobs and ill-prepared to pursue formal education that will lead to higher paying jobs.

Research shows that most low-income parents want jobs and are interested in formal education to the extent it quickly leads to employment. Also, noncustodial male parents are frequently interested in obtaining employment as a means of being responsible fathers. However, these men have consistently been unable to access traditional workforce development programs because they cannot meet the program requirements of a high school diploma or 8th grade reading and math proficiency.

The Committee recognizes that many low-income parents are functionally illiterate and lack occupational skills and it is therefore providing resources to the District of Columbia Department of Human Services for occupational skills training and developmental education programs. These programs will be available to married men and women. They will include:

(1) Developmental education that teaches basic reading, writing, math, and/or English language skills in the context of a specific occupation, helping the participant quickly enter and succeed in the workforce or other training programs; and

(2) Occupational skills training which leads to employment and prepares the participant for more advanced training and a higher skill position.

The Committee believes that these programs are attractive because they are generally shorter in length and more intensive than other adult courses, and are often linked to a specific employer. Given these characteristics, many programs are employer-sponsored or linked to providers of technical education. The funds included will support courses including remedial math and reading which are taught in a manner that incorporates material specific to the occupation for which the individual is being trained, and incorporate teaching methods that are more appealing to adult learners with limited basic skills such as projects, simulations, and experiential learning.

In the District, many employers cannot hire many of the city's low income parents because they do not have necessary job skills. It is no surprise, then, that the District of Columbia Chamber of Commerce has specifically called for the creation of bridge training programs to address employment needs. This demonstration project will be linked to ongoing D.C. marriage and fatherhood promotion efforts. Services will be provided through contracts to community providers to develop community based bridge programs as part of a partnership with the Department of Human Services, the State Education Office, and the Office of the Deputy Mayor for Children, Youth and Families and Elders.

Continuing Marriage Development Accounts

The Committee believes that Federal, State and local leaders must act as quickly as possible to stop the erosion of marriage in our Nation. Millions of children are suffering the consequences of growing up without both of their parents. We must act aggressively to encourage marriage—not penalize it.

Rather than economically penalizing low-income couples who decide to marry, the Committee believes we should help these couples gain stronger financial security. The promise of financial security can help promote and sustain healthy marriages, just as financial penalties can discourage and harm marriages.

As a way to help low-income married couples gain appreciable assets here in the District of Columbia, the Committee is providing \$1,500,000 to continue to pilot new federally funded "Marriage Development Accounts." These MDAs are available to low-income married couples who are citizens or legal residents of the District and who have very low net worth. Couples can save money to buy a home, pay for job training or education for themselves or their children, or start their own businesses. Couples who open an MDA will have a high incentive to save because their contributions will be matched at a ratio of 3:1 by the Federal Government and partnering private institutions. As a requirement of participation, couples are receiving training to help them repair their credit, set a budget and savings schedule, and manage their money. Couples will also receive bonuses in their MDA accounts for receiving marriage counseling.

On April 27, 2006, leaders from the District of Columbia government, the faith community, nonprofit organizations and more than

350 District residents launched the “Together is Better” campaign to strengthen marriages, with MDAs offered as an important tool to help low-income married and engaged couples put their lives on firm financial ground.

The Committee has included funds in this bill to continue MDAs as a way to help low-income couples get and stay married so that husbands and wives and their children can have a brighter future. By itself it cannot cancel out the hefty marriage penalties that are levied on so many low-income couples who decide to marry, but it is a start. The Committee believes that MDAs, the elimination of marriage penalties, an increase in EITC for married couples, and job training for enhanced employability will all work in concert to encourage marriage, which has been discouraged for low-income couples over the past 40 years.

Promoting Successful Marriages and Encouraging Positive Life Decisions

The Committee is providing \$750,000 for the East Capitol Center for Change [ECCC] and \$750,000 for the National Center for Fathering [NCF] to work with local churches and other faith-based organizations to provide marriage counseling, couples mentoring, couples coaching, marriage retreats, “Dad training,” and community outreach. Both ECCC and NCF are working with CAAB and its participating service providers to provide account holders with life skills counseling, couples mentoring, and youth mentoring (which will include relationship counseling and abstinence counseling). ECCC and NCF are working with the faith community to provide pre-marital and marital counseling and relationship mentors and coaches for participating couples.

Recognizing the importance of grassroots support to ensure the success of these efforts, the Committee directs ECCC and NCF to expand their network of service providers by developing partnership with local churches, faith-based organizations, and other non-profit organizations. The Committee expects that ECCC and NCF will provide technical assistance and training to their partners in order to replicate the successful models which they are currently using.

The Committee has included bill language requiring CAAB, ECCC, and NCF to submit detailed expenditure plans within 30 days of enactment of the bill. In addition, the Committee is directing CAAB to provide detailed program requirements governing MDAs and pMDAs that comport with the above report language with 30 days of enactment of the bill.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA FOR NAVY YARD
METRO

The Committee is providing \$4,000,000 to improve and upgrade the Washington Metropolitan Area Transit Authority’s Navy Yard Metro station. The President’s budget includes \$20,000,000 in funding for this purpose. This investment is modeled on other transit investments the Federal Government has made in the District and it will help improve capacity for expanded Federal workforce needs at the new U.S. Department of Transportation headquarters and the Southeast Federal Center. The Committee also recognizes the

importance of improving public access to the tremendous natural amenities along the Anacostia River, which the expansion of this Metro station will provide.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA FOR A NEW STATE-OF-THE-ART CENTRAL LIBRARY

The Committee is providing \$15,000,000 as a Federal contribution for a new central library. The Committee recognizes that the District's adult illiteracy rate is 37 percent and notes that in many major metropolitan areas around the country, new libraries have revitalized many distressed neighborhoods. For this reason, the Mayor established a Blue Ribbon Task Force comprised of local and national experts. The Blue Ribbon Task Force recommended the creation of a state-of-the-art library system to add multi-lingual support, add hundreds of new computers with broadband technology, and add deep reference materials and childrens' programs. The Mayor believes, and the Committee agrees, that this new central library will help create brighter futures for District of Columbia residents.

The Committee notes that the estimated cost of building the District's central library and refurbishing satellite libraries will be approximately \$450,000,000. The Committee recognizes that the lion's share of funding for the library project will be borne by District residents.

DISTRICT OF COLUMBIA LOCAL OPERATING BUDGET

The Committee recommends a total of \$9,057,361,000 for the operating expenses of the District of Columbia as contained in the fiscal year 2007 budget submitted to the Congress by the Government of the District of Columbia on June 6, 2005. Of the total, \$5,271,162,000 is from local funds, \$2,020,101,000 is from Federal grant funds, \$1,758,214,000 is from other funds, and \$7,885,000 is from private funds. The Committee directs that any changes to the financial plan as submitted by the District must follow the re-programming guidelines.

The following tables detail the revenue and expenses plan of the District for fiscal year 2007:

FISCAL YEAR 2007 FINANCIAL PLAN

[In thousands of dollars]

	Local Funds	Grants and other revenue	Gross funds
Revenues			
Local Sources:			
Property Taxes	1,345,111	.....	1,345,111
Sales Taxes	815,498	.....	815,498
Income Taxes	1,576,071	.....	1,576,071
Gross Receipts	261,186	.....	261,186
Other Taxes	314,733	.....	314,733
Licenses and Permits	70,845	.....	70,845
Fines and Forfeitures	107,336	.....	107,336
Charges/Services	53,218	.....	53,218
Miscellaneous	550,990	.....	550,990
Fund Balance Use	284,287	.....	284,287

FISCAL YEAR 2007 FINANCIAL PLAN—Continued
[In thousands of dollars]

	Local Funds	Grants and other revenue	Gross funds
Revenue Proposals/Onetime Revenues	113,268	.....	113,268
Subtotal, Local Revenues	5,492,543	.....	5,492,543
Federal and Other Sources:			
Federal Payments .....	.....	36,400	36,400
Federal Grants .....	.....	2,001,522	2,001,522
Private Grants .....	.....	6,850	6,850
Subtotal, Federal Sources Revenues .....	.....	2,044,772	2,044,772
Other Financing Sources: Lottery Transfer	72,100	.....	72,100
Total General Operating Fund Revenues	5,564,643	2,044,772	7,609,415
Expenditures			
Current Operating:			
Governmental Direction and Support	384,759	157,746	542,505
Economic Development and Regulation	409,392	133,742	543,134
Public Safety and Justice	943,295	7,398	950,693
Public Education System	1,223,971	226,462	1,450,433
Human Support Services	1,423,138	1,500,033	2,923,171
Public Works	405,318	19,391	424,709
Financing and Other	586,296	.....	586,296
Cash Reserve (Budgeted Contingency)	50,000	.....	50,000
Lease Purchase Costs	43,955	.....	43,955
Subtotal, Operating Expenditures	5,470,124	2,044,772	7,514,896
Paygo Capital	87,987	.....	87,987
Transfer to Trust Fund for Post-Employment Benefits	4,700	.....	4,700
Total General Operating Fund Expenditures	5,562,811	2,044,772	7,607,583
Operating Margin, Budget Basis	1,832	.....	1,832

FINANCING AND OTHER—Continued
[In thousands of dollars]

Agency/activity	Approved fiscal year 2006	Fiscal year 2007 request	Intra-District	Fiscal year 2007/less Intra-district	Committee recommendation	Intra-District	Committee recommendation	Bill compared with—	
								Fiscal year 2006 approved	Fiscal year 2007 request
CERTIFICATES OF PARTICIPATION	15,000	33,225	2,000	31,225	33,225	(2,000)	31,225	+ 18,225	.....
SETTLEMENTS AND JUDGMENTS	20,655	15,655	.....	15,655	15,655	.....	15,655	- 5,000	.....
WILSON BUILDING	3,740	4,211	.....	4,211	4,211	.....	4,211	+ 471	.....
WORKFORCE INVESTMENTS	61,110	38,500	.....	38,500	38,500	.....	38,500	- 22,610	.....
TOBACCO TRUST FUND .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
NON-DEPARTMENTAL	37,286	45,942	.....	45,942	45,942	.....	45,942	+ 8,656	.....
EMERGENCY PLANNING AND SECURITY FUND .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
ONE-TIME EXPENDITURES .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
TAX INCREMENT FINANCING (TIF) PROGRAM .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
CASH RESERVE	50,000	50,000	.....	50,000	50,000	.....	50,000	.....	.....
GRANT DISALLOWANCE	35,441	48,635	4,680	43,955	48,635	(4,680)	43,955	+ 13,194	.....
EQUIPMENT LEASE OPERATING .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
EMERGENCY AND CONTINGENCY RESERVE FUNDS .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
PAY-GO CONTINGENCY .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
PAY-GO CAPITAL	262,323	87,987	.....	87,987	87,987	.....	87,987	- 174,336	.....
DEBT SERVICE—ISSUANCE COSTS	40,000	30,000	.....	30,000	30,000	.....	30,000	- 10,000	.....
SCHOOLS MODERNIZATION FUND	12,208	1,650	.....	1,650	1,650	.....	1,650	- 10,558	.....
DISTRICT RETIREE HEALTH CONTRIBUTION	138,000	4,700	.....	4,700	4,700	.....	4,700	- 133,300	.....
BASEBALL .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
REPAYMENT OF REVENUE BONDS .....	.....	6,000	.....	6,000	6,000	.....	6,000	+ 6,000	.....
Total, Financing and Other	1,052,040	779,618	6,680	772,938	779,618	(6,680)	772,938	- 272,422	.....

PUBLIC WORKS

[In thousands of dollars]

Agency/activity	Approved fiscal year 2006	Fiscal year 2007 request	Intra-District	Fiscal year 2007 less Intra-district	Committee recommendation	Intra-District	Committee recommendation	Bill compared with—	
								Fiscal year 2006 approved	Fiscal year 2007 request
DEPARTMENT OF PUBLIC WORKS	115,530	136,012	26,896	109,115	136,012	(26,896)	109,115	+ 20,481	.....
DEPARTMENT OF TRANSPORTATION	39,995	42,300	235	42,066	42,300	(235)	42,066	+ 2,305	.....
DEPARTMENT OF MOTOR VEHICLES	46,530	42,931	.....	42,931	42,931	.....	42,931	- 3,599	.....
DISTRICT DEPARTMENT OF ENVIRONMENT .....	.....	23,771	457	25,314	25,771	(457)	25,314	+ 25,771	.....
D.C. TAXI CAB COMMISSION	1,362	1,516	.....	1,516	1,516	.....	1,516	+ 154	.....
WASHINGTON METRO AREA TRANSIT COMMISSION	110	.....	.....	110	110	.....	110	.....	.....
WASHINGTON METRO AREA TRANSIT AUTHORITY	187,632	198,487	.....	198,487	198,487	.....	198,487	+ 10,855	.....
SCHOOL TRANSIT SUBSIDY	5,169	5,169	.....	5,169	5,169	.....	5,169	.....	.....
Total, Public Works	396,329	452,296	27,588	424,708	452,296	(27,588)	424,708	+ 55,968	.....

HUMAN SUPPORT SERVICES

[In thousands of dollars]

Agency/activity	Approved fiscal year 2006	Fiscal year 2007 request	Intra-District	Fiscal year 2007 less Intra-district	Committee recommendation	Intra-District	Committee recommendation	Bill compared with—	
								Fiscal year 2006 approved	Fiscal year 2007 request
DEPARTMENT OF HUMAN SERVICES	414,015	452,322	8,755	443,567	452,322	(8,755)	443,567	+ 38,306	.....
CHILD AND FAMILY SERVICES AGENCY	238,495	257,406	49,466	207,940	257,406	(49,466)	207,940	+ 18,911	.....
DEPARTMENT OF MENTAL HEALTH	229,545	220,863	39,045	181,818	220,863	(39,045)	181,818	- 8,682	.....
DEPARTMENT OF HEALTH	1,731,976	1,884,580	4,822	1,879,758	1,884,580	(4,822)	1,879,758	+ 152,604	.....
DEPT OF PARKS AND RECREATION	51,340	52,302	7,584	44,718	52,302	(7,584)	44,718	+ 962	.....
OFFICE ON AGING	21,415	23,470	250	23,220	23,470	(250)	23,220	+ 2,054	.....
PBC TRANSITION .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
UNEMPLOYMENT COMPENSATION FUND	7,124	5,800	.....	5,800	5,800	.....	5,800	- 1,324	.....
DISABILITY COMPENSATION FUND	30,281	30,280	.....	30,280	30,280	.....	30,280	- 1	.....
OFFICE OF HUMAN RIGHTS	5,032	2,725	.....	2,725	2,725	.....	2,725	- 2,307	.....
OFFICE ON LATINO AFFAIRS	4,485	4,247	.....	4,247	4,247	.....	4,247	- 238	.....
D.C. ENERGY OFFICE	21,147	27,548	6,000	21,548	27,548	(6,000)	21,548	+ 6,401	.....

HUMAN SUPPORT SERVICES—Continued

[In thousands of dollars]

Agency/activity	Approved fiscal year 2006	Fiscal year 2007 request	Intra-District	Fiscal year 2007 less Intra-district	Committee recommendation	Intra-District	Committee recommendation	Bill compared with—
CHILDREN AND YOUTH INVESTMENT FUND	8,068	8,507	.....	8,507	8,507	.....	8,507	+ 439
BROWNFIELD REMEDIATION .....	.....	.....	.....	.....	.....	.....	.....	.....
ASIAN AND PACIFIC ISLANDER AFFAIRS	540	813	.....	813	813	.....	813	+ 274
OFFICE OF VETERANS AFFAIRS	251	302	.....	302	302	.....	302	+ 51
MEDICAID RESERVE .....	.....	.....	.....	.....	.....	.....	.....	.....
INCENTIVES FOR ADOPTION OF CHILDREN .....	.....	.....	.....	.....	.....	.....	.....	.....
DEPARTMENT OF YOUTH REHABILITATION SERVICES	61,327	68,584	655	67,929	68,584	(655)	67,929	+ 7,257
Total, Human Support Services	2,825,040	3,039,748	116,576	2,923,171	3,039,748	(116,576)	2,923,171	+ 214,708

PUBLIC EDUCATION SYSTEM

[In thousands of dollars]

Agency/activity	Approved fiscal year 2006	Fiscal year 2007 request	Intra-District	Fiscal year 2007 less Intra-district	Committee recommendation	Intra-District	Committee recommendation	Bill compared with—
D.C. PUBLIC SCHOOLS	1,046,064	1,031,339	52,239	979,100	1,031,339	(52,239)	979,100	- 14,725
TEACHERS' RETIREMENT FUND	15,500	14,600	.....	14,600	14,600	.....	14,600	- 900
STATE EDUCATION OFFICE	90,987	54,023	.....	54,023	54,023	.....	54,023	- 36,964
D.C. PUBLIC CHARTER SCHOOLS	239,284	266,066	.....	266,066	266,066	.....	266,066	+ 26,781
UNIVERSITY OF THE DISTRICT OF COLUMBIA .....	.....	.....	.....	.....	.....	.....	.....	.....
UNIVERSITY OF THE DISTRICT OF COLUMBIA SUBSIDY	57,873	59,546	.....	59,546	59,546	.....	59,546	+ 1,673
D.C. PUBLIC LIBRARY	34,473	42,297	299	41,998	42,297	(299)	41,998	+ 7,824
COMMISSION ON ARTS AND HUMANITIES .....	.....	.....	.....	.....	.....	.....	.....	.....
DISTRICT OF COLUMBIA EDUCATIONAL INVESTMENT FUND	21,000	.....	.....	.....	.....	.....	.....	.....
DISTRICT OF COLUMBIA CHARTER SCHOOLS INVESTMENT FUND	4,200	.....	.....	.....	.....	.....	.....	- 21,000
Total, Public Education System	1,509,381	1,467,871	52,538	1,415,333	1,467,871	(52,538)	1,415,333	- 41,510

PUBLIC SAFETY AND JUSTICE
[In thousands of dollars]

Agency/activity	Approved fiscal year 2006	Fiscal year 2007 request	Intra-District	Fiscal year 2007 less Intra-district	Committee recommendation	Intra-District	Committee recommendation	Bill compared with—	
								Fiscal year 2006 approved	Fiscal year 2007 request
METROPOLITAN POLICE DEPARTMENT	377,488	437,129	2,566	434,562	437,129	(2,566)	434,562	+ 59,641	.....
FIRE AND EMERGENCY SERVICES DEPARTMENT	156,268	169,790	559	169,231	169,790	(559)	169,231	+ 13,522	.....
POLICE OFFICERS' AND FIRE FIGHTERS' RETIREMENT SYSTEM	117,500	140,100	.....	140,100	140,100	.....	140,100	+ 22,600	.....
DEPARTMENT OF CORRECTIONS	132,686	137,590	442	137,148	137,590	(442)	137,148	+ 4,905	.....
NATIONAL GUARD	3,428	4,493	.....	4,493	4,493	.....	4,493	+ 1,065	.....
D.C. EMERGENCY MANAGEMENT AGENCY	5,495	6,695	.....	6,695	6,695	.....	6,695	+ 1,201	.....
COMMISSION ON JUDICIAL DISABILITIES AND TENURE	218	233	.....	233	233	.....	233	+ 15	.....
JUDICIAL NOMINATION COMMISSION	126	131	.....	131	131	.....	131	+ 5	.....
OFFICE OF POLICE COMPLAINTS	2,095	2,312	.....	2,312	2,312	.....	2,312	+ 217	.....
D.C. SENTENCING COMMISSION	662	700	.....	700	700	.....	700	+ 38	.....
OFFICE OF THE CHIEF MEDICAL EXAMINER	9,265	8,989	.....	8,989	8,989	.....	8,989	- 276	.....
OFFICE OF ADMINISTRATIVE HEARINGS	7,057	7,335	1,164	6,171	7,335	(1,164)	6,171	+ 278	.....
CORRECTIONS INFORMATION COUNCIL	155	118	.....	118	118	.....	118	- 37	.....
CRIMINAL JUSTICE COORDINATING COUNCIL	1,563	289	.....	289	289	.....	289	- 1,274	.....
FORENSICS LABORATORY TECHNICIAN TRAINING PROGRAM	800	1,238	.....	1,238	1,238	.....	1,238	+ 438	.....
OFFICE OF UNIFIED COMMUNICATIONS	31,662	36,982	.....	36,982	36,982	.....	36,982	+ 5,320	.....
EMERGENCY AND DISASTER RESPONSE .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
HOMELAND SECURITY GRANTS .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total, Public Safety and Justice	846,466	954,124	4,731	949,393	954,124	(4,731)	949,393	+ 107,657	.....

ECONOMIC DEVELOPMENT AND REGULATION
[In thousands of dollars]

Agency/activity	Approved fiscal year 2006	Fiscal year 2007 request	Intra-District	Fiscal year 2007 less Intra-district	Committee recommendation	Intra-District	Committee recommendation	Bill compared with—	
								Fiscal year 2006 approved	Fiscal year 2007 request
OFFICE OF THE DEPUTY MAYOR OF PLANNING	37,980	85,661	.....	85,661	85,661	.....	85,661	+ 47,681	.....
OFFICE OF PLANNING	6,673	7,168	80	7,088	7,168	(80)	7,088	+ 494	.....

ECONOMIC DEVELOPMENT AND REGULATION—Continued

[In thousands of dollars]

Agency/activity	Approved fiscal year 2006	Fiscal year 2007 request	Intra-District	Fiscal year 2007 less Intra-district	Committee recommendation	Intra-District	Committee recommendation	Bill compared with—	
								Fiscal year 2006 approved	Fiscal year 2007 request
OFFICE OF LOCAL BUSINESS DEVELOPMENT	1,438	2,662		2,662	2,662		2,662	+ 1,225	
OFFICE OF MOTION PICTURES AND TELEVISION	579	594		594	594		594	+ 15	
OFFICE OF ZONING	2,902	2,998		2,998	2,998		2,998	+ 96	
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT	210,710	108,712		108,712	108,712		108,712	- 101,998	
DEPARTMENT OF EMPLOYMENT SERVICES	93,048	99,016	577	99,016	99,016	(577)	98,439	+ 5,968	
BOARD OF APPEALS AND REVIEW									
BOARD OF REAL PROPERTY ASSES. AND APPEALS	431	563		563	563		563	+ 132	
DEPT CONSUMER AND REGULATORY AFFAIRS	40,251	38,693		38,693	38,693		38,693	- 1,558	
COMMISSION ON ARTS AND HUMANITIES	9,918	10,717	20	10,697	10,717	(20)	10,697	+ 799	
ALCOHOL BEVERAGE REGULATION ADMINISTRATION	4,702	4,533		4,533	4,533		4,533	- 168	
DEPT. OF BANKING AND FINANCIAL INSTITUTIONS									
PUBLIC SERVICE COMMISSION	7,976	8,001		8,001	8,001		8,001	+ 25	
OFFICE OF THE PEOPLE'S COUNSEL	4,306	4,596		4,596	4,596		4,596	+ 290	
DEPT. OF INSURANCE, SECURITIES AND BANKING	14,158	16,184		16,184	16,184		16,184	+ 2,025	
OFFICE OF CABLE TELEVISION AND TELECOMMUNICATIONS	5,054	5,566		5,566	5,566		5,566	+ 512	
HOUSING AUTHORITY SUBSIDY	4,003	22,730		22,730	22,730		22,730	+ 18,727	
ANACOSTIA WATERFRONT CORP. SUBSIDY	8,200	5,000		5,000	5,000		5,000	- 3,200	
HOUSING PRODUCTION TRUST FUND SUBSIDY		120,418		120,418	120,418		120,418	+ 120,418	
Total, Economic Development and Regulation	452,328	543,812	677	543,135	543,812	(677)	543,135	+ 91,484	

GOVERNMENTAL DIRECTION AND SUPPORT

[In thousands of dollars]

Agency/activity	Approved fiscal year 2006	Fiscal year 2007 request	Intra-District	Fiscal year 2007 less Intra-district	Committee recommendation	Intra-District	Committee recommendation	Bill compared with—	
								Fiscal year 2006 approved	Fiscal year 2007 request
COUNCIL OF THE DISTRICT OF COLUMBIA	14,038	14,667		14,667	14,667		14,667	+ 629	
OFFICE OF THE D.C. AUDITOR	2,008	2,178		2,178	2,178		2,178	+ 170	

GENERAL PROVISIONS

The Committee has modified section 104 and section 114 to allow the District to use locally generated funds for lobbying purposes. The Committee has included language to maintain a complete prohibition on the use of Federal funds for this purpose.

The Committee has modified section 115 to allow the District to use locally generated revenues to support programs that provide individuals with sterile needles and syringes. This is consistent with a provision approved by the Senate and included in the Senate bill since fiscal year 2003. The Committee has included language that maintains a complete prohibition on the use of Federal funds for this purpose.

The Committee has included language in section 127 designed to preserve the status quo with respect to the OCFO's current procurement process. The OCFO currently maintains independent procurement authority from the District of Columbia's Procurement Practices Act and from the Mayor's Procurement Office.

The Committee has included language in section 130 to clarify that Federal appropriations provided for the credit enhancement fund and direct loan fund for public charter schools do not require District of Columbia Council approval for the granting of loans pursuant to congressional intent. The funding and purpose for which the direct loan and credit enhancement funds are to be used was established pursuant to prior year Federal Appropriations Acts (Acts). These acts gave the Mayor of the District of Columbia the authority through the Office of Public Charter School Financing and Support to administer all aspects of the direct loan and credit enhancement funds.

The Committee has included language in section 131 to allow children to continue using their private school scholarships, despite small changes in family income. By increasing the income threshold from 200 percent of Federal poverty level to 300 percent of Federal poverty level, students already using scholarships will be able to remain in the program, despite minor changes to their families' income. The retention of these children will be important to ensure that the program evaluation will not be compromised.

The Committee has included bill language in section 133 designed to restore, during a noncontrol year, the authority exercised by the Office of the Chief Financial Officer during a control year with respect to determining the resources necessary to effectively perform its duties. This authority was granted to the OCFO in the District of Columbia Appropriations Act, 1997 during the District's Control Board period (see Public Law 104-194; 110 Stat. 2375). The authority is also the same authority currently held by the D.C. Inspector General. Specifically, the language will require congressional oversight prior to any reductions in the OCFO's annual budget. The language would restore for all years, the requirement

that the Mayor and Council may recommend reductions, but all reductions must be approved by Congress. This language also clarifies that the Congress must enact an express exemption through an amendment to the District of Columbia Home Rule Act to grant independence to any agency or entity within the District government from OCFO oversight. This change would forestall any future attempt by an agency to seek to remove itself from OCFO oversight through statutory interpretation.

The Committee has included language in section 134 to acknowledge that the D.C. CFO compensation is inconsistent with compensation packages received by other District Officials. Currently, the D.C. CFO is compensated at a rate that is roughly 36 percent lower than the highest paid executive within the District. The D.C. CFO is compensated at a rate lower than the heads of DCPS, UDC and the Sports Commission, all of whom have compensation packages approved by the District's Mayor and Council. The language in the bill amends the District of Columbia Home Rule Act to allow the CFO's compensation to be 1.50 times the current rate.

Committee is including bill language in section 135 to extend the OCFO's service 1 year beyond the election of a Mayor in order to maintain stable fiscal oversight during the transition to new elected leadership. Currently the OCFO's term expires on June 30, 2007 which does not provide the 1-year overlap which Congress originally intended.

COMPLIANCE WITH PARAGRAPH 7, RULE XVI, OF THE
STANDING RULES OF THE SENATE

Paragraph 7 of rule XVI requires that Committee reports on general appropriations bills identify each Committee amendment to the House bill “which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session.”

Items providing funding for fiscal year 2007 which lack authorization are as follows:

Federal payment for emergency planning and security costs in the District of Columbia	\$8,533,000
Federal payment for the Water and Sewer Authority	7,000,000
Federal payment for the Anacostia Waterfront Initiative	5,000,000
Federal payment for transportation	1,000,000
Federal payment for foster care improvements	2,000,000
Federal payment for the Office of the Chief Financial Officer	5,000,000
Federal payment for bioterrorism and forensics lab	4,500,000
Federal payment for marriage development	4,000,000
Federal payment for a new central library	15,000,000
Federal payment for Navy Yard Metro improvements	4,000,000

COMPLIANCE WITH PARAGRAPH 7(C), RULE XXVI, OF THE
STANDING RULES OF THE SENATE

Pursuant to paragraph 7(c) of rule XXVI, on July 13, 2006, the Committee ordered reported, en bloc: H.R. 5672, making appropriations for the Departments of Commerce and Justice, Science, and related agencies for the fiscal year ending September 30, 2007, and for other purposes, with an amendment in the nature of a substitute and an amendment to the title; and S. 3660, an original 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, 2007, and for other purposes; with each bill subject to further amendment and each subject to the budget allocation, by a recorded vote of 27–0, a quorum being present. The vote was as follows:

Yeas	Nays
Chairman Cochran	
Mr. Stevens	
Mr. Domenici	
Mr. Bond	
Mr. McConnell	
Mr. Burns	
Mr. Shelby	
Mr. Gregg	
Mr. Bennett	

Mr. Craig
 Mrs. Hutchison
 Mr. DeWine
 Mr. Brownback
 Mr. Allard
 Mr. Byrd
 Mr. Inouye
 Mr. Leahy
 Mr. Harkin
 Ms. Mikulski
 Mr. Reid
 Mr. Kohl
 Mrs. Murray
 Mr. Dorgan
 Mrs. Feinstein
 Mr. Durbin
 Mr. Johnson
 Ms. Landrieu

COMPLIANCE WITH PARAGRAPH 12, RULE XXVI OF THE
 STANDING RULES OF THE SENATE

Paragraph 12 of rule XXVI requires that Committee reports on a bill or joint resolution repealing or amending any statute or part of any statute include “(a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the Committee.”

In compliance with this rule, the following changes in existing law proposed to be made by this bill are shown as follows: existing law to be omitted is enclosed in black brackets; new matter is printed in italic; and existing law in which no change is proposed is shown in roman.

**TRANSPORTATION, TREASURY, HOUSING AND URBAN
 DEVELOPMENT, THE JUDICIARY, THE DISTRICT OF
 COLUMBIA, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 2006, PUBLIC LAW 109-115**

* * * * *

DIVISION B—DISTRICT OF COLUMBIA APPROPRIATIONS
 ACT, 2007

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the District of Columbia and related agencies for the fiscal year ending September 30, 2007, and for other purposes, namely:

DISTRICT OF COLUMBIA
FEDERAL FUNDS

* * * * *

FEDERAL PAYMENT FOR SCHOOL IMPROVEMENT

For a Federal payment for a school improvement program in the District of Columbia, \$40,000,000, to be allocated as follows: for the District of Columbia Public Schools, \$13,000,000 to improve public school education in the District of Columbia; for the State Education Office, ~~[\$13,000,000 to expand quality public charter schools in the District of Columbia, to remain available until September 30, 2007;]~~ *\$13,000,000 to expand quality public charter schools in the District of Columbia, of which \$7,000,000, to remain available until September 30, 2007, and \$4,000,000, which shall be for the direct loan fund, and \$2,000,000, which shall be for credit enhancement, shall remain available until expended;* for the Secretary of the Department of Education, \$14,000,000 to provide opportunity scholarships for students in the District of Columbia in accordance with division C, title III of the District of Columbia Appropriations Act, 2004 (Public Law 108-199; 118 Stat. 126), of which up to \$1,000,000 may be used to administer and fund assessments.

BUDGETARY IMPACT OF BILL

PREPARED IN CONSULTATION WITH THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC. 308(a), PUBLIC LAW 93-344, AS AMENDED

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation	Amount of bill	Committee allocation	Amount of bill
Comparison of amounts in the bill with Committee allocations to its subcommittees of budget totals for 2007: Subcommittee on the District of Columbia:				
Discretionary	597	597	NA	1 578
Projections of outlays associated with the recommendation:				
2007				2 511
2008				55
2009				19
2010				12
2011 and future years				
Financial assistance to State and local governments for 2007	NA	381	NA	356

¹ Includes outlays from prior-year budget authority.

² Excludes outlays from prior-year budget authority.

NA: Not applicable.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2006 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2007

[In thousands of dollars]

Item	2006 appropriation	Budget estimate	House allowance	Committee recommendation	Senate Committee recommendation compared with		
					2006 appropriation	Budget estimate	House allowance
TITLE I							
FEDERAL FUNDS							
Federal payment for Resident Tuition Support	32,868	35,100	35,100	33,200	+ 332	- 1,900	- 1,900
Federal payment for Emergency Planning and Security Costs in the District of Columbia	13,365	8,533	8,533	8,533	- 4,832	.....	.....
Federal payment to the District of Columbia Courts	216,723	196,629	219,629	206,629	- 10,094	+ 10,000	- 13,000
Defender Services in District of Columbia Courts	43,560	43,475	43,475	43,475	- 85	.....	.....
Federal payment to the Court Services and Offender Supervision Agency for the District of Columbia	169,839	181,653	181,653	183,653	+ 13,814	+ 2,000	+ 2,000
Federal payment to the Public Defender Service for the District of Columbia	29,535	32,710	32,710	32,710	+ 3,175	.....	.....
Federal payment to the District of Columbia Water and Sewer Authority	6,930	7,000	7,000	7,000	+ 70	.....	.....
Federal payment for the Anacostia Waterfront Initiative	2,970	.....	.....	5,000	+ 2,030	+ 5,000	+ 5,000
Federal payment to the Criminal Justice Coordinating Council	1,287	1,300	1,300	1,300	+ 13	.....	.....
Federal payment for Transportation Assistance	990	.....	.....	1,000	+ 10	+ 1,000	+ 1,000
Federal payment for Foster Care Improvements	1,980	.....	.....	2,000	+ 20	+ 2,000	+ 2,000
Federal payment to the Office of the Chief Financial Officer of the District of Columbia	28,908	.....	5,000	5,000	- 23,908	+ 5,000	.....
Federal payment for School Improvement	39,600	40,800	40,800	40,000	+ 400	- 800	- 800
Federal payment for Bioterrorism and Forensics Labs	4,950	.....	.....	4,500	- 450	+ 4,500	+ 4,500
Federal payment for the National Guard Youth Challenge in the District of Columbia	495	.....	.....	.....	- 495	.....	.....
Federal payment for Marriage Development Accounts	2,970	.....	.....	4,000	+ 1,030	+ 4,000	+ 4,000

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2006 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2007—Continued**

[In thousands of dollars]

Item	2006 appropria- tion	Budget estimate	House allowance	Committee rec- ommendation	Senate Committee recommendation compared with	
					2006 appropria- tion	Budget estimate	House allowance
Federal payment for Navy Yard Metro Station		20,000	.....	4,000	+ 4,000	+ 4,000
Federal payment for Central Library/branch locations		30,000	.....	15,000	+ 15,000	+ 15,000
Total, Federal funds to the District of Columbia	596,970	597,200	575,200	597,000	+ 30	+ 21,800

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