

1 **AMENDMENT IN THE NATURE OF A SUBSTITUTE**
2 **Bill 24-1147**
3 **December 20, 2022**
4 **Chairman Mendelson**

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8 A BILL

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10 24-1147

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12 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA
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18 To amend, on an emergency basis, the method for school budgeting for the District of Columbia
19 Public Schools by budgeting the local schools first based on each school’s previous
20 year’s budget, with the remainder to be allocated between central administration and
21 system-wide school support.

22 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this
23 act may be cited as the “Schools First in Budgeting Amendment Act of 2022”.

24 **TITLE I. DCPS BUDGET**

25 Sec. 101. This title may be cited as the “Schools First in Budgeting Amendment Act of
26 2022”.

27 Sec. 102. Definitions.

28 For the purposes of this title, the term:

29 (1) “Central Administration” means the programs, services, and employees that
30 support the functions necessary for the governance of the DCPS school district as a whole,
31 including general oversight and management of support services, such as procurement, human
32 resources, and financial administration, whose costs are not attributable to School Support,
33 School-Wide, or Local Schools.

34 (2) “DCPS” means the District of Columbia Public Schools system.

35 (3) “Local Schools” means the individual schools comprising the DCPS system
36 and whose programs, services, and employees are paid with funds under the control and direction
37 of the individual school principals.

38 (4) “Projected enrollment” is the number of students projected to be enrolled at a
39 specific DCPS school at the time the Mayor’s budget is proposed to the Council.

40 (5) “School Support” means the programs, services, and employees that provide
41 system-wide support to DCPS schools, such as curriculum development, instructional
42 superintendents, teacher evaluations, and professional development, whose costs are not
43 attributable to Central Administration, School-Wide, or Local Schools.

44 (6) “School-Wide” means the programs, services, and employees that directly
45 support schools and are budgeted centrally but provided directly to individual schools, such as
46 food service, security, fixed costs, speech therapists, itinerant ELL services, and substitute
47 teachers, whose costs are not attributable to Central Administration, School Support, or Local
48 Schools.

49 (7) “Uniform Per Student Funding Formula” means the formula for funding
50 DCPS and the District’s public charter schools established pursuant to the Uniform Per Student
51 Funding Formula for Public Schools and Public Charter Schools Act of 1998, effective March
52 26, 1999 (D.C. Law 12-207; D.C. Official Code § 38-2901, *et seq.*).

53 Sec. 103. DCPS’s annual budget.

54 (a) The annual operating budget for DCPS shall be allocated among 4 departments:

55 (1) Central Administration;

56 (2) Local Schools;

57 (3) School Support; and

58 (4) School-Wide.

59 (b) The Chancellor of DCPS (“Chancellor”) shall prepare and execute a performance-
60 based budget on an annual basis. The budget prepared by the Chancellor shall have its operations
61 organized by department, and thereunder by major programs, which in turn will be composed of
62 activities and services. The budget submitted by the Chancellor shall allocate all monies by
63 revenue source for programs, activity, and service levels, and by revenue source for comptroller
64 source group by program and activity. The DCPS submission shall include the number of full-
65 time equivalents with job titles by program and revenue source.

66 (c) The DCPS annual budget submission shall also include a delineation of:

67 (1) All funds budgeted for each school, including a summary statement or table of
68 the local-funds budget for each school, by revenue source for activities and service levels, and by
69 revenue source for comptroller source group by activities and service levels;

70 (2) The programs and services, along with a narrative description of each program
71 and service;

72 (3) All funds not allocated directly to a school or to Central Administration, by
73 revenue source for activities and service levels, and by revenue source for comptroller source
74 group by activities and service levels, including a presentation of:

75 (A) Any funds that will support costs associated with programs and
76 services provided at the school level or directly to students; and

77 (B) Any funding associated with at-risk students and with the at-risk high
78 school over-age supplement that has been retained by the Chancellor;

79 (4) The methodology used to determine each school's local funding;

80 (5) For each school's individual budget, a separate budget line item for funding
81 allocated to the following, as coded in the District's current official financial system of record:

82 (A) At-risk students;

83 (B) The at-risk high school over-age supplement;

84 (C) Elementary ELL; and

85 (D) Secondary ELL; and

86 (6) For each school, a matrix depicting the projected enrollment for the categories
87 listed in subparagraph (A) of this paragraph delineated by the categories listed in subparagraph
88 (B) of this paragraph.

89 (A) Total projected enrollment for:

90 (i) Each grade level the school serves;

91 (ii) Students in an alternative program;

92 (iii) Students receiving special education services; and

93 (iv) Students in an adult education program.

94 (B) Projected number of students who qualify as:

95 (i) General education (receiving no special education services);

96 (ii) Level 1: Special Education;

97 (iii) Level 2: Special Education;

98 (iv) Level 3: Special Education;

99 (v) Level 4: Special Education;

100 (vi) Special Education Level 1 Extended School year (“ESY”);

101 (vii) Special Education Level 2 ESY;

102 (viii) Special Education Level 3 ESY;

- 103 (ix) Special Education Level 4 ESY;
- 104 (x) Limited English Proficient/Non-English Proficient;
- 105 (xi) At-risk;
- 106 (xii) At-risk high school over-age supplement.

107 (d) Annually, no later than 42 calendar days before the Mayor’s submission of the
108 District’s budget and financial plan to the Council and in accordance with section 104(d), the
109 Chancellor shall make available on DCPS’s website a detailed estimate of the amount of money
110 required to operate DCPS for the ensuing year, including the Schools First budget for each
111 school.

112 (e) The Mayor’s annual submission of the District’s budget and financial plan to the
113 Council shall include as an attachment an accurate and verifiable report on the positions and
114 employees of DCPS to include:

115 (1) A compilation of DCPS Schedule A positions for the ensuing fiscal year on a
116 full-time equivalent basis, including a compilation of all positions by organization Level 4, job
117 title, pay plan and grade, program and activity, revenue fund, and annual salary; and

118 (2) A compilation of all DCPS employees as of the preceding March 1, on a full-
119 time equivalent basis, including a compilation of all positions by organization Level 4, job title,
120 pay plan, grade, and step, program and activity, revenue fund, and annual salary.

121 **(f) No less than 90% of the funds allocated to DCPS pursuant to section 106a of the**
122 **Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Act**
123 **of 1998, effective March 26, 1999 (D.C. Law 12-207; D.C. Official Code § 38-2905.01) shall**
124 **be allocated to the Local Schools and school-wide departments. Such funds shall be**
125 **supplemental to and not supplant any Formula, federal, or other funds.**

126 (g) No later than October 30 of each year, the Mayor shall submit to the Council a revised
127 appropriated funds operating budget for DCPS for the fiscal year beginning on the preceding
128 October 1 that sets forth the total amount of the approved appropriation and that realigns
129 budgeted data with anticipated actual expenditures with the specification set forth in of
130 subsections (a), (b), and (c) of this section.

131 ~~(g) Beginning in fiscal year 2011, the Mayor shall submit to the Council quarterly~~
132 ~~financial reports for DCPS setting forth by organization Level 4 approved budget, revised~~
133 ~~budget, actual expenditures and funds obligated to date, and projected expenditures for the~~
134 ~~full fiscal year.~~

135 ~~(h) By March 31, 2024, and annually thereafter, the Mayor shall transmit a report of~~
136 ~~the previous school year's actual expenditures, for each school, to the Office of the State~~
137 ~~Superintendent of Education. The report shall conform to the common financial reporting~~
138 ~~standards established by the Department of Education pursuant to section 202(b)(10) of the~~
139 ~~Department of Education Establishment Act of 2007, effective June 12, 2007 (D.C. Law 17-~~
140 ~~9; D.C. Official Code § 38-191(b)(10)).~~

141 (h) For the purposes of this section:

142 (1) The following terms shall have the same meaning as provided in section 102
143 of the Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Act
144 of 1998, effective March 26, 1999 (D.C. Law 12-207; D.C. Official Code § 38-2901):

145 (A) "Adult education";

146 (B) "Alternative program";

147 (C) "At-risk";

148 (D) "At-risk high school over-age supplement";

149 (E) "Elementary ELL";

150 (F) "Limited English Proficient/Non-English Proficient"; and

151 (G) "Secondary ELL".

152 (2) The following terms shall have the same meaning as provided in section 106
153 of the Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Act
154 of 1998, effective March 26, 1999 (D.C. Law 12-207; D.C. Official Code § 38-2901):

155 (A) "At-risk high school over-age supplement";

156 (B) "Level 1: Special Education";

157 (C) "Level 2: Special Education";

158 (D) "Level 3: Special Education";

159 (E) "Level 4: Special Education";

160 (F) "Limited English Proficient/Non-English Proficient";

161 (G) "Special Education Level 1 Extended School year ("ESY")";

162 (H) "Special Education Level 2 ESY";

163 (I) "Special Education Level 3 ESY"; and

164 (J) "Special Education Level 4 ESY".

165 Sec. 104. Schools First budgets.

166 (a) In formulating the annual DCPS operating budget for submission to the Council, the
167 annual budget for each DCPS school for the next fiscal year ("Schools First budget") shall be
168 determined according to the following sequence:

169 (1) Begin with the total amount of funds under the control and direction of the
170 school's principal for the current school year (obligated and unobligated) as of January 1 of the
171 current fiscal year, excluding:

172 (A) Privately raised funds;
173 (B) Pandemic Supplement Funds as authorized by section 106b of the
174 Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Act of
175 1998, effective September 21, 2022 (D.C. Law 24-167; D.C. Official Code § 38-2905.02);
176 (C) Federal Elementary and Secondary School Emergency Relief funds;
177 (D) Federal Investment in Schools funds as authorized by section 1003 of
178 the Elementary and Secondary Education Act of 1965, approved January 8, 2002 (115 Stat. 1442;
179 20 U.S.C. § 6303)); and

180 **(E) Locally-funded grants and interagency funds from other District**
181 **government agencies; and**

182 (F) District at-risk concentration supplement funds authorized by section
183 106a(c-2) of the Uniform Per Student Funding Formula for Public Schools and Public Charter
184 Schools and Tax Conformity Clarification Amendment Act of 1998, effective September 21,
185 2022 (D.C. Law 24-167; D.C. Official Code § 38-2905.01(c-2)).

186 (2) Increase the amount in paragraph (1) of this subsection by the percentage that
187 is the higher of:

188 (A) The projected increase for the forthcoming year in the foundation level
189 of the Uniform Per Student Funding Formula (“UPSFF”); or

190 (B) The collectively bargained salary increase, for the forthcoming year,
191 for members of the teachers’ union.

192 (3) Increase the amount derived pursuant to paragraph (2) of this subsection to
193 fully fund an increase in the number of general education personnel at the school by the greater
194 of the amount agreed to by the Chancellor or the amount necessary to fully fund an increase in

195 the number of personnel required by the school’s projected or actual enrollment increases (in one
196 year, or over time), when such enrollment increases require one or more additional instructional
197 or school-based support personnel (require such as per the collective bargaining agreement with
198 the teachers’ labor union).

199 (4) Increase the amount derived pursuant to paragraph (3) of this subsection to
200 reflect fully the increase of special education or English learner (“ELL”) personnel so that the
201 levels of such staff align with required service levels for students.

202 (5) Increase the amount derived pursuant to paragraph (4) of this subsection to
203 fund fully any additional costs the school may be required to carry, such as the transfer of
204 services to Local Schools that were previously attributed to School Support, School-Wide, or
205 Central Administration.

206 (6) The amount derived pursuant to paragraph (5) of this subsection may be
207 decreased, incrementally, if the school’s projected enrollment for the next school year is
208 projected to decline; provided, that:

209 (A) The decrease shall be made only on a full-time equivalent employee
210 basis (using average salary);

211 (B) The decrease shall not be made unless the enrollment decline is great
212 enough on the grade or subject level to eliminate a classroom or warrant elimination of
213 instructional or school-based support personnel; and

214 (C) After the decrease, the school will still comply with the class size
215 maximums set forth in the operative collective bargaining agreement with the teachers’ labor
216 union.

217 (7) The amount derived pursuant to paragraph (6) of this subsection may be
218 decreased, incrementally, to reflect a reduced need for special education or ELL personnel;
219 provided, that the funding for such faculty shall align fully with the required service levels for
220 students.

221 **(8) Adjust the amount derived pursuant to paragraph (7) of this subsection**
222 **by the amount per pupil funding derived from a proposed change, if any, to the weight for**
223 **the forthcoming school year for the at-risk general education add-on described in section**
224 **106 of the Uniform Per Student Funding Formula for Public Schools and Public Charter**
225 **Schools Act of 1998, effective March 26, 1999 (D.C. Law 12-207; D.C. Official Code § 38-**
226 **2905.01).**

227 **(89)** As applicable, increase the amount derived pursuant to paragraph (7) of this
228 section by the amount to be allocated to the school through the at-risk concentration supplement
229 provided pursuant to section 106a(c-2) of the Uniform Per Student Funding Formula for Public
230 Schools and Public Charter Schools Act of 1998, effective September 21, 2022 (D.C. Law 24-
231 167; D.C. Official Code § 38-2905.01(c-2)).

232 **(910)** After completing the calculations set forth in paragraphs (1) through (8) of
233 this subsection, a school's annual budget may be increased by an amount, if any, agreed to by the
234 Chancellor.

235 (b) Nothing in subsection (a) of this section shall be construed to preclude a school
236 principal from requesting additional funding, nor preclude the Chancellor from granting
237 additional funding for reasons not enumerated in subsection (a) of this section.

238 (c) For the purposes of deriving the Schools First budget described in subsection (a) of
239 this section, personal services shall be funded based on the system-wide average salary for each

240 personnel position, as determined by the District’s Chief Financial Officer or in accordance with
241 the collective bargaining agreement with the teachers’ labor union. Any difference between the
242 cost of a position’s average salary and an employee’s actual salary shall be charged and credited
243 out of funds allocated to School-Wide.

244 (d)(1) The Schools First budget and the amounts derived from each of the calculations
245 required pursuant to each paragraph of subsection (a) of this section shall be public record. The
246 Chancellor shall publish the calculations and the Schools First budget for each DCPS school on
247 the DCPS website no later than 42 calendar days before the date the Mayor is required to submit
248 to the Council the District’s proposed annual budget and financial plan for the next fiscal year.
249 The Chief Financial Officer shall include the Schools First budget for each DCPS school in the
250 budget books transmitted with the Mayor’s proposed budget and financial plan.

251 (2) Any depiction of a school budget created or calculated by methods other than
252 those described in subsection (a) of this section, such as one that might attribute funds from
253 School Support or School-Wide to an individual school, shall not contain the words “Schools
254 First” in the title.

255 **Sec. 105. Principal Authority**

256 **(a) Out of the operating budget for the Local Schools department, the budget for**
257 **each school shall be under the control and direction of that school’s principal.**

258 **(b) Each principal shall prepare his or her school budget in consultation with the**
259 **school’s local advisory team.**

260 **(c) The principal shall report to the Chancellor how the at-risk concentration**
261 **supplement provided to the school pursuant to section 106a of the Uniform Per Student**
262 **Funding Formula for Public Schools and Public Charter Schools Act of 1998, effective**

263 March 26, 1999 (D.C. Law 12-207; D.C. Official Code § 38-2905.01) is being used to
264 improve student achievement among at-risk students.

265 Sec. 106. Reports.

266 (a) Beginning in fiscal year 2011, the Mayor shall submit to the Council quarterly
267 financial reports for DCPS setting forth by organization Level 4 approved budget, revised
268 budget, actual expenditures and funds obligated to date, and projected expenditures for the
269 full fiscal year.

270 (b) By March 31, 2024, and annually thereafter, the Mayor shall transmit a report of
271 the previous school year's actual expenditures, for each school, to the Office of the State
272 Superintendent of Education. The report shall conform to the common financial reporting
273 standards established by the Department of Education pursuant to section 202(b)(10) of the
274 Department of Education Establishment Act of 2007, effective June 12, 2007 (D.C. Law 17-
275 9; D.C. Official Code § 38-191(b)(10)).

276 (c) By no later than November 30th of each year, the Chancellor shall provide a
277 written report to the Council describing programmatically how at-risk allocations provided
278 to DCPS pursuant to section 106a of the Uniform Per Student Funding Formula for Public
279 Schools and Public Charter Schools Act of 1998, effective March 26, 1999 (D.C. Law 12-
280 207; D.C. Official Code § 38-2905.01) were used in the previous school year to improve
281 student achievement among at-risk students. The report also shall explain the allocation of
282 at-risk funds sorted by individual school.”.

283 **TITLE II. CONFORMING AMENDMENTS**

284 Sec. 201. Section 104 of the Public Education Reform Amendment Act of 2007, effective
285 June 12, 2007 (D.C. Law 17-9; D.C. Official Code § 38-173), is repealed.

286 Sec. 202. The Board of Education Continuity and Transition Amendment Act of 2004,
287 effective December 7, 2004, (D.C. Law 15-211; D.C. Official Code § 38-2831 *passim.*), is
288 amended as follows:

289 (a) Section 6 (D.C. Official Code § 38-2831) is repealed.

290 (3) Section 6a (D.C. Official Code § 38-2832) is repealed.

291 Sec. 203. Section 108a of the Uniform Per Student Funding Formula for Public Schools
292 and Public Charter Schools and Tax Conformity Clarification Amendment Act of 1998, effective
293 November 13, 2021, (D.C. Law 12-207; D.C. Official Code § 38-2907.01), is repealed.

294 **TITLE III. FISCAL IMPACT AND EFFECTIVE DATE**

295 Sec. 301. Fiscal impact statement.

296 The Council adopts the fiscal impact statement in the committee report as the fiscal
297 impact statement required by section 4a of the General Legislative Procedures Act of 1975,
298 approved October 16, 2006 (120 Stat. 2038; D.C. Official Code§ 1-301.47a).

299 Sec. 302. Effective date.

300 This act shall take effect following approval by the Mayor (or in the event of veto by the
301 Mayor, action by the Council to override the veto), and shall remain in effect for no longer than
302 90 days, as provided for emergency acts of the Council of the District of Columbia in section
303 412(a) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 788;
304 D.C. Official Code § 1-204.12(a)).