



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

B-221498.10

May 30, 1986

Ms. Jeanna M. Cullins  
General Counsel  
D.C. Retirement Board  
1025 Vermont Avenue, N.W.  
Suite 1030  
Washington, D.C. 20005

Dear Ms. Cullins:

This responds to your letter of January 29, 1986, requesting our views as to whether the Federal contribution to retirement funds for District of Columbia police officers, fire fighters, teachers, and judges is subject to reduction under the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177). You state your opinion that the retirement fund contribution is an obligated balance and therefore not subject to reduction. Section 256(1) of the Act provides that obligated balances are not subject to reduction under an order issued by the President pursuant to the Act.

The Federal contribution to the retirement funds is one of three items included in the account for the Federal Payment to the District of Columbia. In fiscal year 1986, Congress appropriated \$507,170,000 for the account, of which \$52,070,000 was designated as the Federal contribution to the retirement funds. We understand that on October 22, 1985, the Treasury Department distributed to the District of Columbia funds totalling \$490,845,000, which included all of the Federal contribution to the retirement funds.

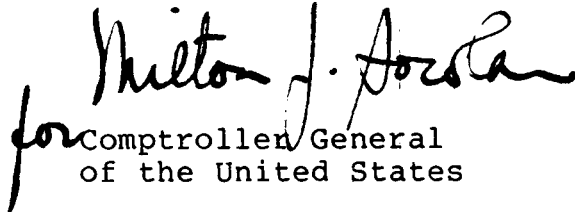
Since the Federal payment to the retirement funds had already been transferred to the District of Columbia before the issuance of the President's February 1, 1986, order, we consider those funds as having been obligated. Thus, we agree with your view that the funds in question were not subject to reduction under the President's order. A more detailed discussion may be found in the enclosed letter to Mr. Richard Siegel, Acting Budget Director, District of Columbia.

Your letter also asks why we did not identify the Federal contribution to the retirement funds as a separate account in our January 21, 1986, report. Section 257(8) of the Act

defines the term "account" as "an item for which appropriations are made in any appropriation Act used to determine the budget base." The Act, however, does not define the term "item." In preparing our report, we decided to identify accounts by reference to the organizational headings found in the District of Columbia Appropriations Act. Since the District of Columbia Appropriations Act treated the contribution as part of the Federal Payment to the District of Columbia, we did the same. See H.R. 3067, 99th Cong., 1st Sess., as incorporated in the continuing appropriations resolution for fiscal year 1986, Pub. L. No. 99-190, § 101(c), 99 Stat. 1185, 1224 (1985).

We hope this information is of assistance to you.

Sincerely yours,

  
for Comptroller General  
of the United States

Enclosure