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Committee on Appropriations,
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Committee on Government Reform and Oversight,
House of Representatives

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DISTRICT OF COLUMBIA

Financial Crisis

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GAO/T-AIMD-95-88

Chairman Walsh, Chairman Davis, and Members of the Subcommittees:

Although it is a pleasure to appear before you today to discuss the District of Columbia's financial situation, I only wish the news we have to give could be more positive. Last summer, we issued a report that discussed the District's cash and budget situation and concluded that the District is faced with both unresolved long-term financial issues and continual short term financial crises.[1] In that report we explained how cash balances declined even though budgets were balanced. Last fall, in response to the growing financial crisis, Congress mandated $140 million in reductions to expenditures for the District's fiscal year 1995 appropriation and reduced the federal payment by $14 million, and took several actions to strengthen reporting of information to Congress

Despite these actions, the District's financial situation has continued to deteriorate. Earlier this month the District's annual financial statements for fiscal year 1994 reported the largest annual budget deficiency since Home Rule. The District deferred payment of more than $500 million in bills at the end of fiscal year 1994. Last December to meet critical cash needs, the District had to obtain $250 million in short-term borrowing, months earlier than the cash forecast had shown, and just last week two financial investment services lowered the District's bond ratings, one of them to below investment grade.

The District's future financial situation continues to be bleak. As I will explain in more detail later, the District has abandoned its earlier plans to close the spending gap on its own and now seeks substantial federal assistance. According to the District's own estimates, fiscal year 1995 expenditures could be nearly $3.9 billion, $631 million above the $3.25 billion congressionally-mandated spending cap. The District has proposed to reduce this gap through its own efforts by $224 million and has indicated that the remaining $407 million be closed by $267 million in additional federal funds and the lifting of the $140 million congressionally mandated spending cut.

The District's cash position is especially precarious. Given the continued spending levels above budgeted amounts, it is now clear that the District will run out of cash this summer. In fact, today the District is insolvent--it does not have enough cash to pay all of its bills.

My written statement today addresses the following areas:

(1) the evolution of the District's crisis,

(2) congressional actions related to the fiscal year 1995 budget,

(3) our analysis of the District's fiscal year 1995 first quarter financial report,

[1]Financial Status: District of Columbia Finances (GAO/AIMD/GGD-94-172BR) June 22, 1994.

(4) the District's recent actions to address the financial crisis, and

(5) the District's cash situation.

To develop information for this testimony, we met with various District officials, including extensive meetings with the District's Office of Financial Management. We also met with officials of the accounting firms, Bert Smith and Company and Coopers & Lybrand, who audited the fiscal year 1994 financial statements. We are currently evaluating the results of that audit. We began this current phase of our work in October 1994 and our work on both the District's financial situation and the fiscal year 1994 financial statement audit is continuing.

We did this work in accordance with generally accepted government auditing standards; however we did not verify the accuracy of information obtained from the District's financial and management information systems. We have attempted to ensure that data we use in this testimony is accurate, but because of the poor state of the District's information systems, some data may need to be adjusted as we continue our work.

Included in attachment I of my statement is a time line of major events that have occurred since we issued our report last summer. As I go through my statement, it may be useful to refer to this timeline. First, I want to briefly discuss the evolution of the District's financial crisis.

THE EVOLUTION OF THE DISTRICT'S FISCAL CRISIS

The District of Columbia is a unique entity, being the only governmental unit with responsibilities traditionally executed by state and county, as well as city, governments. As such, it provides a variety of services and programs for its residents and visitors, including police and fire protection, local transportation, Medicaid, hospital care, sanitation, employment assistance, education, and housing. The District currently provides these services with a total budget of $4.4 billion in general fund revenues. The Congress appropriates approximately $3.3 billion of this total. These appropriated revenues include a federal payment of about $650 million and $2.7 billion of locally generated income taxes, property taxes, sales taxes, and other local sources of revenue. In addition, the District receives approximately $1.1 billion in non-appropriated funds that include federal grants, as well as reimbursements for services. The largest of these non-appropriated funds are the federal portions of the Medicaid and Aid for Families with Dependent Children programs. The District's annual federal payment is intended to compensate the District for nonreimbursed services provided to the federal government and deficiencies in the District's tax base resulting from federally imposed limitations on the District's ability to raise certain tax revenues.

Total District revenues have increased by 27 percent since fiscal year 1989. The largest percentage growth has occurred in the non-appropriated funds and the federal payment which grew at 68 percent and 43 percent, respectively. During the same period, the District's local sources of revenue grew by 13 percent.

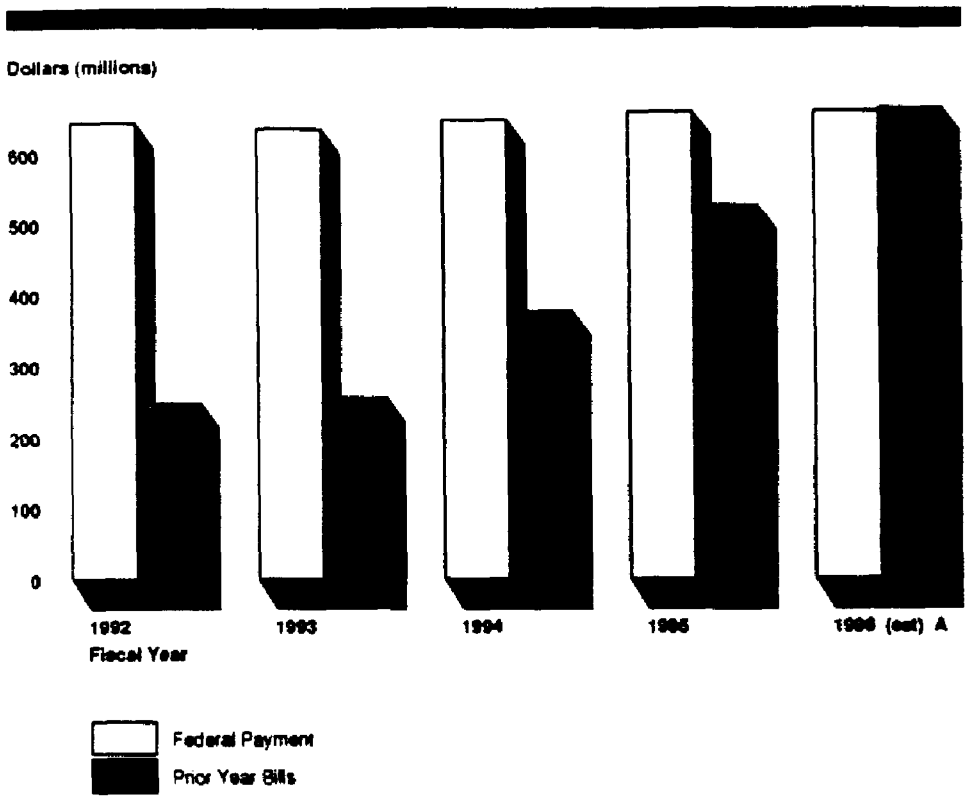
The District of Columbia Self-Government and Governmental Reorganization Act (Home Rule Act), Public Law 93-198, confers limited autonomy to the District and provides for congressional oversight. For example, the act requires the District to submit balanced budgets to the Congress and precludes the District from obligating or expending funds unless approved by the Congress. The District annually prepares budgets that include appropriated general fund revenues and expenditures, a capital projects plan for the next 5 years, and a five year financial plan.

In the 1980's the District's general fund operated with revenues in excess of expenditures in most years. From 1991 through 1993, the District submitted budgets to the Congress that showed expenditures and receipts in balance. However, even though the budgets were balanced and despite receiving cash from a $331 million general obligation bond in 1991, the city's cash position declined substantially. During this period, various factors helped the District balance its budget, including nearly $400 million in increased federal payments and $225 million in additional budgetary authority from other measures. These other measures included transferring funds from the Water and Sewer Fund, not recording a Washington Metropolitan Area Transit Authority payment when due against appropriated expenditures, and changing the legal definition of the property tax year.

After 3 years of positive general fund balances, the District recorded a $335 million deficiency in fiscal year 1994. Of this total deficiency, $116.8 million was in appropriated funds. Deficiencies were recorded in most appropriated expenditure functions and subfunctions, including Health and Welfare (primarily Medicaid), $71 million; Schools, $14 million; Fire, $13 million; Police, $12 million; and Public Works, $21 million. The remaining $218.6 million resulted primarily from adjustments related to Medicaid and D.C. General Hospital. The Medicaid increase relates to cost settlements of prior year Medicaid program costs that the District will be required to repay to the federal government during fiscal year 1995. The $85 million adjustment for the D.C. General Hospital receivable recognizes that the D.C. General Hospital loans may be uncollectible since the hospital continues to operate at a loss.

Although between fiscal years 1991 and 1993, the District's general fund has shown small surpluses, the District's cash position steadily deteriorated. At the end of each year the District has increasingly relied on the federal payment, which is usually received in the first month of the fiscal year, to cover bills from the previous fiscal year. Figure 1 compares the federal payment amount with the bills held over from the previous fiscal year.

Figure 1 Portion of Current Federal Payment Used to Pay Prior Bills



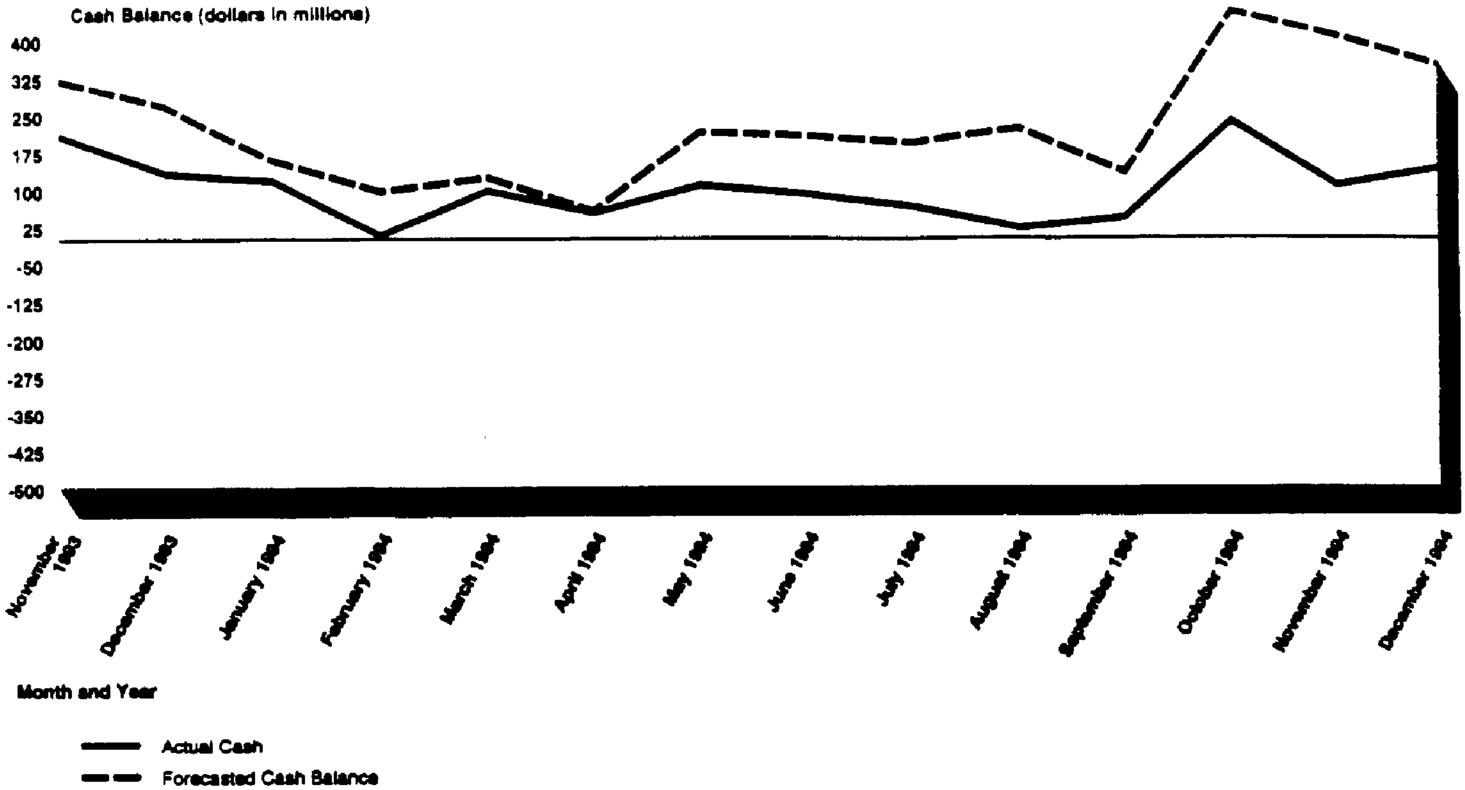
A - 1996 Federal Payment includes $132 escrow

Source: GAO analysis of District Financial Statements and Budget

As is shown in figure 1, in fiscal year 1992 the previous year's bills were about 39 percent of the federal payment. Last fall at the end of fiscal year 1994, the fiscal year 1994 bills were 80 percent of the fiscal year 1995 federal payment. Current trends indicate that the situation could be worse at the end of this fiscal year.

The District has always submitted optimistic cash flow forecasts. As figure 2 shows, forecasted amounts have nearly always exceeded actual amounts in some months by amounts exceeding $200 million.

Figure 2 Comparison of Actual and Forecasted Cash Balances



Source: GAO analysis of District Treasury data

CONGRESSIONAL ACTIONS RELATED TO FISCAL YEAR 1995 BUDGET

The Congress passed the District of Columbia Fiscal Year 1995 Appropriation Act and the Federal Payment Reauthorization Act of 1994 which required a number of actions. Specifically, the 1995 Appropriation Act capped the amount of expenditures for fiscal year 1995 at $3.25 billion, $140 million below the budget that the District submitted to the Congress. It stipulates that total disbursements can not exceed total receipts, and mandates penalties for enforcement of the spending caps. It also limits the total number of full-time equivalent (FTE) positions to 33,588, and required several periodic financial reports.

The potential penalties for overspending contained in the 1995 Appropriation Act are substantial. Assuming that the authorized federal payment for fiscal year 1996 of $660 million is appropriated, the fiscal year 1995 Appropriation Act would require the District to escrow twenty percent of the fiscal year 1996 federal payment or $132 million. The Congress required the escrow to encourage the District to make the spending cuts mandated by the Act and also required the District to pay certain "penalties" to the U.S. Treasury if the fiscal year 1995 spending reductions were not made. As the Act's conference report explains, the District is to pay from the escrow and, if necessary, other District funds (1) the amount that actual expenditures were not reduced by the $140 million, and (2) the amount, if any, actual disbursements and net payables exceeded actual receipts. Table 1, illustrates the amounts of the "penalties" given various possible spending levels.

Table 1: Potential Fiscal Year 1995 Spending Cap Penalties
(millions of dollars)

Hypothetical Examples: Amount that actual expenditures exceed budget and disbursements and net payables exceed receipts[a]	$140 million budget cut penalty	disbursements over receipts penalty	Total Penalty
$0 or less	$0	$0	$0
$100	$100	$100	$200
$267	$140	$267	$407
$407	$140	$407	$547
$631	$140	$631	$771

[a]These hypothetical examples assume that the amount actual expenditures exceed the budget and disbursements exceed receipts are equal. In actual practice, these amounts would probably be different.

Source: GAO calculations.

Both acts also require several periodic financial and performance reports. For example, the Federal Payment Reauthorization Act of 1994 requires the Mayor is to submit to the Congress:

-- an annual performance accountability plan (beginning March 1, 1995) for all departments, agencies and programs, including the performance goals;

-- an annual performance accountability report (beginning March 1, 1997) that discusses actual performance achieved compared to the goal and the status of any court orders applicable during the year and actions taken to comply;

-- an annual 5-year financial plan for the District (beginning March 1, 1995) that describes the steps to eliminate any differences between expenditures from, and revenues attributable to, each fund of the District during the first 5 fiscal years beginning after the submission of the plan; and

-- an annual financial plan report (beginning March 1, 1997) on the extent to which the District was in compliance during the preceding year with applicable requirements of the financial plan.

THE LIMITED USEFULNESS OF THE QUARTERLY REPORT

The 1995 Appropriation Act of 1995 and the Federal Payment Reauthorization Act of 1994 require that the Mayor submit a quarterly financial report beginning January 17, 1995 on the financial and budgetary status of the District. The reports are to include:

-- a cash flow statement that includes comparisons of actual to forecasted cash receipts and disbursements for each month and a cash forecast for the remainder of the fiscal year,

-- explanations of the differences between actual and forecasted amounts and the impact on cash and the budget,

-- an aging of accounts receivable and accounts payable, and

-- a report showing full-time equivalent (FTE) positions by type of position and funding source.

To respond to this requirement, on January 17, 1995, the District submitted more than 500 pages of documents. Although some valuable information was included in this data, for the most part, the information is not in a form that is useful to monitor the District's financial situation. A critical part of the report was a revised cash flow statement. We will comment on this cash flow statement later in this testimony.

Another part of the quarterly financial report included a report from the District's financial management system to show first quarter expenditures. The report neither included summaries or analysis of the data, nor projections of expenditures for the remainder of the fiscal year. This makes it impossible to use this report to compare actual first quarter expenditures with budgeted amounts or to project year-end expenditures.

Other parts of the quarterly financial report also did not provide useful information. The lists of unpaid vouchers (payables) and accounts receivable also were not summarized in the report. The legislation called for an aging of payables and receivables. The lists of payables included a date for each line item, but this date is the date the voucher was entered in the Districts's financial management system and not the date of the voucher. This date is even more meaningless for this listing, because in the first quarter, as a part of the District's efforts to control cash, vouchers were held for extended periods before being entered in the system.

The quarterly financial report also included some data on the District's number of FTE personnel for various periods. However, the District did not submit several categories of required information on personnel, including information on the actual number of full-time, part-time, and temporary employees, and the source of funding for these employees.

We have agreed to assist the District in developing a more useful format for future quarterly financial reports.

District Data on Personnel
is Confusing

Information on the exact number of District personnel is difficult to verify. Different sources of funding compounded by the lack of integration among the payroll, personnel, and budgeting systems makes it very difficult to establish the exact number of personnel on board. District personnel positions are financed by both appropriated and non-appropriated funds. The District reports personnel data in a variety of ways including FTEs, the number of personnel receiving paychecks, and full-time on-board staff. An FTE is used to measure the number of equivalent positions and takes into account how many hours are actually being worked. For example, two employees working half-time would be counted as one FTE.

Reducing the number of District personnel has been a stated management initiative for several years. Based on information from the District, between the first quarter of fiscal year 1993 and the first quarter of fiscal year 1995, the number of actual FTEs decreased from 46,422 to 44,438. During this period appropriated positions decreased from 36,475 to 34,394 and non-appropriated positions increased from 9,947 to 10,044.

Section 141 of the District of Columbia Fiscal Year 1995 Appropriation Act required that the total number of FTE positions financed from appropriated funds not exceed 33,588, which is 2,000 FTEs below the 35,588 contained in the original fiscal year 1995 budget. On February 17, 1995, the District announced that it had reduced the number of FTEs by 3,058 to 32,530. This total is below the 33,588 ceiling, but the number of reductions needs further explanation. Although, the District said it cut more than 3,000 positions, some of these positions were not filled as of the end of fiscal year 1994. Specifically, as of September 1994 there were 33,675 actual FTEs on board. Therefore, the actual reduction since the beginning of the fiscal year in actual FTEs is 1,145. Table 2 shows this data and also provides the number of actual FTEs during the period the fiscal year 1995 budget was being developed.

Table 2: District of Columbia FTEs

	Original Fiscal Year 1995 Budget	Actual FTEs on board when budget was developed (1st Quarter of Fiscal Year 1994)	Actual FTEs on board as of September 1994
Total FTEs	35,588	34,482	33,675
Current FTEs	32,530	32,530	32,530
Difference	3,058	1,952	1,145

Source: District of Columbia personnel data.

In making the announcement on February 17, the District outlined the specific reductions by agency that had occurred because of incentive retirement programs and attrition. However, the number of reductions reported are significantly higher than the actual decline in FTEs. Several specific examples highlight these seeming inconsistencies:

-- Metropolitan Police Department: the District's announcement showed 347 staff departures, the actual FTE data showed 162 fewer FTEs;

-- Department of Human Services: the District's announcement showed 713 staff departures, the actual FTE data showed 464 fewer FTEs; and

-- D.C. Public Schools: the District's announcement showed 90 staff departures, the actual FTE data showed an increase of 404 FTEs.

The District explained that some vacant positions would be refilled due to court orders or other mandates. We are continuing to develop information on District personnel.

DC HAS NOT ADDRESSED THE SPENDING PROBLEM

Even though mandated by the Congress to cut its spending by $140 million from its fiscal year 1995 budget submitted to the Congress, the District has not reduced spending. The Congress mandated that total appropriated expenditures not exceed $3.25 billion in fiscal year 1995, but according to the District's own estimates, District appropriated expenditures this year could be nearly $3.9 billion. District officials said they would reduce this overspending by $224 million, but planned to ask the federal government to cover the remaining $407 million. Various actions have been taken by the previous and current Mayor and the District Council to address overspending, but very little actual spending reduction has occurred. Even though the sixth month of the fiscal year begins next week, District agencies are still operating on spending plans based on the originally submitted budget before the congressionally-mandated $140 million in cuts.

Initial District Actions
to Address Overspending

During the first part of fiscal year 1995, the District's attention was almost entirely on what was necessary to obtain the $250 million in short-term borrowing. The key action during this period was a consensus agreement among the D.C. Council Chairman and the current and former Mayor that included management actions and initiatives to reduce potential overspending and cut costs, a budget that would show $140 million in budget cuts mandated by the Congress, and a positive cash forecast based on the two aforementioned items. The D.C. Council passed a revised budget on December 21 that included (1) expenditure reductions and revenue increases of $448 million and (2) increased agency allocations and reprogrammings of $309 million. The net reduction of $139 million included only $99 million in expenditure cuts and $40 million in additional revenue. The net amount essentially equaled the $140 million congressional mandate; but the Congress had ordered that all of the $140 million be in expenditure cuts.[2] Table 3 outlines the Council's actions last December.

[2]On February 7, 1995, the D.C. Council rescinded the $40 million revenue increase, reducing the net Council actions on the fiscal year 1995 budget to $99 million.

Table 3: Summary of DC Council Actions

	dollars in millions	
Council actions		
Council cuts	$279	
Net revenue increases	40	
Unallocated budget reductions	129	
Total actions		$448
Council reallocations		
Additional cash needs	$79	
Increased agency budgets	101	
Reprogrammings	129	
Total reallocations		$309
Net impact of council actions		$139

Source: GAO analysis of data from the D.C. Council

Although, the net result of Council actions has been $99 million in cuts, these reductions have not been allocated to approved spending plans. As a result, District agencies are still operating on "pre-$140 million cut" spending plans.

The District government also adopted an apportionment procedure in an attempt to control spending; but this process does not appear to be reducing expenditures. The District directed agencies to limit spending to 25 percent of their appropriation in the first quarter and 15 percent in the second quarter. However, these apportionments were also based on the originally submitted "pre- $140 million cut" budget. In addition, the apportionment process could only be delaying rather than reducing expenditures.

Several District agency officials told us that personnel expenditures alone in the second quarter would exceed the 15 percent apportionment. For example, D.C. General Hospital officials said that payroll costs in the second quarter would consume all of the apportionment, and Fire and Emergency Medical Service officials said that the February 17 firefighter payroll put them over their allocation. D.C. Schools said that all of their allocation would be expended when they pay the March 1 teacher payroll.

Although, the District is continuing to process payroll even though the apportionments are being exceeded, agency officials told us that the result is that they have no funds to purchase any supplies. Fire and Emergency Medical Services officials said that their inability to purchase supplies could be extremely serious. The apportionment process also does not apply to entitlement payments (e.g. Medicaid), as any entitlement payment is approved regardless of the agency's apportionment limit.

The $722 Million Problem

On February 1, 1995, the Mayor announced that overspending in District agencies could result in $3.89 billion in expenditures or $631 million over the $3.25 billion expenditure limit established by the Congress. The District said that this deficit was comprised of Medicaid cost settlements and adjustments, agency overexpenditures, and the required $140 million in congressionally mandated cuts. In addition, the Mayor explained that there was a $91 million cash shortage, making the total shortfall $722 million.

To address the $631 million in agency overspending, the District has proposed that $267 million of the shortfall be covered by additional cash from the federal government and that the Congress rescind the $140 million in budget cuts. Rescinding the $140 million would allow the District to use the surplus budget authority built into the District budget when the Congress ordered the cuts and eliminate this portion of the penalty outlined in the Appropriation Act. The remaining $224 million, would be addressed by District spending reductions as identified in agency spending plans. However, many of the cuts in these plans are not specific and in some cases have already been superseded by other events. Table 4 shows how the District is budgeting for fiscal year 1995.

Table 4: How the District is Budgeting for Fiscal Year 1995

(dollars in millions)

THE CURRENT SPENDING BUDGET:		
The District's for spending		$3,394
Congressionally mandated cuts		(140)
Budget appropriated by the Congress		3,254
HOW THE DISTRICT RESPONDED:		
Rescinding the congressional cuts	$140	
Requesting federal relief for Medicaid	267	
Total federal actions anticipated by the District	407	
Additional overspending	224	
Total overspending		631
Total projected expenditures		3,885
District proposal to reduce spending		(224)
Resulting budget		$3,661

Source: GAO analysis of the District's fiscal year 1995 proposal.

The District has informed us that it will formally submit a revised supplemental budget for fiscal year 1995 to the District Council by March 8, 1995. Adjustments to the basic framework outlined in table 4 may occur.

Medicaid Spending and
Budgeting Changes

The largest action in the District's plan to close the revenue-spending gap in fiscal year 1995, is receiving $267 million in an additional federal payment ostensibly because of Medicaid. The District said that the appropriated portion of Medicaid expenditures would climb to $550 million in fiscal year 1995 or $267 million more than the congressionally approved budget. However, as shown in Table 5 below, the District's estimate of $267 million includes $152 million that is not needed in cash in fiscal year 1995:

Table 5: Analysis of increase in Medicaid budget

Total Revised Medicaid budget		
Amount before proposed spending cuts		$550
Less: Original Medicaid budget		283
Amounts over original budget		267
Portion of revised budget not affecting fiscal year 1995 cash		
1995 estimated cost settlements	$82	
Cost savings planned during 1995	30	
Expenses the District pays itself	40	152
Portion of budget increase that affects cash		115

Source: GAO analysis of District of Columbia Department of Human Services data.

Routine Medicaid cost adjustments that occur after the fiscal year has ended are not new and the amount of the cost changes have grown. Until this fiscal year, anticipated costs, such as the $82 million mentioned above, would not be included in current year budget expenditures. The expenditures resulting from such cost settlements are rolled forward to the next fiscal year and included in budgets for that year. The net effect of this budget change is an $82 million increase in budgeted expenditures for fiscal year 1995 and a corresponding increase in the projected deficit. Furthermore, the $82 million increases the District's proposed cash needs to $267 million for the Medicaid program while the related payments would not be made until fiscal year 1996 or later.

The District's estimated needs of $267 million also included $30 million in cost savings planned for fiscal year 1995 and another $40 million representing Medicaid costs that one District agency pays to a component of that agency. Accordingly, $152 million of the $267 million in cash the District plans to ask for from the Federal government will not be needed to pay for any expenditures in fiscal year 1995 and represents cash that has the risk of being used for other purposes.

WHEN WILL THE DISTRICT RUN OUT OF CASH?

As we noted earlier, the District has had cash problems over the last few years. The overspending outlined above and the District's own admission that additional federal revenues are needed to balance the budget demonstrate that the District will run out of cash unless additional funds are obtained.

The District's most recent cash flow projections for fiscal year 1995 were included as a part of the quarterly financial report. The statement projected that the ending cash balance for the fiscal year on September 30, 1995, will be $50 million. But this projection is based on many unapproved actions, double counting of some items, and other unsupported financial data. When taken together, these questionable items result in a cash projection of negative $400 million at the end of the fiscal year. The chart also includes the impact on cash of the $224 million in additional overspending identified by the Mayor on February 1. Because some of this overspending involves revised budget procedures, approximately $72 million of this overspending could affect cash, thus increasing the projected year-end cash deficit to nearly half a billion dollars. These analyses are shown in table 6.

Table 6: Analysis of Cash Flow Projections
(dollars in millions)

DECEMBER 12, 1994		
Cash balance projected at 9/30/95		$50
Cash flow assumptions at risk:		
Congressionally mandated cuts	$140	
Federal payment reduction	14	
Transition initiatives[a]	253	
Additional unallocated cost reductions	100	
Less: Errors in forecast[b]	(65)	
Total reductions not made	267	
Net assumptions at risk that could reduce cash		(442)
Adjusted cash balance based on December 12, 1994 actions		(392)
FEBRUARY 1, 1995		
Additional overspending	224	
Portion of spending not affecting cash	(152)	
Total overspending affecting cash in fiscal year 1995		72
Potential cash balance at September 30, 1995		$(464)

[a]Transition initiatives are actions and cost reductions reported and counted in the District's cash flow projections, but District officials have acknowledged that these initiatives have not been approved for implementation. These initiatives included such items as wage adjustments, agency consolidations, and employee furloughs.

[b]Represents amounts used in transition estimates that decrease agency spending estimates (disbursements). Some of these decreases were included twice in the District's cash forecast.

Source: GAO analysis of District's cash flow forecasts

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In summary, Mr. Chairman, the District is facing an enormous financial crisis which has increased since our report in June. District spending is significantly above approved budgets, and the District only has cash now because the District is not paying hundreds of millions in bills. The District's plans to address its current financial situation does not include any major structural and management changes even though the District faces even greater revenue-expenditure gaps in the future.

We are continuing to monitor the District of Columbia's finances as the District addresses these financial challenges. That concludes my statement, my colleagues and I will be glad to answer any questions that you or other Members of the Subcommittee may have at this time.

KEY DISTRICT EVENTS SINCE JUNE 1994

1994

JUNE 24	•	GAO Report
JULY 14	•	FISCAL YEAR 95 appropriations bill introduced to House
SEPTEMBER 7	•	District mayoral primary
SEPTEMBER 30	•	Appropriations Act requires cuts of $140 million
OCTOBER 19	•	1996 federal payment authorized
OCTOBER 29	•	Incumbent mayor submits budget to Council with $140 million cuts
NOVEMBER 8	•	District mayoral election
NOVEMBER 15	•	District accelerates plan to borrow $250 million
DECEMBER 12	•	"Consensus" plan to Wall Street with transition team cuts
DECEMBER 21	•	Council passes separate set of budget cuts

1995

JANUARY 3	•	District borrows $250 million
JANUARY 17	•	District first quarter financial report
FEBRUARY 1	•	Comprehensive Annual Financial Statements released
FEBRUARY 14	•	Standard & Poor's lowers District bond rating
FEBRUARY 15	•	Moody's lowers bond rating below investment grade
MARCH 8	•	1995 Supplemental Budget and 1996 Budget to Council
APRIL 17	•	Second quarter financial report due

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