

RESTRICTED — Not to be released outside the General Accounting Office except on the basis of specific approval by the Office of Legislative Liaison, a record of which is kept by the Distribution Section, Publications Branch, OAS

B-118638
3-5-71

089813



**REPORT TO THE SUBCOMMITTEE
ON THE DISTRICT OF COLUMBIA
COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE**

RELEASED

**Estimated Federal Assistance
To The District Of Columbia For
Fiscal Years 1970, 1971 , And 1972**

B-118638

**BY THE COMPTROLLER GENERAL
OF THE UNITED STATES**

089813

MARCH 5, 1971

915 260



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-118638

Dear Mr. Chairman:

In response to the former Chairman's request dated December 3, 1970, and your letter dated February 8, 1971, the table which follows shows estimates of Federal assistance to the District of Columbia for fiscal years 1970, 1971, and 1972. The sources used by us to gather this information and the estimating methods are identified in the footnotes to the table.

The table shows the amount of the Federal payment to the District of Columbia and the amount of the Federal grant and contract assistance to the benefit of the District and its residents through the District Government and other public and private organizations. Also, the table shows other Federal assistance to the benefit of the District and its residents.

No attempt was made to compile all Federal expenditures made in the District. Excluded were Federal expenditures which were readily identifiable as not specifically benefiting the District and expenditures for salaries, services, and supplies. Excluded also were payments to recipients for unemployment insurance, retirement, social security, and other similar payments.

Further, no attempt was made to estimate the amount of assistance to the District and its residents for certain use of the U.S. Treasury, Smithsonian Institute (except for one neighborhood museum), District of Columbia National Guard, and various parks located in the District.

No opinion is expressed or implied as to whether Federal assistance to the District is relatively greater or less than such assistance to the States. None of the data has been audited, although care was used in the collection and compilation procedures.

Sincerely yours,

A handwritten signature in cursive script that reads "James B. Peacts".

Comptroller General
of the United States

The Honorable Daniel K. Inouye, Chairman
Subcommittee on the District of Columbia
Committee on Appropriations
United States Senate

ESTIMATED FEDERAL ASSISTANCE TO THE DISTRICT OF COLUMBIA

(In thousands)

	Foot- notes	Fiscal year		
		1970	1971	1972
FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA				
General Fund		\$108,166	\$126,000	\$153,000
Assistance to Finance Salary Increases		- 0 -	8,000	- 0 -
Assistance to Finance Court Reform and Criminal Procedure Act of 1970		- 0 -	5,000	- 0 -
Assistance to Finance Capital Outlay Program		<u>- 0 -</u>	<u>- 0 -</u>	<u>7,000</u>
Total Federal Payment		<u>\$108,166</u>	<u>\$139,000</u>	<u>\$160,000</u>
FEDERAL GRANTS AND CONTRACTS FROM:				
	(1)			
Department of Health, Education, and Welfare--				
To District Government		\$ 75,714	\$ 91,137	\$110,780
To Public and/or Private Organizations		13,857	13,730	13,730
Office of Economic Opportunity--				
To District Government		787	4,128	3,730
To Public and/or Private Organizations		16,159	16,761	16,761
Department of Agriculture--				
To District of Columbia		4,799	3,674	3,843
To Public and/or Private Organizations		6,217	14,729	20,763
Department of Transportation--				
To District of Columbia		32,372	13,699	33,090
To Public and/or Private Organizations		313	313	313
Department of Justice--				
To District Government		3,777	3,295	1,006
To Public and/or Private Organizations		720	720	720

	Foot- notes	Fiscal year		
		1970	1971	1972
Department of Commerce--				
To District Government		\$ 197	\$ 241	\$ - 0 -
To Public and/or Private Organizations		20	20	20
Department of Interior and Environmental Protection Agency--				
To District Government		1,607	29,655	34,915
Department of Labor--				
To District Government		2,767	4,943	5,254
To Public and/or Private Organizations		13,038	13,453	13,453
Department of Housing and Urban Development--				
To District Government		22,832	36,084	68,315
To Public and/or Private Organizations		8,104	8,094	8,399
Other Federal Agencies--				
To District Government		372	604	355
To Public and/or Private Organizations		<u>1,356</u>	<u>1,356</u>	<u>1,356</u>
Total Federal Grant and Contract Assistance		<u>\$205,008</u>	<u>\$256,636</u>	<u>\$336,803</u>

OTHER FEDERAL ASSISTANCE TO THE DISTRICT OF COLUMBIA

Commission on Fine Arts	(2)	\$ 58	\$ 58	\$ 58
Smithsonian Institute	(3)	124	125	180
St. Elizabeths Hospital	(4)	6,583	14,604	15,969
Howard University	(5)	7,731	8,825	11,525
Freedmen's Hospital	(6)	34,859	9,731	12,524
General Services Administration	(7)	709	705	703
Civil Service Commission:				
Service, administrative expenses, and payments	(8)	2,872	4,769	7,764
Increase in unfunded liability of Civil Service Retirement Fund	(9)	68,940	34,850	39,480
General Accounting Office	(10)	304	470	512
Federal City College and Washington Technical Institute	(11)	18	432	290

	Foot- notes	Fiscal year		
		1970	1971	1972
National Capital Planning Com- mission	(12)	\$ 519	\$ 586	\$ 645
Washington Metropolitan Area Transit Authority	(13)	45,905	65,770	54,600
Washington Airports	(14)	751	1,191	630
U.S. Treasury	(15)	1,098	1,477	1,477
Commission on the Organization of the Government of the District of Columbia	(16)	- 0 -	325	175
Metropolitan Washington Council of Governments	(17)	<u>325</u>	<u>600</u>	<u>572</u>
Total Other Federal Assistance		<u>170,796</u>	<u>144,518</u>	<u>147,104</u>
Grand Total	(18)	<u>\$183,970</u>	<u>\$540,154</u>	<u>\$643,907</u>

¹Data for the fiscal year 1970 Federal grant assistance to the District and its residents was obtained, for the most part, from records maintained by the grantors. In a few instances, however, the required data was not readily available and, for such instances, we used the amounts reported by the District. Overall the total amount of grants to the District Government as reported by the District was relatively close to the total amount compiled by us.

The grants to public and private organizations that were readily determinable as being national in scope and/or primary benefit to the Federal Government were excluded. However, some of the smaller grants to these organizations that were included may have been national in scope; we did not examine in detail the purpose of these grants.

Estimated Federal grants to the District of Columbia for fiscal year 1971 and 1972 were obtained from the District. On February 23, 1971, a District official informed us that these estimates were subject to revisions. The 1971 and 1972 grants to public and private organizations were estimated by (1) obtaining the organizations or Federal agencies' estimates for the United Planning Organization, the food stamp program, and the United Capital Housing Authority (about 60 percent of the total for fiscal year 1970) and (2) by assuming that the grants to the other organizations (about 40 percent of the 1970 total) will be funded at the same level as fiscal year 1970. Compilation of grants for fiscal year 1970 showed that over 100 public and private organizations received grants which assisted the District and its residents.

²Officials of the Commission estimated that about 50 percent of the Commission's workload is applicable to the District.

³Represents the costs of operating a neighborhood museum which appears to be of special benefit to the District residents.

⁴Federal contributions to cost of patient care of District of Columbia residents in St. Elizabeths Hospital:

	<u>FY 1970</u>	<u>FY 1971</u>	<u>FY 1972</u>
a. Per diem rate for patient care	\$22.77	\$31.11	\$37.25
b. Per diem rate paid by District of Columbia	<u>17.94</u>	<u>18.52</u>	<u>22.84</u>
c. Portion of per diem rate paid by Federal Government	\$ 4.83	\$12.59	\$14.41
d. Number of D.C. patient days	1,362,889	1,159,970	1,108,248
e. Amount of Federal funds supporting care for D.C. patients	<u>\$6,582,754</u>	<u>\$14,604,022</u>	<u>\$15,969,854</u>

Data provided by an official of the hospital.

⁵Since 35.3 percent of Howard University students (school year 1969-1970) were recorded as having been born in the District of Columbia, we considered 35.3 percent of the budget authority as Federal assistance to the District of Columbia.

	<u>FY 1970</u>	<u>FY 1971</u>	<u>FY 1972</u>
Total budget authority	\$61,969,000	\$36,185,000	\$47,043,000
Less: Freedmen's Hospital operating and construction costs	<u>40,068,000</u>	<u>11,185,000</u>	<u>14,395,400</u>
Total Howard University	\$21,901,000	\$25,000,000	\$32,647,600
Estimated assistance to District-- 35.3 percent of total for Howard	<u>\$ 7,731,053</u>	<u>\$ 8,825,000</u>	<u>\$11,524,602</u>

Data provided by a university official.

⁶Freedmen's Hospital officials estimated that 87 percent of their patients are D.C. residents. We therefore considered 87 percent of Freedmen's operating and construction costs as assistance to the District.

⁷Represents estimate of fair market value of rent-free office space provided to the District of Columbia Government by GSA. Estimated fair rental values per square foot were provided by GSA.

⁸Estimated costs applicable to the District of Columbia Government which are included in Civil Service Commission funding. Estimates were provided by the Civil Service Commission.

⁹The District of Columbia Government and its Civil Service employees are members of the Civil Service Retirement System, the costs of which are shared by the employees and the Federal Government. The Federal Government, however, has not deposited into the retirement fund its full share of contributions needed to provide retirement benefits. In fiscal year 1970, the Federal Government deficiency in the retirement fund increased by about \$6.9 billion. Such annual increases in the unfunded liability represent the increase in the amount needed to provide for the retirement due the employees in the Federal Civil Service Retirement System. The Federal Government is liable for making provision for and paying retirement annuities.

Since the District's Civil Service employees constitute about 1 percent of the total in the system, we estimated that about 1 percent of the annual increase in the unfunded liability (\$69 million for fiscal year 1970 for example) pertains to the Federal Government's obligation to provide its share of the retirement benefits for District employees. Estimates were provided by the Civil Service Commission.

¹⁰Represents estimated costs incurred in providing audit function to the District of Columbia Government by the General Accounting Office.

¹¹Consists of actual and estimated interest income from endowment fund of \$7,241,706 provided by HEW in lieu of a land grant.

¹²Officials of the Commission estimated that about 50 percent of the Commission's workload is applicable to the District.

¹³Represents estimated percentage of benefit to District of Columbia from Federal appropriations to WMATA.

	<u>FY 1970</u>	<u>FY 1971</u>	<u>FY 1972</u>
Total Federal appropriation	\$126,112,000	\$180,688,000	\$150,000,000
Percentage of Benefit to the District	36.4%	36.4%	36.4%
Benefit to the District	<u>\$ 45,905,000</u>	<u>\$ 65,770,000</u>	<u>\$ 54,600,000</u>

The percentage of 36.4 was based on a formula established by WMATA for allocations of costs to be paid by each of the communities involved. We were informed by WMATA officials that this formula would be a fair basis on which to distribute the Federal contribution.

¹⁴ Consists of income or loss from operations of Washington National and Dulles International Airports attributed to the District of Columbia.

	<u>FY 1970</u>	<u>FY 1971</u>	<u>FY 1972</u>
Gain from operations of Washington National	\$3,559,000	\$ 2,509,000	\$3,541,000
Percentage of total passengers which had come to, or departed from, the District	48%	48%	48%
Amount attributed to the District from National	<u>1,708,320</u>	<u>1,204,320</u>	<u>1,699,680</u>
Loss from operations of Dulles International	-5,720,000	-5,571,000	-5,418,000
Percentage of total passengers which had come to, or departed from, the District	43%	43%	43%
Amount attributed to the District from Dulles	<u>-2,459,600</u>	<u>-2,395,530</u>	<u>-2,329,740</u>
Net loss attributed to the District	<u>\$ -751,280</u>	<u>\$ -1,191,210</u>	<u>\$ -630,060</u>

Percentages used for the District were based on a study made for the Federal Aviation Administration.

¹⁵ Represents the estimated cost to the Federal Government to make interest-free short-term loans to the District and to make loans under the Medical Facilities Construction Act of 1968 at an interest rate of 2-1/2 percent.

¹⁶ Consist of funds appropriated in fiscal year 1971 for expenses necessary to carry out purpose of the Commission outline in Public Law 91-405 (Little Hoover Commission).

¹⁷ An official of the Council estimated that about 26 percent of the Council's workload was applicable to the District.

¹⁸ The table does not show a dollar amount for certain services provided to the District by the U.S. Treasury, the Smithsonian Institute, the National Park Service, and the District of Columbia National Guard because of the difficulty of weighing the benefits received and/or the additional cost to the Federal Government for providing such services.

The U.S. Treasury acts as a depository for District revenues; prepares checks for District expenditures, for which it is reimbursed; and lends money to the District at average Treasury rates for long-term borrowings. The total long-term loans outstanding at June 30, 1970, was about \$325 million.

Total appropriations of \$45.0 million have been requested for the Smithsonian for fiscal year 1972. However, the Smithsonian is considered primarily of national benefit rather than strictly as a benefit to District residents.

An official of the National Capital Region informed us that the costs for the operation and maintenance of various parks in the District of Columbia are: \$8.4 million for fiscal year 1970; \$16.3 million for fiscal year 1971; and \$18.8 million for fiscal year 1972. In fiscal year 1970, the District paid for about 50 percent of the operating expenses. In fiscal years 1971 and 1972, the total operating expenses are to be funded through Federal appropriations to the Department of Interior.

During fiscal year 1970, the Federal Government contributed over \$8 million for the operation of the D.C. National Guard. The roles of the Guard are to (1) augment the active Army and Air Force during times of war or national emergency and (2) support the local law enforcement agencies if needed.