



## **BILL 24-0432**

# **RACIAL EQUITY IMPACT ASSESSMENT SCHOOL FINANCIAL TRANSPARENCY ACT OF 2021**

**TO:** The Honorable Phil Mendelson, Chairman, Council of the District of Columbia  
**FROM:** Brian McClure, Director, Council Office of Racial Equity  
**DATE:** December 7, 2024

### **COMMITTEE**

Committee of the Whole

### **BILL SUMMARY**

Bill 24-0432 amends existing law by adjusting reporting timelines local education agencies have to submit audited financial data to the Office of the Superintendent for Education (OSSE) from December 2023 to March 2024.

### **CONCLUSION**

Bill 24-0432 will have a negligible impact on racial equity in the District of Columbia.

---

## **BACKGROUND**

- **B24-0432 amends existing law by extending the deadline for when DC Public Schools (DCPS) and DC public charter schools (DCPCS) are required to submit audited financial data to OSSE.**
- **The bill adjusts those deadlines from December 2023 to March 2024. Currently, OSSE is scheduled to begin publicly reporting financial data for schools in May 2024.**
- **The bill also clarifies that the Board of Trustees for each public charter school should submit the current school year budget and the draft budget for the following year *only* to the Public Charter School Board.**

Bill 24-0432, the School Financial Transparency Act of 2021 amends existing law in order to extend the timeline for when local education agencies are required to submit audited financial data to OSSE.<sup>1</sup> The legislation makes technical corrections to the internal submission timelines for local education agencies (LEAs) to submit financial data to OSSE.<sup>2</sup> The bill was introduced on October 7, 2021 by Chairman Phil Mendelson at the request of the Mayor.

---

<sup>1</sup> According to the Committee Print, the Mayor, LEAs, and the Board of Trustees of each Charter school would all be required to submit financial data to OSSE.

<sup>2</sup> [Testimony of Paul Kihn](#), Deputy Mayor of Education, provided before the Committee of the Whole, November 6, 2021. Also see the Committee Print and Introduced versions of [Bill 24-0432](#).

Bill 24-0432 requires the Mayor to establish common financial reporting standards for DCPS and DCPCS.<sup>3</sup> If Bill 24-0432 is passed, OSSE would be required to electronically publish each LEAs financial data. An example of this data includes the amount spent on instructional staff, school administrators, instructional supports, educational materials, and non-education related administrative costs.<sup>4</sup>

By law, OSSE is scheduled to begin publicly publishing financial data received from LEAs in May 2024.<sup>5</sup> Currently, the December 2023 deadline requires LEAs to submit financial data to OSSE before completion of their auditing processes.<sup>6</sup> Also, the December 2023 deadline would be more closely aligned to the date OSSE is scheduled to begin annual electronic publication in May of 2024.<sup>7</sup>

Bill 24-0432 aims to align the submission processes for LEAs to that of OSSE by adjusting the deadline from December 2023 to March 2024 for when LEAs submit audited financial data to OSSE.<sup>8</sup> Extending the submission deadline may help to reduce the number of submissions and aligns with existing reporting and other school audit timelines that occur annually during the spring.<sup>9 10</sup>

## **RACIAL EQUITY IMPACTS**

**Positively, changing the date LEAs are required to submit financial data to OSSE provides more time for educators to audit their financial expenditures.**<sup>11</sup> Changing the date from December 2023 to March 2024 will provide educators with more time to prepare, revise, and complete the required financial audit. Many educators describe how they experience job-related stress due to being overworked, especially during the public health emergency.<sup>12</sup> Job-related stress may particularly be compounded for employees of color when considering social determinants of health and existing racial disparities in mental health and physical health outcomes for communities of color in the District.<sup>13</sup>

In DCPS and DCPCS a majority of educators are Black people, which means it may be likely that those most likely to compile the data required for the financial audit will be Black.<sup>14 15</sup> However, without this data it is difficult definitively conclude that is the case. However, Bill 24-0432 provides extra time for audits to be completed and submitted, which may lead to improved physical and mental health of educational employees, especially those of color that help with the filings.

---

<sup>3</sup> [Common Financial Reporting Standards](#), Office of the Deputy Mayor of Education, page 1, May 31, 2021. The Deputy Mayor for Education would be responsible for this provision on behalf of the Mayor.

<sup>4</sup> Qubilah Huddleston and Alyssa Noth, [DC is One Step Closer towards Adopting Requirements for More Transparent School Budgets](#), DC Fiscal Policy Institute, October 11, 2019.

<sup>5</sup> [Testimony of Paul Kihn](#), Deputy Mayor of Education, provided before the Committee of the Whole, November 6, 2021.

<sup>6</sup> Bill 24-0432 amends the [Board of Education Continuity and Transition Amendment Act of 2004](#), the [Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Amendment Act of 1998](#), and the [District of Columbia School Reform Act of 1995](#).

<sup>7</sup> Mayor Muriel Bowser, [School Financial Transparency Act of 2021 Introduction](#), Executive Office of the Mayor, October 7, 2021.

<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

<sup>10</sup> The proposed changes outlined in B24-0432 do not impact the May 2024 date in which OSSE is set to begin publicly reporting financial data from local schools.

<sup>11</sup> For purposes of this REIA, when CORE says “educators” we mean the school officials responsible for preparing financial audits.

<sup>12</sup> Elizabeth D. Steiner and Ashley Woo, [Job-Related Stress Threatens the Teacher Supply](#), Rand Corporation, June 15, 2021.

<sup>13</sup> Peggy Barmore, [Black teachers ground down by racial battle fatigue after a year like no other](#), The Hechinger Report, May 24, 2021.

<sup>14</sup> See [DCPS Fast Facts 2019-2020](#).

<sup>15</sup> See [Race/Ethnicity of Teachers](#), Office of the Student Advocate.

**Positively, Bill 24-0432 will make it easier for the public to see how schools are funded and improve transparency of “at risk” funds.** Schools will be required to report how they spend “at risk” funds meant to support students who are most at risk of academic failure.<sup>16</sup> According to DCPS, student are considered “at risk” if they fall into one or more of the following categories: experiencing homelessness, eligible for the Supplemental Nutrition Assistance Program (SNAP) or Temporary Assistance for Needy Families (TANF), in the foster care system, or over-age high school students.<sup>17</sup> In the District, Black children are most likely to be considered “at risk”.<sup>18</sup> Black children are also more likely to live in concentrated poverty and attend schools that are academically distressed and underfunded.<sup>19</sup> Due to the public-facing transparency of Bill 24-0432, this bill has the potential to empower parents, teachers, and other school stakeholders to have a say in how at-risk funds are used in their schools and ensure that the students most at-risk receive designated funding to support their needs.<sup>20</sup>

## **ASSESSMENT LIMITATIONS**

Alongside the analysis provided above, the Council Office of Racial Equity encourages readers to keep the following limitations in mind:

**Assessing legislation’s potential racial equity impacts is a rigorous, analytical, and uncertain undertaking.** Assessing policy for racial equity is a rigorous and organized exercise but also one with constraints. It is impossible for anyone to predict the future, implementation does not always match the intent of the law, critical data may be unavailable, and today’s circumstances may change tomorrow. Our assessment is our most educated and critical hypothesis of the bill’s racial equity impacts.

**This assessment intends to inform the public, Councilmembers, and Council staff about the legislation through a racial equity lens.** As a reminder, a REIA is not binding. Regardless of the Council Office of Racial Equity’s final assessment, the legislation can still pass.

**This assessment aims to be accurate and useful, but omissions may exist.** Given the density of racial equity issues, it is unlikely that we will raise *all* relevant racial equity issues present in a bill. In addition, an omission from our assessment should not: 1) be interpreted as a provision having no racial equity impact or 2) invalidate another party’s racial equity concern.

---

<sup>16</sup> Qubilah Huddleston and Alyssa Noth, [DC is One Step Closer towards Adopting Requirements for More Transparent School Budgets](#), DC Fiscal Policy Institute, October 11, 2019.

<sup>17</sup> [At-Risk Funding](#), DC Public Schools.

<sup>18</sup> Chelsea Coffin, [Access to schools that level the playing field for DC’s at-risk students](#), DC Policy Center, September 30, 2019.

<sup>19</sup> Emma Garcia, [Poor Black children are much more likely to attend high poverty schools than poor white children](#), Economic Policy Institute, January, 13, 2017.

<sup>20</sup> Ed Lazere, [What’s In the Proposed Fiscal Year 2020 Budget for PreK-12 Education](#), DC Fiscal Policy Institute, April 3, 2019.