

**COUNCIL OF THE DISTRICT OF COLUMBIA  
COMMITTEE OF THE WHOLE  
COMMITTEE REPORT**

1350 Pennsylvania Avenue, NW, Washington, DC 20004

DRAFT

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**TO:** All Councilmembers

**FROM:** Chairman Phil Mendelson  
Committee of the Whole

**DATE:** December 5, 2022

**SUBJECT:** Report on Bill 24-570, “Schools First in Budgeting Act of 2022”

The Committee of the Whole, to which Bill 24-570, the “Schools First in Budgeting Act of 2022” was referred, reports favorably thereon with amendments, and recommends approval by the Council.

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**I. BACKGROUND AND NEED**

On December 21, 2021, Bill 24-570, “Schools First in Budgeting Amendment Act of 2021” was introduced by Chairman Mendelson. The legislation would revise the method for school budgeting for the District of Columbia Public Schools (DCPS) by budgeting the local schools first based on each school’s previous year’s budget, with the remainder to be allocated between central administration, school support, and school-wide services. The bill sets forth the steps for determining the annual budget for each DCPS school and eliminates language in the current law that purports to cap spending by central administration at 5% of DCPS’ budget. School-level budgets will always be held harmless and grow each year by a factor correlated to the higher of the increase in the Uniform Per Student Funding Formula (UPSFF) or the collectively bargained salary for teachers. The calculation of each school’s budget will be public record and the calculations must be published on the DCPS website and included in the budget books provided to the Council to increase transparency and public input. The primary goal of this legislation is school stability.

In February of each year, DCPS receives an initial funding amount, or allocation, based on its enrollment projections and unique population. And each year, we hear from many school communities that their budgets are being reduced, and schools are feeling forced to reduce critical staff and programs

to accommodate the budget cuts. In fiscal year 2020, DCPS saw cuts to 31 schools' budgets. Twenty-two of those schools were east of the river in Wards 7 and 8, which represent the schools with the highest numbers of at-risk students. The Council was able to restore funding to those schools, and DCPS implemented a new budget model for FY22 that was promoted to better protect stability, transparency and equity in the budget process. But in FY22, the Committee saw the same level of cuts across the schools. Almost four dozen schools were confronted with budget cuts resulting in loss of staff and critical programming for students.

Budget instability can have a damning effect for schools. While the Council was ultimately able to restore some funding to schools who saw cuts, the turmoil that school communities experience during the process is harmful. Some teachers leave in search of greater job stability and school leaders cannot retain quality instructional staff. Parents are angry that there is little clarity around the school budget decision and often little room to advocate for increased funding. And when coveted teachers are forced to leave, enrollment declines, enrichment and other types of programs are no longer offered, and school budgets are cut even further leading to eventual consolidation or worse, closure.

Though Council has attempted to address DCPS's budget ills by implementing a stabilization law, requiring all schools to receive at least 95% of their previous year school budgets, and a 5% cap on DCPS central administration funding, DCPS continues to endorse the transparency that their model clearly lacks. If schools are forced to manage changing communities and staff turnover year over year, their funding to support these efforts should not be fleeting. Principals should know their budgets for the upcoming year well in advance and should be able to rely on that funding stability during their tenure as a school leader. Stability allows longer term planning, contingency preparations, and consistent commitments to critical staff and programs that can and will help advance the school.

The primary purpose of Bill 24-570 is to do just that: provide stability. The bill stabilizes schools budgets and provides financial predictability for school leaders so that leaders can think long-term about programs and services to invest in that will benefit student learning without the worry of having to cut services due to budget shifts. The bill sets a base for future financial growth for schools and gives the schools and the public one single, accurate budget to understand and apply to the school model. The bill will increase transparency in the DCPS budgeting process by requiring that only one budget is published and addresses the issue of discrepancies in the budget and often multiple accountings of the budget in one year. The approach is prescriptive, setting forth in the law a calculation to be followed to fund the local schools first, ensuring that resources for schools and students is secure and not up for grabs year over year. The print eliminates language in the current law that purports to cap spending by central administration at 5% of DCPS' budget. These provisions were enacted as part of the 2007 school reform act and now much of the language is outdated.

The Committee print makes several changes from the introduced version of the bill. The Committee removed the CPI-U as a factor to consider when determining by how much school budgets will be increased. Removing this language ensures that the bill is cost neutral and that the Mayors' budget, when submitted to Council, will cover the cost of either the increase in the UPSFF or the teachers contract and fund the school system, with parity to the charters. The print also collapses several other parts of the code sections that deal with the DCPS budget process. Lastly, the Committee print rolled the entirety of D.C. Official Code 38-2831 into Section 102 to preserve the existing language (see Section IX of this report).

By law, the District through the School Reform Act is obligated to provide operating funds through the UPSFF to both DCPS and public charter schools. However, DCPS receives funding outside of the funding formula where public charter schools do not. Occurring in Fiscal Year 2019 and again in Fiscal Year 2023, the IMPACTplus bonuses paid to DCPS teachers based on performance, amounted to upwards of \$19 million dollars and was allocated to DCPS outside of the UPSFF, meaning charters did not receive \$19 million to their sector. These funding disparities are contrary to DC law and in recent years, the Council has seen an increase in the amount of funding that has gone to DCPS outside of the funding formula. It is the Council’s view of the law that all funds allocated to operate the DCPS should be factored into the UPSFF with an equal payment provided to the charters, complying with D.C. Law. The District of Columbia Charter School Alliance provided comment on Bill 24-570, noting that if the Schools First in Budgeting bill requires additional funds to implement, the charter schools could be disadvantaged without protections to ensure increased funding goes through the UPSFF.

It is time to change the priority, and that is what Bill 24-570 is intended to do. DCPS should fund its schools before, not *after* resources have already been allocated to central office. DCPS has a budget of over \$1.2 billion in local funds – not including substantial federal funds. And yet our local, individual schools don’t have enough. The Committee believes that Bill 24-570 will bring stability to schools. It will be the first step toward actually increasing resources for at-risk students. It will put more focus on the classroom and it will set the foundation upon which this Council can further increase at-risk funding. The mission of DCPS is to “ensure that every school guarantees that students reach their full potential.” The Committee believes that Bill 24-570 is a positive approach to get there and will actually make a difference in the lives of school staff and students. Therefore, the Committee recommends Council adoption of the Committee print for Bill 24-570.

## II. LEGISLATIVE CHRONOLOGY

December 21, 2021	Bill 24-570, the “Schools First in Budgeting Act of 2022” is introduced by Chairman Mendelson in the Office of the Secretary.
December 21, 2021	Bill 24-570 is officially read at the regular Legislative meeting and referral to the Committee of the Whole is official.
December 24, 2021	Notice of Intent to Act on Bill 24-570 is published in the <i>D.C. Register</i> .
December 27, 2021	Notice of Public Hearing on Bill 24-570 is filed in the Office of the Secretary.
December 31, 2021	Notice of Public Hearing on Bill 24-570 is published in the <i>D.C. Register</i> .
January 20, 2022	The Committee of the Whole holds a Public Hearing on Bill 24-570.
August 2, 2022	Notice of Public Hearing on Bill 24-570 is filed in the Office of the Secretary.
August 5, 2022	Notice of Public Hearing on Bill 24-570 is published in the <i>D.C. Register</i> .
September 6, 2022	The Committee of the Whole releases a staff draft of Bill 24-570 for public comment.

September 16, 2022 The Committee of the Whole holds a second Public Hearing on Bill 24-570.

December 6, 2022 The Committee of the Whole marks up Bill 24-570.

### III. POSITION OF THE EXECUTIVE

*Dr. Lewis Ferebee, Chancellor of the District of Columbia Public Schools*, testified on behalf of the Executive in opposition to Bill 24-570, citing the proposed legislation as problematic and not in agreement with the LEAs' new budget model that he claimed attempts to align resources with student need.

*Paul Kihn, Deputy Mayor for Education*, testified on behalf of the Executive in opposition to Bill 24-570, and believes the bill would create unsustainable costs for the District and have unintended consequences for schools and students.

### IV. COMMENTS OF ADVISORY NEIGHBORHOOD COMMISSIONS

The committee received no comments from Advisory Neighborhood Commissions on Bill 24-570.

### V. SUMMARY OF TESTIMONY

The Committee of the Whole held two public hearings on Bill 24-570; the first was held on January 20, 2022, and the second hearing was held on September 16, 2022. The testimony summarized below is reflective of the testimonies received at those hearings. Many witnesses testified at both hearings and in those instances, the testimonies are combined and summarized below. A selection of the written statements received by the Committee of the Whole are attached. All of the written testimony is filed with the record for Bill 24-570.

*Mary Levy, Education Finance and Policy Analyst* testified in support of Bill 24-570. She stated in her testimony that stability is important not only for effective education generally, but for teacher and school leader retention across DCPS.

*Cathy Reilly, Senior High Alliance of Parents, Principals and Educators* testified on Bill 24-570 and expressed concern for financial stability for the city's DCPS schools.

*Qubilah Huddleston, Senior Policy Analyst, DC Fiscal Policy Institute*, testified that DCFPI supports elements of Bill 24-570 and appreciates the intent to address the unstable and unpredictable process and outcomes of DCPS budgets, and urges the Committee to prioritize other budget adjustments.

*David Alpert, President, Ward 2 Education Council*, testified in support of Bill 24-570 and the Committee's intent to increase stability in DCPS school budgets.

**Scott Goldstein, Executive Director, EmpowerED**, testified that Bill 24-570 is rightly focused on the goal of stability, but expressed concern that the bill will leave the DCPS vulnerable and have several unintended consequences.

**Betsy Wolf, Amidon-Bowen Parent**, testified in support of the spirit of Bill 24-570, but believes the bill lacks the needed nuance to have the desired outcomes.

**Jacqueline Pogue Lyons, President, Washington Teachers Union**, testified in support of the effort from the Council to improve the local budgeting process and ensure stability across our school communities, and that Bill 24-570 is a positive step.

**Regina Bell, General Vice President, Washington Teachers Union**, testified that the annual school budgeting process is broken and commends the Council for Bill 24-570 and for taking action to improve the process.

**Sandra Moscoso, DCPS Parent**, testified in support of stabilizing school budgets and supports the push for transparency for parents and families to understand their schools budget year over year.

**Sara Ritchey, Public Witness**, testified about the Hardy Middle School budget discrepancies and testified in support of Bill 24-570. Ms. Ritchey urged the Council to pass the Schools First in Budgeting Act so that other schools do not experience similar budget instability as Hardy.

**Laura Fuchs, Teacher, HD Woodson High School**, testified in support of greater transparency, having one published budget, and limiting the size of DCPS Central office. Ms. Fuchs requested that the Council do much more to protect neighborhood public schools from being closed.

**Jeremy Joseph, DCPS Parent, Key Elementary School LSAT Chairperson**, testified in support of Bill 24-570 and stated his support for the intent of the bill to promote stability to schools and teachers.

**Ryllie Danylko, Policy Analyst, DC Action**, testified about DCPS' recent decision to discontinue the provision of security personnel for many of the afterschool programs in DCPS schools.

**Matthew Frumin, Public Witness**, testified that he greatly admires the spirit of Bill 24-570 with some reservations and stated that the city needs to provide DCPS with adequate funds in order to achieve budget equity.

**Jessica Giles, State Director, Education Reform Now DC**, testified in support of extending the time the DC Council and the public have to properly review DCPS' budget calculation and require the local education agency to share only one budget document. Ms. Giles noted that these positive process changes will help enhance transparency and clarity during the budget process.

**Valerie Jablow, DCPS Parent**, testified that she appreciates Bill 24-570 for attempting to address school budget problems, instability, losing teachers, and losing beloved staff and programming due to cuts. But there are too many empty seats, because of charters, and that needs to be addressed.

**Colleen Crino, Hardy Middle School Civic Liaison**, testified about issues with Hardy Middle Schools' current year budget and how it was negatively impacted by the new DCPS budget model.

**Kerry Savage, Director of Policy and Advocacy, PAVE** testified in support of Bill 24-570 and how the bill relates to the beliefs of PAVE parent leaders who have long advocated for equity, transparency, and stability in how public schools in the District are funded.

**Ruth Wattenberg, Ward 3 Member, DC State Board of Education**, testified on Bill 24-570 and stated appreciation for the Council's engagement in the DCPS budgeting issues that teachers, school leaders, families, and students experience.

**Yesim Sayin, Executive Director, D.C. Policy Center**, testified on Bill 24-570 with concerns around implementing an inflationary adjustment in a high inflation year, baking the existing inequities into the system, basing calculations on proposed budgets and not actual spending, and the creation of a potential fiscal cliff.

**Eric Goulet, Candidate for Ward 3 State Board of Education**, testified in support of Bill 24-570 and its intent. Mr. Goulet provided recommendations on a different path to achieve the expressed goals of the bill.

**Sherri Jones, DCPS Librarian**, testified in support of Bill 24-443, "Student's Right to Read Amendment Act of 2021.

**K.C. Boyd, Public Witness**, testified in support of Bill 24-443, "Student's Right to Read Amendment Act of 2021.

**Robert Henderson, Vice Chair, Ward 5 Education Equity Committee**, supports the idea of funding the needs of schools first, and central office second, as well as the goal of providing budget stability for DCPS schools.

**Maya Martin Cadogan, Founder and Executive Director, PAVE**, testified on how Bill 24-570 and 24-571 relate to what has been learned from PAVE parent leaders who have long advocated for equity, transparency, and stability in how public schools in the District are funded.

**Kaitlin Banner, Deputy Legal Director, Washington Lawyers' Committee for Civil Rights and Urban Affairs**, testified in support of Bill 24-570 and Bill 24-571 which aim to create a more fair, transparent, and predictable school budgeting process for D.C. Public Schools.

**Jessica Sutter, DC State Board of Education, Ward 6**, testified in appreciation of Bill 24-570 and Bill 24-571 and the concerted efforts the bills make to address the turmoil faced by DCPS school communities each year during the budget season.

**Stephen Kletter, Public Witness**, testified that while he appreciates the spirit of the proposed legislation, the problems with the current and proposed budget models run much deeper than the proposed legislation addresses.

*Dr. Lewis Ferebee, Chancellor of the District of Columbia Public Schools*, testified on behalf of the Executive in opposition to Bill 24-570. His testimony is summarized in Section III.

*Paul Kihn, Deputy Mayor for Education*, testified on behalf of the Executive in opposition to Bill 24-570. His testimony is summarized in Section III.

## VI. IMPACT ON EXISTING LAW

The central part of Bill 24-570, section 104, establishes in the law a formula for funding individual schools within DCPS' overall annual budget. As explained more fully elsewhere in this report, that formula is premised on funding stability. Because of this new approach, the Bill eliminates current law permitting the Chancellor to cut school budgets by up to 5%. And because it protects individual schools, the Bill eliminates current law purporting to limit the size of Central Administration; it removes the 5% gross funds cap.

Currently there are at least four sections of the D.C. Code that deal with DCPS school budgeting: § 38-173, § 38-2831, § 38-2832, and § 38-2907.01.

Section 201 of Bill 24-570 repeals § 38-173, "Budget Requirements of the District of Columbia Schools." These provisions were enacted as part of the 2007 school reform act and now much of the language is outdated. The requirement that the Council can only modify the budget by a 2/3 majority vote is not appropriate public policy.

Section 202 of Bill 24-570 repeals §38-2831, "Budget Submission Requirements." This eliminates the 5% cap on central administration and the 21-day notice for release of the individual school's budgets. This section also repeals § 38-2832, "District of Columbia Public Schools School-Level Budget Model. This provision was adopted in 2020 and is no longer necessary since Bill 24-570 replaces DCPS' school-level budget model.

Section 203 of Bill 24-570 repeals § 38-2907.01, "DCPS Budget." This statute purports to limit central administration costs to not more than 5% of the DCPS gross budget. In reality, school support shares many responsibilities that might be considered central administration so the 5% cap has not been meaningful. Bill 24-570 takes a different approach: fund local schools first and what is left over (which is substantial) can cover the other departments. Therefore, § 38-2907.01 is unnecessary. The existing code section also purports to direct at-risk funds directly to schools, but many at-risk costs are funded at the school support and school-wide levels.

## VII. FISCAL IMPACT

Bill 24-570 is

## VIII. RACIAL EQUITY IMPACT ASSESSMENT

The December 5, 2022 Racial Equity Impact Assessment (REIA) from the Council Office of Racial Equity concluded that Bill 24-570's impact on Black, Indigenous, and other students of color was positive, and will likely improve budget predictability, transparency, and public accountability, benefiting Black students and other students of color in the District. Specifically, the set of baseline metrics established in the formula in Bill 24-570 will give parents, students, and school leaders a stronger indication of 1) when their school's budget will begin during the annual school budgeting process and 2) the criteria that will be used to determine potential changes to the personnel budget. The public reporting requirements specified in the bill will likely increase transparency and clarity, making it easier for stakeholders and invested parties to engage and advocate each year.

The REIA acknowledged the limitations of the Council's legislative authority over public education funding in the District. It's important to note that much of the DCPS budget is directed by the Mayor and adequate and racially equitable school funding in the District needs to be robust, strategic, and sustained to address the racial achievement gap<sup>1</sup>.

## IX. SECTION-BY-SECTION ANALYSIS

- Section 101 States the short title of Bill 24-570.
- Section 102 Defines seven terms: "Central Administration," "DCPS," "Local Schools," "Projected enrollment," "School Support," "School-Wide", and the "Uniform Per Student Funding Formula." The terms for Central Administration, Local Schools, School Support, School-Wide closely follow how the terms are used currently in the DCPS budgeting process.
- Section 103 (a) Requires that the annual operating budget for DCPS shall be allocated among four departments: Central Administration, Local Schools, School Support, and School-Wide. This is how DCPS currently allocates its budget, and the budgets for each "department" are set forth annually in Volume 3 of the budget books.
- (b) – (j) is taken from current D.C. Official Code § 38-2831 ("Budget submission requirements") with modifications including changing from 21 to 42 the number of days before the Mayor's submission of the annual government-wide budget that the Chancellor must notify schools and families of individual schools' budgets.
- Section 104 Sets forth the steps for determining the annual budget for each DCPS school. Bill 24-570 eliminates language in the current law that purports to cap spending by central administration at 5% of DCPS' budget. Instead, school-level budgets will always be held harmless and grow each year by a factor

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<sup>1</sup> Kirabo Jackson, Rucker Johnson, and Claudia Persico. "[The Effects of School Spending on Education and Economic Outcomes: Evidence from School Finance Reforms.](#)" *The Quarterly Journal of Economics.* (2016)



roughly correlated to inflation (see below). The steps for determining a school's budget are:

(a)(1) Begin with the school's current budget. To ensure no doubt as to what this means, the legislative language states that a school's "budget" is the total funds under the control and direction of the school's principal. This would not include security, for example, if security is currently funded out of school-wide, but it would include the teachers, librarians, and counselors who are currently paid for out of the school's budget. Also, to ensure no doubt, the current budget is as of January 1<sup>st</sup>; a date certain that is likely to reflect all of the funds available to the school for the school year.

The Bill does allow the Chancellor to deduct from a school's current budget privately raised funds and two federal funding sources that are temporary in nature – those tied to turnaround or to ESSER COVID relief. Other federal funds, such as Title I dollars intended to help at-risk students, are intentionally not to be excluded in the calculation. Also, at this first step the at-risk concentration supplement which the Council initiated for FY2023 is deducted; but it will be added back in as step 8. The reason for this is to minimize the fiscal impact from compounding this supplement.

(2) Add to current budget the higher of: (a) the projected increase in the UPSFF; or (b) the collectively bargained increase for teachers. In a normal budget cycle, the Mayor knows by early February how much she wants to increase the UPSFF, and, in fact, this is how she is able to notify schools what she proposes to budget for them the following year. The second factor is readily found in the union contract for teachers but for Bill 24-570 is to apply to the *entire* school's budget. If there is no contract, then this factor is not available for Bill 24-570's budget calculation. Similarly, a retroactive provision in a negotiated contract is irrelevant; it is only the CBA increase for the *next* year that is available for this calculation. For SY 2022-2023, the Mayor has already announced a tentative agreement to raise teachers salaries by 4%.

(3) Add to the current budget additional funding to pay for additional teachers and other personnel if the school's enrollment has grown. Enrollment growth, for the purpose of this calculation, is not only this year compared to last (one year's growth), but may be cumulative (growth over time). If a school grows by 50 students in one year, but the growth is spread equally over five grades, that may not warrant additional teachers and therefore no additional budget. But if a school grows by 13 students – all in the same grade – two years in a row, that probably does warrant an additional teacher and therefore additional budget. All of this correlates to desired class size, which currently can be found in the CBA with the Washington Teachers Union.

(4) Add to the current budget additional funding to pay for special education and English language learner personnel. Requirements for SPED and ELL are

carefully followed, so steps 4 & 7 allow for increases or decreases as the number of SPED and ELL students increase or reduce.

(5) Add to the school's current budget additional funds to cover fully any additional costs that may be added to the school. For instance, if security was paid for by School-Wide this year but next year will be paid for by the Local Schools, then the full cost of security must be added to the school's budget for next year. As another example, if schools are required to provide (and pay) for extended year programming, then the full cost of this must be added to their budget (and if extended year is subsequently discontinued, the schools will nevertheless keep the funding. This bill is about stable funding regardless of programming.).

(6) The calculation allows for reducing a school's budget based on enrollment declines, but the reduction cannot be taken on a per pupil basis. Rather, only if enrollment drops sufficient to eliminate a class, for instance, may the budget be reduced, and then only equal to the amount that had paid for the personnel (FTE) who taught that class.

While there should be the ability to reduce a school's budget when the enrollment drops, budget reductions are antithetical to developing quality schools. The bill's intent is to promote stability and growth. A school that is losing enrollment needs to turn around, and it will be harder to do that if its budget is cut.

(7) After each of the previous steps a school's budget also may be cut if special education and ELL enrollment drops. As with step 5, adherence to required services levels is necessary.

(8) Step (8) adds back the at-risk concentration supplement that was deleted as part of step (1). The reason it was deleted and now added back is to avoid what would otherwise be a compounded increase. The Committee wants the at-risk concentration supplement to continue – and, more importantly, to increase over time so that more and more resources are available to help at-risk students achieve educational excellence.

(9) Clarifies that the Chancellor is free to increase any school's budget at any time for any reason.

(b) Subsection (b) makes clear that this legislation does not preclude a school leader from requesting additional funding.

(c) Provides that in figuring the cost of personnel, DCPS will use average salaries. DCPS currently uses average salaries for school budgets and it is a requirement of the teachers' union contract. Since actual salaries vary, DCPS reconciles the difference through School-Wide funding or reprogramming.

(d) Provides that the calculations in (a) (1-8) are a public record. Thus, no one has to FOIA the information. Further, the calculations must be published on the DCPS website and included in the budget books provided to the Council and later to Congress. This subsection is worded such that it also requires that each school's proposed budget will be known publicly at least six weeks before the Mayor submits her proposed fiscal year budget to the Council. If the Council's budget submission date is, for example, March 23<sup>rd</sup>, then each individual school's budget will be known by February 9<sup>th</sup> if not earlier.

This subsection also provides that DCPS must stop issuing multiple – and differing – “budgets” for schools. Currently, the public can find one school budget on the DCPS website and another – different – budget in the budget books. Through SOAR the Council has access to a third, and different, budget. The bill proposes that only one budget may be called the “Schools First budget,” and that is the budget that will be fully under the control and direction of the principal.

## **Title II. Conforming Amendments**

Currently there are at least four sections of the Code that deal with DCPS school budgeting: § 38-173, § 38-2831, § 38-2832, and § 38-2907.01. This title repeals all of them.

### Section 201

Repeals § 38-173, “Budget Requirements of the District of Columbia Schools.” These provisions were enacted as part of the 2007 school reform act. Much of this is outdated. The requirement that the Council can only modify the budget by a 2/3 majority vote is not appropriate public policy.

### Section 202

Repeals § 38-2831, “Budget Submission Requirements.” Much of this will now be found in Section 103. However, the 5% cap on central administration is struck. Also, the timing from release of schools' budgets (21 days) is struck and will be 42 days per section 103(d).

This section also repeals § 38-2832, “District of Columbia Public Schools School-Level Budget Model. This provision was adopted in 2020 and is no longer necessary since Bill 24-570 replaces DCPS' school-level budget model.

### Section 203

Repeals § 38-2907.01, “DCPS Budget.” This statute purports to limit central administration costs to not more than 5% of the DCPS gross budget. In reality, School Support shares many responsibilities that might be considered central administration so the 5% cap has not been meaningful. Bill 24-570 takes a different approach: fund local schools first and what is left over (which is substantial) can cover the other departments. Therefore § 38-2907.01 is unnecessary. The statute also purports to direct at-risk funds directly to schools, but many at-risk costs are funded at the school support and school-wide levels so again, § 38-2907.01 is unnecessary.

### **Title III. Fiscal Impact and Effective Date**

Section 301                      Fiscal Impact Statement

Section 302                      Establishes the effective date by stating the standard 30-day Congressional review language.

## **IX. COMMITTEE ACTION**

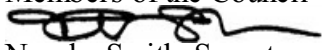
## **X. ATTACHMENTS**

1. Bill 24-570 as introduced
2. Written Testimony and Letters
3. Racial Equity Impact Assessment
4. Fiscal Impact Statement for Bill 24-570
5. Legal Sufficiency Determination for Bill 24-570
6. Committee Print for Bill 24-570

**COUNCIL OF THE DISTRICT OF COLUMBIA**  
**1350 Pennsylvania Avenue, N.W.**  
**Washington D.C. 20004**

Memorandum

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To : Members of the Council  
From :  Nyasha Smith, Secretary to the Council  
Date : Monday, December 20, 2021  
Subject : Referral of Proposed Legislation

Notice is given that the attached proposed legislation was introduced in the Office of the Secretary on Monday, December 20, 2021. Copies are available in Room 10, the Legislative Services Division.

TITLE: "Schools First In Budgeting Amendment Act of 2021", B24-0570

INTRODUCED BY: Chairman Mendelson

The Chairman is referring this legislation to Committee of the Whole.

Attachment  
cc: General Counsel  
Budget Director  
Legislative Services



OFFICE OF CHAIRMAN PHIL MENDELSON  
COUNCIL OF THE DISTRICT OF COLUMBIA

## Statement of Introduction

### **“Schools First In Budgeting Amendment Act”**

Today I am introducing two bills aimed at changing the way we budget for schools. It is time to end the annual budget crisis our schools – and parents – go through when the Chancellor releases initial school budgets, and budget cuts, for the next school year. For Fiscal Year 2020, the initial school budgets left 31 schools with less funds, even though for many their enrollment shifted little or not at all. For the current Fiscal Year 2022, almost four dozen schools were confronted with cuts. Ultimately the Administration restored some school funding but the turmoil was harmful. Parents were angry, and some teachers left in search of greater job stability.

Attached is the Schools First In Budgeting Amendment Act of 2021. This bill puts our local DCPS schools first in the budgeting process. Leftover funds (which are substantial) would then be allocated between central administration and school support at the Chancellor’s discretion.

The primary purpose of this bill is to promote stability in our local schools. The approach is prescriptive, setting forth in the law a calculation to be followed. While at first blush this might seem overly detailed, the effect is to leave little room for interpretations that, year after year, some schools experience budget cuts. A collateral benefit is transparency: the calculation for each school will be a public record and every parent and stakeholder will see exactly how their school’s budget was set.

Most businesses set their annual budgets by building on their current year’s budget. That’s how DCPS, overall, is budgeted. Why should the schools themselves be budgeted differently? Why is it ok every year for principals to not really know what their next year’s budget will be? How do we build individual school communities when each year they are fighting cuts rather than building on this year’s strengths?

The Schools First In Budgeting Amendment Act of 2021 ensures that each local school is taken care of first and whatever is leftover is available to Central Administration. With this stability I am confident that over time schools will build on their base and expand their programming. We should also see that schools will be better able to individualize their services, such as counseling or extracurricular activities, that best fit their needs.

The Committee of the Whole will move quickly to hold a hearing on this bill, my second introduction, and DCPS’s new budgeting model. We want a robust discussion on how to improve budgeting for our schools, create certainty – and put an end to the annual budget turmoil.

  
Chairman Phil Mendelson

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A BILL

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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

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To revise the method for school budgeting for the District of Columbia Public Schools by budgeting the local schools first based on each school’s previous year’s budget, with the remainder to be allocated between central administration and school support.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Schools First In Budgeting Amendment Act of 2021”.

Sec. 2. Section 108a of the Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Act of 1998, effective March 26, 1999 (D.C. Law 12-207; D.C. Official Code § 39-2907.01) is amended to read as follows:

“Sec. 108a. DCPS budget.

“(a) The annual operating budget for DCPS shall:

“(1) Be appropriated in three divisions: central administration; school support; and local schools.

“(2) “Central Administration,” within the meaning of this section, shall be all of the appropriated funds not allocated to Local Schools and School Support. No more than 3% of the gross budget for DCPS shall be allocated to central administration.

36                   “(3) “Local Schools” are the individual schools comprising the DCPS system, and  
37 the appropriation for each within the meaning of this section shall be the funds that are under the  
38 control and direction of the school’s principal.

39                   “(4) “School Support,” within the meaning of this section, are the appropriated  
40 funds held by Central Administration for direct support to the schools, such as security  
41 personnel,  
42 substitute teachers, and counselors.

43                   “(b) The annual budget for each local school shall be determined as follows:

44                   “(1) Begin with the actual budget of the current fiscal year as of January 1st;

45                   “(2) For School Year 2022-2023, adjust the personal services (PS) budget to  
46 reflect the actual salaries paid to personnel in the budget but do not deduct any funded vacancies;

47                   “(3) Increase the NPS budget by the rate equal to the increase in the CPI-U for  
48 Washington DC for the previous calendar year;

49                   “(4) Increase the PS budget by a rate which is the higher of the increase in the  
50 CPI-U, 2%, the projected increase in the overall UPSFF budget for DCPS, or the increase for  
51 teachers required in the Washington Teachers Union contract;

52                   “(5) Increase the NPS budget by an amount, if any, agreed to by the Chancellor;

53                   “(6) Increase the PS budget to increase personnel at the school, as agreed to by the  
54 Chancellor; provided, if the projected enrollment increases so as to require one or more  
55 additional classroom teachers then the Chancellor shall increase the number of personnel in  
56 accordance with the enrollment growth;

57                   “(7) Increase or reduce the PS budget to reflect fully the increase or reduction of  
58 special education or ELL faculty;



59                   “(8) The PS budget may be decreased if the projected enrollment declines;  
60 provided, that the decrease shall be made only on an FTE basis and shall not be made unless the  
61 enrollment decline is great enough on the grade level to eliminate a classroom or warrant  
62 elimination of a classroom teacher; and

63                   “(9) Increase the PS or NPS budget (as appropriate) to fund fully the cost of any  
64 additional costs the Chancellor may require the school to carry, such as the transfer of services to  
65 the school that were previously paid by School Support or Central Administration.

66                   “(10) Nothing in this subsection shall be construed to preclude a school from  
67 requesting additional funding.

68                   “(11) The budget (PS or NPS) may be increased additionally at the discretion of  
69 the Chancellor.

70                   “(c) The calculation prescribed by subsection (b) is a public record and shall be made  
71 available to the public no later than six weeks before the submission date for the fiscal year  
72 budget established by the Council.”.

73                   Sec. 4. Fiscal impact statement.

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

77                   Sec. 5. Effective date.

78                   This act shall take effect following approval by the Mayor (or in the event of veto by the  
79 mayor, action by the Council to override the veto), a 30-day period of Congressional review as  
80 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December  
81 24, 1973, (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of  
82 Columbia Register.

**COUNCIL OF THE DISTRICT OF COLUMBIA  
COMMITTEE OF THE WHOLE  
NOTICE OF PUBLIC HEARING**  
1350 Pennsylvania Avenue, NW, Washington, DC 20004

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**CHAIRMAN PHIL MENDELSON  
COMMITTEE OF THE WHOLE  
ANNOUNCES A PUBLIC HEARING**

on

**Bill 24-570 “Schools First in Budgeting Amendment Act of 2021” and  
Bill 24-571 “Schools Full Budgeting Amendment Act of 2021”**

on

**Thursday, January 20, 2022 at 10:30am**

**Live via Zoom Video Conference Broadcast  
Chairman’s Website ([www.ChairmanMendelson.com/live](http://www.ChairmanMendelson.com/live))**

Council Chairman Phil Mendelson announces a public hearing of the Committee of the Whole on **Bill 24-570**, the “Schools First in Budgeting Amendment Act of 2021” and **Bill 24-571**, the “Schools Full Budgeting Amendment Act of 2021.” The hearing will be held on **Thursday, January 20, 2022 at 10:30am** via Zoom Video Conference Broadcast.

Bills 24-570 and 24-571 are aimed at changing the way we budget for schools. Year over year DCPS schools experience budget cuts, disrupting their ability to effectively plan for staffing, programs, and services that students need consistently. Bill 24-570 is a prescriptive approach to revise the method for school budgeting for DCPS by budgeting the local schools first based on each school’s previous year’s budget, adjusting for inflation, with the remainder to be allocated between central administration and school support. The stated purpose of Bill 24-571 is to require, simply, that each year’s annual budget for each local school within DCPS is no less than that school’s budget for the current school year. The goal of both bills with their differing approach is to better protect schools from reductions in funding and to provide a stable foundation upon which schools can plan for meeting their students’ needs. Relevant to these bills, DCPS recently released a new budget model, with little transparency about how the models will impact school-level budgets, to the dismay of many education stakeholders and constituents. The purpose of this hearing is to receive testimony from DCPS and the public on Bills 24-570 and 24-571 and the need for better budgeting to adequately support and stabilize our local schools.

Those who wish to testify must register at <http://www.ChairmanMendelson.com/testify> by 5:00 p.m. on Tuesday, January 18, 2022. **Testimony is limited to 3 minutes.** Witnesses who anticipate needing spoken language interpretation, or require sign language interpretation, are requested to inform the Committee office of the need as soon as possible but no later than five business days before the proceeding. We will make every effort to fulfill timely requests, although alternatives may be offered. Requests received in less than five business days may not be fulfilled. If you have additional questions, please email [cw@dccouncil.us](mailto:cw@dccouncil.us) or contact Destiny Riley, Committee Assistant, at (202) 724-8196.

The hearing will be conducted virtually on the Internet utilizing Zoom video conference technology. Testimony should be submitted in writing to [cw@dccouncil.us](mailto:cw@dccouncil.us) in advance of the hearing. Written testimony will be posted publicly to <http://www.chairmanmendelson.com/testimony>. If you are unable to testify at the hearing, written statements are encouraged and will be made a part of the official record. Statements for the record should be submitted to [cw@dccouncil.us](mailto:cw@dccouncil.us) or left by voicemail by calling (202) 430-6948 (up to 3 minutes which will be transcribed). The record will close at 5:00pm on Friday, February 4, 2022.

COUNCIL OF THE DISTRICT OF COLUMBIA  
COMMITTEE OF THE WHOLE  
NOTICE OF PUBLIC HEARING  
1350 Pennsylvania Avenue, NW, Washington, DC 20004

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CHAIRMAN PHIL MENDELSON  
COMMITTEE OF THE WHOLE  
ANNOUNCES A PUBLIC HEARING

on

**Bill 24-570 “Schools First in Budgeting Amendment Act of 2021”  
(STAFF DRAFT)**

on

**Friday, September 16, 2022 at 1:00pm**

**Chairman’s Website** ([www.ChairmanMendelson.com/live](http://www.ChairmanMendelson.com/live))  
**DC Council Website** ([www.dccouncil.us](http://www.dccouncil.us))  
**Council Channel 13** (Cable Television Providers)  
**Office of Cable Television Website** ([entertainment.dc.gov](http://entertainment.dc.gov))

Council Chairman Phil Mendelson announces a public hearing by the Committee of the Whole on Bill 24-570, the “*Schools First in Budgeting Amendment Act of 2021*.” The hearing will be held on **Friday, September 16, 2022 at 1:00pm** via Zoom video conference.

The hearing will focus on a staff draft revision, the bill as introduced. The “*Schools First in Budgeting Amendment Act of 2021*” aims to elevate schools in the budgeting process for DCPS by ensuring that schools receive the funding they need to educate students first and foremost. Bill 24-570 is a prescriptive revision to DCPS budgeting: budgeting the local schools first based on each school’s previous year’s budget, adjusting for inflation. What remains may then be allocated between central administration and school support. The Committee held a hearing on Bill 24-570 on January 20, 2021. As a result of input from educators and school leaders, the bill has undergone changes and it better reflects the Committee’s intention of safeguarding school’s budgets year over year barring significant enrollment shifts. The purpose of this hearing is to receive testimony from DCPS and the public on the revisions (staff draft) made to Bill 24-570 and to continue the discussion about better budgeting to adequately support and stabilize our local schools. The staff draft will be available from the Committee as of September 5, 2022.

Those who wish to testify must register at <http://www.ChairmanMendelson.com/testify> by the close of business on Wednesday, September 14, 2022. **Testimony is limited to four minutes**; less time will be allowed if there are a large number of witnesses. Witnesses who anticipate needing spoken language interpretation, or require sign language interpretation, are requested to inform the Committee office of the need as soon as possible but no later than five business days before the proceeding. We will make every effort to fulfill timely requests, although alternatives may be offered. Requests received in less than five business days may not be fulfilled. If you have additional questions, please email [cow@dccouncil.us](mailto:cow@dccouncil.us) or contact Aaron Sayama, Legislative Assistant, at (202) 724-4865.

The hearing will be conducted virtually on the Internet utilizing Zoom video conference technology. Testimony should be submitted in writing to [cow@dccouncil.us](mailto:cow@dccouncil.us) in advance of the hearing. Written testimony will be posted publicly to <http://www.chairmanmendelson.com/testimony>. If you are unable to testify at the hearing, written statements are encouraged and will be made a part of the official record. Statements for the record should be submitted to [cow@dccouncil.us](mailto:cow@dccouncil.us) or left by voicemail by calling (202) 430-6948 (up to 3 minutes which will be transcribed). The record will close at 5:00pm on Friday, September 30, 2022.

**TESTIMONY BEFORE THE COMMITTEE OF THE WHOLE  
DISTRICT OF COLUMBIA COUNCIL  
Bill 24-570 “Schools First in Budgeting Amendment Act of 2021”**

**Mary Levy    September 16, 2022**

Thank you for introducing this bill, and for the revisions since last January. Stability is important not only for effective education generally, but for teacher retention. Every year, when school budgets are inadequate to cover rising costs, teachers are “excessed,” left in spring without a job and forced to find some other school that will hire them. Why would they not go to a different system with more job security and less uncertainty?

Other constructive aspects of the bill:

- The basic process for calculating minimum school budgets is about what I would have recommended. It accounts for changes in special education and English Learner programming, enrollment increases and decreases, and increased costs.
- It protects schools against unfunded mandates.
- It mandates a single set of numbers per school. The practice of two budgets per school with different dollar amounts and different formats has been an enormous source of confusion.<sup>1</sup>
- Direct services to students (Local Schools and School-Wide) are largely separated from other costs (Central Administration and School Support). These definitions are DCPS’ own. They are not perfect, but they are close.
- Because most federal funds are now off the books, due to the CFO policy of omitting Intra-District revenues, the central office percent of budget allowed is considerably more generous than it appears.

The big immediate problem with the bill, as everyone seems to agree, is that the calculation will probably bake in the existing inequities among schools for the basic program that serves all students, “general education”. Consider general education allocations in a FY 2023 set of schools of similar size:

School	K-12 Enroll	Per pupil Gen Ed	Difference
School A	154	\$11,906	
School B	152	\$15,074	\$3,167
School C	208	\$10,325	
School D	208	\$14,894	\$4,570
School E	215	\$9,832	
School F	210	\$15,101	\$5,269
School G	288	\$8,575	
School H	288	\$11,402	\$2,827
School I	337	\$8,418	
School J	343	\$12,260	\$3,842
School K	609	\$7,733	
School L	600	\$10,476	\$2,742

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<sup>1</sup> The DCPS format is much more informative, and is used by schools and parents.

There are more pairs of schools with enrollment differences in single digits whose funding disparities are \$1,000 per pupil or more. This has gone on for years, despite advocates' pleas to DCPS to fix it. Schools unfairly disadvantaged by arbitrary allocations and schools whose at-risk students are deprived of extra services to which they are legally entitled will probably remain so. We must pursue a remedy, preferably in tandem with stability.

The long-term concern is that the bill is a stopgap that does not deal with the reasons that instability is such a problem:

- As charter schools continue to drain students from DCPS, and the school-age population remains the same or lower, the resultant small schools become very expensive to operate.
- People now justifiably fear the death of neighborhood schools in many parts of the District. Will the city spend the money to provide extra allocations to DCPS for these small schools? A whole new school bus system to transport students to distant schools of "choice"?
- One of the sources of DCPS enrollment decline is a lack of responsiveness to parental needs. The community has almost nothing to say about how their schools are run or funded. Unlike virtually every other school system in the country, we have no school board, so we turn to the Council, which has hundreds of other matters to deal with. Their remedy is legislation, which is almost inevitably too inflexible to respond to particular problems and unintended consequences.

Fiscal impact is a major subject of the testimony of the Chancellor, the Deputy Mayor for Education and the DC Policy Institute. The Chancellor's estimate that the central office budget would be reduced by \$20 million is perfectly plausible. But the potentially enormous costs claimed by the other two testimonies apparently misread the bill. The first basis of their argument is the inclusion of one-time only funds. Both use the entirety of ESSER funds in the total DCPS budget, but the amount *in local schools budgets* this year is only \$5.6 million, and that is all the bill covers. The Mayor's recovery funds covered by the bill, cited in the D.C. Policy Institute testimony, are \$9.6 million *in the local school budgets*, NOT \$45 million. A 5% inflation increase would bring it to \$10.1 million, requiring a formula funding increase of 0.91% not 4.7%.

The second basis of their argument -- that budgets of most schools losing enrollment will be kept constant -- is based on the incorrect assumption that schools will lose an FTE teacher position only if they lose 23 or more students in a single grade. *This is not the way teachers are assigned*, here or elsewhere. A decline of only a few students can lead to eliminating an FTE. For example, per previous DCPS practice in teacher allotments under the Comprehensive Staffing Model (CSM), if a school's second grade has 30 students, two teachers are needed. If three students leave, one teacher suffices for the rest. Not always, of course: if 45 students in a single grade decline to 40, two teachers are still needed, and classes become smaller, but is that so bad, particularly at the low-income schools where enrollment decline is concentrated? If enrollment decline continues, the smaller class sizes will disappear. The bill merely follows DCPS practice under the CSM.

Finally, some testimony expressed concern that the bill would force DCPS to cut unspecified central office services to schools. Most direct services to schools and students are already included in the School-Wide category that the bill protects, *not* Central Administration and School Support. The budgets of these two sectors do not show which if any expenditures fund resources at local schools. The two have a local funds budget of \$160 million this year, including a \$50 million increase, non-

local revenues apart from Intra-District funds of about \$13 million, and probably another \$50 million in Intra-District funds, *without* federal ESSER money.<sup>2</sup> If this is a significant problem, DCPS should identify the specific services threatened and their costs.

In dealing with all these concerns, what the Council could do is:

- Sunset the legislation after a year or two to see how it works out. Central offices have enough money, that they will not fall apart in that time.
- Ask DCPS to explain how all FY 2023 money in Central Administration and School Support is spent. Since it is now off the public books, how much Intra-District money does DCPS have? What specific services to local schools are in it and in the \$160 million in local funds?
- Assemble a group – including many independent community and expert representatives -- to conduct ongoing discussions on facing up to inequities and underlying problems.
- Order preparation of a definition and cost out of the basic local school education program to which every student, rich or poor, is entitled. If the District cannot afford both that and its current at-risk funding, then we need make some honest choices instead of pretending —as the DC Auditor has shown we do -- that we are supporting at-risk students effectively when we are not.

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<sup>2</sup> Because the District's Chief Financial Officer has eliminated Intra-District revenues from receiving agency budgets for FY 2023, we do not know even the total, let alone what they are spent on. In FY 2021 and FY 2022, approved budget revenues were about \$50 million.

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*Testimony:*

*Ruth Wattenberg, W3 Representative, DC State Board of Education*

Thank you, Mr. Chairman, for holding this hearing and proposing this bill. I have concerns with this bill, which I will raise at the end. But, our budget process is dysfunctional. You are absolutely right to take it on. I have been on the State Board of Education for nearly eight years. For I think 7 straight years, except in election years, I've been here, along with many others, to raise serious concerns about the DCPS budget and plead for you to fix it. Many of the problems are constant and unchanging. Every year we say and hear exactly the same things: the misuse of At-risk funds; the failure to address underfunding of large schools; lack of transparency; devastating, sometimes inexplicable cuts at some subset of schools, usually schools with high proportions of students at-risk; constant changing of formulas and programs; no time for school communities, through their LSAT's, to seriously review and discuss their budgets. Every year, there are schools which have to get rid of needed teachers. Teachers leave, thinking they've been excessed. Then suddenly, the district finds money to bring the staff back. But by then, the teacher has left. The school and the district have to scramble to fill the position with someone new, and meanwhile kids are sitting in class without a teacher. Each of these issues happens year after year.

Families, Board members, and council members raise these same issues over and over again. We all feel that we're screaming into the wind, as I think you sometimes do. The system feels impenetrable. **That's** why it's important for you and the Council to be engaged. The budget gamesmanship is too much. We're losing great staff, children's education is being hurt, and trust in the system is hurt.

I will come back to my recommendations for this bill. But, first, I want to talk about Hardy Middle School in the context of this bill and the new DCPS budget model. Seven years ago, Hardy was struggling. Its enrollment had been falling. Feeder school families preferred Deal and many left DC public schools all together. Folks have put **so** much effort into reversing that trend and building confidence in the school--Principal Cooke, the staff, the parents and parent leaders from both Hardy and the feeder schools, Councilmembers, and Councilmember Cheh. It is now a popular school, with more and more students attending each year. But now, as you have heard from others, these efforts and success are about to be undone by a failure to address predictability, stability, and adequacy, the focal points of the proposed bill:

Hardy shows what happens when you don't have stability and predictability. It also shows, in a way we can't yet see in most schools, problems with this budget model.

A positive in this year's budgeting is that with lots of extra federal money, augmented by some local funds, while most schools lost enrollment, no school lost funding due to enrollment losses. But Hardy didn't lose students; it gained 31, about a 6% enrollment rise. It didn't qualify for the extra dollars. And, under the new DCPS budget model, it lost funds. In summary, it lost 3 gen ed teachers, close to 10% of its non-spiced instructional staff. The effect, as you have heard and will hear again, is that students can take fewer electives, and their choice of electives has been reduced, including the loss of one of their school highlights, an instrumental music sequence. Because inadequate staffing causes contortions to secondary school schedules, it means student schedules will have 6 courses, not 7. classes will be larger. And, they will be 90 minutes each. I get complaints from students and families at Wilson high school when 17- and 18 year olds have 90 minute classes. *It really does not work for middle schoolers it really does not work for 6th graders.* But, that's what's happening at Hardy now. DCPS has offered no help to the school about how to avoid these effects.

If you do nothing, Hardy's fate will be that of other schools. Stephen Kletter, a Deal parent and budget expert, has calculated that without this year's supplemental, pandemic dollars, Deal will have to cut 15 positions next year and, among the feeder schools to Wilson, there be an overall staff cut of 10%. It's a calamitous budget cliff, and it must be addressed—soon, not at the last minute.

Four comments on the bill itself:

1. Your focus on stability and predictability, as well as adequacy, is absolutely right. At minimum, require DCPS to explain to the Council any school cuts.
2. We must get the baseline budgets right. For many reasons that you've heard, these baselines are not them. DCPS needs a better model. And, its stakeholders need a greater role in developing it. The community involvement in developing this budget model was thoroughly inadequate.
3. As you have noted many times, we need a citywide facilities plan. Too many schools are opening up, willy-nilly, as enrollments rise. It has left us with many schools, supposedly to provide choice, and yet there are whole areas of the city, where families don't have the choice of a desirable school in their neighborhood. As others have said many times, that's not choice, it's chance.
4. The planned adequacy study must go forward and provide good info on what is adequate for general ed, at risk, ELL, and sped, and for our especially large and small schools. The DCPS budget model needs to reflect those needs and, from that baseline, provide the stability and predictably that schools and school communities need.

Thank you.





**D.C. POLICY**  

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**CENTER**

## PUBLIC OVERSIGHT HEARING ON

### **Bill 24-570 “Schools First in Budgeting Amendment Act of 2021”**

#### **Staff Draft dated September 6, 2022**

Before the Committee of the Whole

Chairman Phil Mendelson

Friday, September 16, 12 PM

Virtual Hearing via Zoom

Testimony of Dr. Yesim Sayin

Executive Director

D.C. Policy Center

Good morning, Chairman Mendelson and members of the Committee of the Whole. My name is Yesim Sayin, and I am the Executive Director of the D.C. Policy Center—an independent non-partisan think tank advancing policies for a strong, vibrant, and competitive economy in the District of Columbia. I thank you for the opportunity to testify on the staff draft version of Bill 24-570.

The D.C. Policy Center testified on bills 24-570 and 24-571 in January 2022. Three of the concerns we expressed during that testimony – implementing an inflationary adjustment in a high inflation year, baking the existing inequities into the system, and basing calculations on proposed budgets and not actual spending—remain under the staff draft. Today, we have two additional concerns, one related to new language in the staff draft, and the other stemming from new information we learned since January.<sup>1</sup>

### **New language in the draft regarding baseline budgets and the potential of a fiscal cliff**

The staff draft has added new language to include in the baseline school budgets all sources of funds—local and federal—that would have to be grown by the budget growth rules in the legislation. The staff draft requires that this change be implemented in FY 2024, which means, if the bill is enacted, these changes will impact school year 2023-24 budgets.

The timing of such changes would create a significant fiscal problem. School year 2022-23 budgets have benefited from one-time federal and local resources that would now have to be included in the baseline without the guarantee of recurring revenue in the approved budget and financial plan. This year, schools received federal ESSER funds that will expire in September 2024 and one-time local funds (Mayor’s recovery funds) that are not in the approved financial plan for fiscal years 2023-26.

Consider, for example, Mayor’s recovery funds, which, according to DCPS, sent \$45 million to school budgets, or about 5 percent of total funds budgeted at schools this fiscal year.<sup>2</sup> Under the staff draft, next year, the baseline school budgets would have to include this amount plus the growth formulas included in the bill. If the federal grants and

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<sup>1</sup> The staff draft has attempted to address one problem: The bill now requires the District of Columbia Public Schools (DCPS) to separate its budget into not three, but four buckets: Central Administration, Local Schools, School Support, and School-Wide. The addition of School Supports to account for centrally organized services that serve all schools and students is an improvement over the previous draft since this change allows DCPS to continue fund centrally key supports to schools. The staff draft limits Central Administration and School Support to a combined 15 percent of the total DCPS budget.

<sup>2</sup> According to DCPS, school year 2022-23 school budgets benefited from \$45 million in Mayor’s stability funding, \$154 million in targeted stability funding and \$672 million in enrollment-based funding. However, an examination of the submitted school budgets show approximately \$10 million in Mayor’s recovery funds explicitly budgeted at schools.

other sources remain the same next year, formula funding going to DCPS would have to increase by 4.7 percent just to make up for the loss of Mayor’s recovery funds.<sup>3</sup>

Perhaps, in the next school year, the federal ESSER funds can be shifted from other uses within DCPS to schools to close this gap.<sup>4</sup> But ESSER funds are already supporting school budgets by \$21 million to account for enrollment fluctuations and \$6 million for accelerated learning support.<sup>5</sup> Shifting even more of the ESSER funds to school budgets will make the fiscal cliff even bigger in subsequent years.

### **New information and the potential of funding inefficiencies**

In July 2022, the D.C. Policy Center published a new analysis of school enrollment trends and provided three potential enrollment trajectories.<sup>6</sup> Our analysis showed that even under the best-case scenario, school enrollments will likely remain below current levels over the next five years, at around 89,000 students, and under the worst-case scenario, enrollments could decline by 6,000. Importantly, these changes will not hit every grade band and every school the same way. Even under the best-case scenario, we projected that enrollments at the elementary level will decline, driven by fewer births and lower demand for public schools.

If these projections hold true, DCPS might be forced to keep constant the budgets of schools that are losing enrollment. If students move from one DCPS school to another, budgets in other schools might have to be increased even when the overall universal per pupil formula funding remains the same. If students move from DCPS to charters, DCPS will lose per pupil formula funding, but could be prevented from reflecting this change in school budgets. Or, if enrollments decline because entry level grades do not attract as many new students as projected, DCPS would have to fund a non-existent student.

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<sup>3</sup> The calculation assumes an inflationary adjustment of 5 percent bringing the required gap to \$47.5 million. This is 4.7 percent of local funding DCPS received in school year 2022-23.

<sup>4</sup> Out of the three rounds of ESSR funds, DCPS is receiving \$303 million and of this amount \$53 million has already been spent—some at programs budgeted at the central office and some at schools (available at OSSE ESSR Dashboard available at <https://osse.dc.gov/recovery>). An examination of ESSR spending plans (available at [https://dcpsbudget.com/budget-data/central-office-budgets/covid-19-agency-budget-additions/#:~:text=DCPS%20received%20%2487M%20under,2022%20\(FY22\)%20as%20well.&text=%2426%20million%3A%20School%2Dbased%20academic%20and%20social%20emotional%20acceleration](https://dcpsbudget.com/budget-data/central-office-budgets/covid-19-agency-budget-additions/#:~:text=DCPS%20received%20%2487M%20under,2022%20(FY22)%20as%20well.&text=%2426%20million%3A%20School%2Dbased%20academic%20and%20social%20emotional%20acceleration)) show that at least \$47 million has already been budgeted directly at schools.

<sup>5</sup> This information is available at <https://dcpsbudget.com/budget-data/central-office-budgets/covid-19-agency-budget-additions/>.

<sup>6</sup> Coffin, Chelsea & Julia Rubin (2022) Declining births and lower demand: charting the future of public school enrollment in D.C. D.C. Policy Center, Washington D.C. Available at <https://www.dcpolicycenter.org/publications/enrollment-decline/>

We don't know what enrollment projections will be used for next year's budget projections. But we can examine what the bill's impacts might have been had it been in place when the current year's budgets were being developed.

The enrollment projections used for the SY 2022-23 DCPS school budgets show that this year, across all DCPS schools, 79 schools are projected to experience a decline in enrollment, collectively losing 2,299 students. Among elementary schools, which are more likely to continue losing enrollment per our research, 53 out of 72 schools are projected to lose a combined total of 1,498 students.

Figure 1 - Projected enrollment changes in DCPS schools

**All DCPS schools**

Enrollment projection for SY 2022-23	Number of schools	Total projected decline
Increase	37	1,262
Decline	79	-2,299
Grand Total	116	-1,037

**Elementary schools only**

Enrollment projection for SY 2022-23	Number of schools	Total projected decline
Increase	19	380
Decline	53	-1,498
Grand Total	72	-1,118

Source: DCPS school budget submissions for FY 2023



What might be the cost of budget stability under the staff draft of Bill 24-570? The draft stipulates that if a school loses enrollments large enough to close a classroom, this could be deducted from the budget calculations. To build an example of what that might mean for funding under the proposed bill, we only looked at elementary schools and used a classroom size of 23, which is the mid-point of maximum class sizes allowable in the most recent WTU contract.<sup>7</sup>

<sup>7</sup> Section 23.13.1 of the WTU contract that covers 2016 through 2019 limits maximum class size to 20 for Kindergarten through Grade 2, and to 25 for Grades 3 through 12.



Of the 53 elementary schools that are projected to lose students this school year, 27 are projected to lose fewer than 23 students (for a total of 348 students). That is the equivalent of 15 classrooms, which will have to be kept open and funded under the staff draft of Bill 24-570. In addition, 26 schools are projected to lose more than 23 students, with a combined decline of 1,150 students, which is the equivalent of 50 classrooms. But under the staff draft, they would be allowed to close only 15 classrooms. Thus, Bill 24-570 creates opportunity costs as funding must be allocated to keep 35 empty classrooms open instead of being allocated to students where they are and their present needs. The actual cost would depend on whether the students are changing schools within DCPS, shifting to charters, or exiting the public school system.

Figure 2 – DCPS elementary schools with declining enrollments and projected number of classrooms that must be reduced

DCPS elementary schools only

Enrollment projection for SY 2022-23	Is the projected enrollment decline equal or greater than 23 students?	Number of schools	Total projected enrollment decline	Equivalent classrooms	Projected decline for which FTEs cannot be reduced	Classrooms allowed to close under the bill
Decline	No, the school is projected to lose fewer than 23 students.	27	-348	15	-348	0
	Yes, the school is projected to lose 23 or more students.	26	-1,150	50	-345	15
Grand Total	Total	53	-1,498	65	-693	15

Source: DCPS school budget submissions for FY 2023.  
 Note: Change adjusted for classroom closures divides the projected decline by 23 and uses the remainder as the potential number of students that might have to receive enrollment based funding.



To put it a different way, across these 53 elementary schools, DCPS could have lost its universal per pupil formula funding for 693 students if these students exited out of DCPS; but, under this bill, DCPS would still have to budget for them at their initial schools. Or DCPS would have had to budget for them in two different schools if they transferred from one DCPS school to another.

While budget stability is important, its fiscal implications could become significant during a period of enrollment loss, especially when current budgets are already relying on one-time revenues that cannot be guaranteed in future years.

Thank you for the opportunity to testify. I welcome any questions.

Attachment:

PUBLIC OVERSIGHT HEARING ON

**Bill 24-570 “Schools First in Budgeting Amendment Act of 2021”**

and

**Bill 24-571 “Schools Full Budgeting Amendment Act of 2021”**

Before the Committee of the Whole Chairman Phil Mendelson

Thursday, January 20, 10:30 AM Virtual Hearing via Zoom

Testimony of Dr. Yesim Sayin Taylor Executive Director  
D.C. Policy Center

Good morning, morning Chairman Mendelson and members of the Committee of the Whole. My name is Yesim Sayin Taylor, and I am the Executive Director of the D.C. Policy Center—an independent non-partisan think tank advancing policies for a strong and vibrant economy in the District of Columbia. I thank you for the opportunity to testify on the two DCPS budgeting bills the Council is considering.

In my testimony, I will offer comments and suggestions separately on the two bills.

Bill 24-571, “The Schools Full Budgeting Amendment Act of 2021” aims to prove schools budget stability by ensuring that schools will have at least the same budget as they got in the previous year unless the school loses a grade level, is poised for closure or must absorb students from a school poised for closure, or there is a systemwide shock that reduces total DCPS formula funding by more than 5 percent.

**First, this bill, as drafted, will not provide budget stability.** In a low inflation year, the 100 percent safe harbor provision might indeed provide some assurance to parents and principals that their schools will not lose any money or positions. But in an inflationary year like this one, when the recorded inflation is 7 percent, schools that receive the full amount of their previous year’s budget will still experience a 7 percent decline in their actual purchasing power. So, the hold harmless provision will neither relieve angst nor preserve budgets. This can, of course, be addressed by changing the bill to include an inflationary adjustment, but that would likely create a deficit in the financial plan and a future liability for the city to increase the per pupil funding formula by the recorded inflation.

**Second, this bill focuses on school budgets, but to achieve true stability, it should focus on actual expenditures.** Given how much attention published school budgets receive during the budget season, this is understandable. But remember that school budgets are published for the first time nearly eight months before the beginning of the school year. Many things change when schools open, shifting needs from one thing to another. So, it is common to see many reprogrammings within school budgets as well as across the entire school system. For example, I looked at the Fiscal Year 2017 data—it is dated, but it is what I had—and observed that for every DCPS school, the actual expenditures recorded at the school were different from the school’s published budget (as revised by the Council during the budget season. These differences varied between an increase of 9.4 percent and a decline of 14.4 percent in actual expenditures compared to the published budget for that (see Appended Figure 1).

Rather than legislating in this way to achieve budget stability, we recommend to the Committee to consider a public expenditure tracking study to see where schools begin with their budgets, and where they end the

year with their actual expenditures. This will not only focus stabilization efforts on the right metric but will put in context the discussions around how budgets should be formulated.

**Third, this bill will permanently bake in place existing inequities in funding.** School budgets are driven by need and enrollment, but there are historic inequities, amplified by historic budgeting, that result in more resources for some schools and fewer resources for others. I examined the Fiscal Year 2021 budgets for all DCPS elementary schools and found that per pupil spending schools had in their budgets, after subtracting at risk funding, could be as high as \$19,500 and as low as \$10,405. Variations can be great even among similarly sized schools. For example, across 13 elementary schools with 400 to 450 students, one school had \$10,405 budgeted for each enrolled student, and one had \$17,804. These differences can partly be the result of varying special education needs or other needs in these schools, but my point is that we do not know this for sure. Therefore, we should not adopt a policy that would permanently preserve such differences.

The second bill, B24-570 first requires DCPS to separate its budget into three big areas: central administration, local schools, and school supports. It then limits central administration spending to 3 percent of the overall budget and provides various rules that the Chancellor will have to follow in determining school budgets such as increasing personnel spending by the maximum of inflation, WTU required increases, increases in UPSFF, or 2 percent, and increasing nonpersonnel spending by inflation, and then making adjustments to reflect changes in personnel needs and other spending needs.

**This bill is intended to create transparency and transfer resources from the central office to schools, but it may end up increasing inequities.**

The bill treats the central office as purely overhead, similar to a back-office accounting operation. In fact, there are many programs that are traditionally budgeted in the central office that directly impact the success of schools and students. For example, the Multi-Tiered Systems of Support team (previously SEL), provides technical assistance, capacity building, observation, coaching, data analysis, and other supports which are responsive to schools' needs. Would they be considered school supports or central office? We do not know.

**Even central office programs that are budgeted in ways that are not correlated with enrollment counts may be serving the important goal of equalizing opportunity.** For example, the college and career readiness program at DCPS provides information to each student so they can be informed about what opportunities await them after graduation. If this program is cut back because there is no room for it under the 3 percent allotment, then every school will have to provide these supports on their own, and some, with greater capacity, will provide better services to their students, and others, with less capacity, will not. This is one example where a program organized and budgeted at the central office can better serve DCPS students compared to an alternative where every school is on its own. And this bill might just kill it.

There needs to be more transparency in school funding, and safe haven provisions are important for stability, but we need to know more about actual spending, capacity differences across schools, and the relationship between needs and programs before making such significant changes as proposed by these two bills.

Thank you for the opportunity to testify, and I welcome your questions.

**Appendix Figure 1 – How school budgets and actual expenditures could vary:**

The difference between revised school budget and actual spending, relative to revised school budget, Fiscal Year 2017  
**DCPS**



**Source:** SOAR data for fiscal year 2017, D.C. Chief Financial Officer  
**Note:** The bars depict the 10th, 50th, and 90th percentiles.



Appendix Figure 2 – How per pupil budgeted funds differences across similarly sized DCPS schools (excludes at risk funding)

**Per pupil budgeted funds at DCPS elementary schools in FY 2021**  
*Minimum and maximum amounts observed across similarly sized schools*

School size	Number of schools	Min. budgeted funds per student	Maximum budgetd funds per student
150 to 200	6	\$13,519	\$18,789
201 to 250	9	\$15,354	\$19,289
251 to 300	13	\$13,710	\$19,564
301 to 350	8	\$11,781	\$16,935
351 to 400	6	\$11,906	\$17,383
401 to 450	13	\$10,405	\$17,801
451 to 500	5	\$11,494	\$19,331
501 to 550	1	\$15,936	\$15,936
600 to 650	3	\$11,123	\$14,372
700 to 750	2	\$10,440	\$14,143

**Source:** DCPS submitted budget information for Fiscal Year 2021  
**Note:** The table only includes enrollment buckets where there are more than one schools.



## Testimony for the Public Hearing on “Bill 24-570: Schools First In Budgeting Amendment Act of 2021”

**To:** DC Council Committee of the Whole, Chairman Phil Mendelson, and Committee Staff

**From:** Kerry Savage, Director of Policy and Advocacy at PAVE (Parents Amplifying Voices in Education) and Ward 1 resident

**Date:** September 16, 2022

Good morning Chairman Mendelson, members of the Committee of the Whole, and Committee staff. My name is Kerry Savage. I am the Director of Policy and Advocacy at PAVE (Parents Amplifying Voices in Education) and a Ward 1 resident. Today, I am grateful to testify on how Bill 24-570 (“Schools First”) relates to the beliefs of PAVE parent leaders who have long advocated for equity, transparency, and stability in how public schools in the District are funded.

Transparency and equity in school budgets have long been PAVE parent priorities. In 2018, they developed their collective Statement of Beliefs on this issue calling for:

1. A standard and uniform budget reporting format across both DCPS and public charter schools to clearly compare information across all schools. This should include accurate reporting of the use of at-risking funding.
2. A standard of best practices to be developed for schools in order to meaningfully include parent voice in the budget development process.
3. An evaluation of current budgeting processes at all schools in order to ensure that funding is equitably distributed.

Since that time, PAVE parent leaders have taken an active role in making progress across all three fronts regarding the District's public education budget. Thank you for your continued partnership with PAVE parent leaders in advancing these priorities, especially in passing the School Financial Transparency Amendment Act of 2020 of the Fiscal Year 2021 Budget Support Act of 2020 (BSA).

The bill under discussion today takes a bold and welcome step of ensuring that schools come first in DCPS' budget. Our education funding must be centered on students and ensuring schools are first in budgeting gets us closer to that goal. Importantly, we want to emphasize the need for cross-sector and long-term policy solutions to ensure all public schools - both DCPS and public charters - have the necessary resources to support their respective school communities. These solutions must include provisions that account for changes in federal funding and enrollment projections.

As we testified at the previous hearing on the bill, we welcome the provision that would make the annual calculation of the school-level budgets a public record available to the public “no later than six weeks before the submission of the budget to the Council.” This will give school communities, parents, and other District residents the time to understand proposed school-level budgets and their implications for the school's operation in the coming year.

The staff draft also includes important language that highlights a challenge with legislating in this area and speaks to the first PAVE parent priority on budget transparency: creating a standard and uniform budget format.

The staff draft of the bill requires that “the budget determined by this section shall be published on the DCPS website and in the budget books prepared by the District’s Chief Financial Officer. The Mayor, DCPS, or the Chancellor shall publish only one “budget” for each DCPS school. Any other version, such as one that might also list School Support or School-Wide services attributed to a school, may be published but with a title other than “budget.”

We urge the Committee to continue to prioritize ease of understanding in school budgets, regardless of what it does with the current bill’s language. Every parent should be able to look at their school budgets and understand what they mean. School-level budgets should be clear, comprehensible and straightforward. Too often the volume of information is confused with true transparency. For budgets to be truly transparent, they must be understandable. The language above is a step in the right direction on that score and we hope that sentiment will hold true across all public schools in the District.

We would also urge the Committee to make greater efforts to require the inclusion of parent and community voice in the budget allocation process. Despite a detailed formula to ensure that schools are funded first, the bill lacks a mechanism to ensure parent and community voice is at the center of the conversation. We urge the Council to include provisions to ensure that parent voice is prioritized in the actual allocations made through this – or any – formula.

In closing, I return to the priorities PAVE parent leaders enumerated some 5 years ago. We need to standardize how budgets are communicated so that families and the community can effectively engage with them. Second, we must prioritize that engagement as a regular budget practice at the school level. And finally, we need to take meaningful steps toward building schools budgets that ensure funding is equitable and adequate – together with families and communities at the table. Though separate from the bill at hand, I want to know that the upcoming education adequacy study is a great opportunity to include parent and community voice in that work.



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Thank you, Mr. Chairman and members of the Council, for your work to ensure all parents and families in the District have what they need to succeed, and we look forward to your continued partnership in this effort.



## Testimony by Jeremy Joseph re Bill 24-570 “Schools First in Budgeting Amendment Act of 2021”

September 16, 2022

My name is Jeremy Joseph, and I am a parent of two DCPS children and an active member of the DCPS stakeholder community. I serve as the LSAT chair for Key Elementary, I am on the PTO of Hardy Middle, I am a member of the Community Working group for MacArthur High School, and serve on the DCPS Technology Advisory Committee.

**As a DCPS parent, I want two things: a first-rate public school education for my kids and all kids in Washington, DC; and 2) an efficient, effective DCPS central office as a shared services provider that is responsive to and supportive of and focused on DCPS principals, teachers, and parents, and accountable to improving education outcomes for DCPS students.**

In my experience, neither of these goals is being achieved today. I am not an expert in DCPS budgeting like others here. I don't know if DCPS central office is adequately funded or overfunded. But I emphatically support the intent of the bill to promote stability to schools and teachers.

In evaluating the impact of any Bill, I would ask the Council to consider the following:

1. First to restore funding for Hardy Middle school (and any other similarly situated school) at 2021-22 levels as that school's baseline for the reasons stated by Sarah Richey, Abi Paulsen, Colleen Crino, Matt Frumin, and others.
2. Sharply increasing funding across the board to increase base level funding available to schools for teaching and programming.
3. Avert at all costs the coming funding cliff which will decimate the confidence in DCPS for a generation and cause mass migration of parents out of the system and maybe out of the city and in a way that focuses on teacher retention.
4. Promote competence, accountability, and transparency among DCPS central office. To that end, I would urge the Council to conduct much more rigorous oversight of DCPS central office functions by conducting more routine oversight hearings to promote transparency and accountability.

Let me elaborate more on two points: 1) insufficient base funding for our schools today, let alone in the face of the funding cliff next year, and 2) my experiences with DCPS central office that underscores the lack of organizational accountability, responsiveness, ownership, and authority to achieve outcomes necessary to promote student learning.

First, DCPS school funding today is grossly insufficient to meet the needs of its students.

- On funding, basic funding is grossly below what schools need to provide comprehensive education in terms of core, arts and music, athletics, and behavioral support. At Hardy Middle School, which had a growing enrollment during the pandemic so did not receive hold harmless funds, this year the school lost three positions and cannot offer a music

program, adequate staff to support athletics, insufficient number of Spanish teachers to support all those student who wish to learn that very useful and common language, lost an art teacher, and now is forced to have classes of up to 90-minutes long because of inadequate staff to support the enrollment. There is zero slack in the system today. As you can imagine, having inadequate staff has a cascading negative impact on school behavior issues and will lead to the outcome we should all fear most: teacher burnout and resignation!

- As the LSAT chair at Key Elementary, I have watched that Admin team develop and expand their model of having a substantial number of interventionists and coaches, including reading coach, math coach, and now a behavior coach who provide fundamental and necessary augmentation to each classroom teacher. These interventionists and coaches are critical force multipliers, not extravagances. They allow targeted interventions on the children that are falling behind and targeted efforts to help keep all kids challenged! The data shows that this approach works! Yet funding for such innovative approaches would be impossible with budget decreases. And yet, having such interventionists and coaches still requires trade-offs so Key does not offer a language program, which is a great loss when young kids are most primed to learn a second language.

In the face of the draconian budget cuts projected for many schools across the city from the withdrawal of so-called hold-harmless and one-time funding will decimate public school education in Washington DC. Such cuts are deeply inequitable, because those families that can leave the system will do so, and the students that will remain in the system are the ones without other options.

- The Council must signal to parents and teachers immediately, now, today, that these anticipated cuts are dead-on-arrival and schools will be held to at least level funding in 2022-2023 (or 2021-22 funding for Hardy). **This Bill seems like that positive signal.** The Council must send these signals well in advance of the typical budget cycle to restore the confidence of parents in the system and keep them from pursuing other options. Waiting until June to restore funding – as would be typical under the budget timeline -- will cause an exodus of students from the system as parents must make lottery and private school decisions by very early May. And waiting until June will send teachers fleeing to wiser jurisdictions or leaving the profession entirely.

Second, as a parent, I want DCPS central office to be a robust, competent shared services provider. With a few exceptions, my many interactions with DCPS central office across different various offices and topics has a common theme: a lack of organizational accountability, responsiveness, ownership, authority, and – sometimes competence and effectiveness. In essence – bad management.

*Let me note that I believe in my heart that every one of these DCPS central office staff members are well intentioned and individually seek to do the right thing and put students first. It is the system overall that interferes with their individual good intentions.*

- Email chains tend to sprawl across multiple people and offices with no authority or requirement to act or decide. Determining who is responsible for any given topic at DCPS central office is like trying to find the corner of a circle.
- At the same time, there is sometimes inadequate talent, staffing depth, and longevity—while central office may or may not soak up too much of DCPS’s overall funding, the schools need those central functions to perform well. Central office’s failures causes endless problems downstream for the schools and students.

Two examples:

#1) When I became LSAT chair at Key, I was told the roof had been leaking for years and was getting worse. I emailed and called countless DCPS personnel responsible for facilities management and maintenance. In response to emails with countless DCPS central office administrators, I received no response. The Key school principal received inconsistent responses, but zero meaningful action to solve the problem. I realize that DGS was responsible to execute the repairs, but DCPS for years failed to engage DGS and ensure routine maintenance and then emergency repairs were performed in a timely manner.

#2) DCPS IT lacks the capacity and skill to meet its stated objectives of providing functional, safe, and effective devices to each DCPS student, staff, and administrators, and its shortcomings have negative cascades throughout the entire system. IT is always a challenge in any organization, but taking any action that negatively impacts IT competence and capacity would be negative outcome of this Bill. To give a few examples with which I have first-hand experience:

- This year, laptops were delivered late to Hardy, delaying learning by at least a week and interrupting the teachers’ professional development and planning time. Laptops have still not been fully deployed at Jackson-Reed, fully three weeks after school started! I don’t question the intentions, just the execution.
- DCPS IT continues to delay procurement of critically necessary classroom management technology to enable teachers to use the devices in the most effective way, and enable parents to view what sites their kids are visiting. This delay is caused by a lack of capacity and skill to establish requirements, conduct a robust evaluation, address the technical issues in parallel, run effective pilot testing at schools, and move toward broader deployment.
- Student safety and security is inadequately protected. Today, on DCPS-issued devices students can create gmail accounts and communicate with anyone the planet, or trade

pictures of themselves or others, or engage in suicide journaling on google docs without any ability for DCPS or parents to monitor or be aware of this conduct. Last year I informed several parents that their kids had email accounts they did not know about, which came as a huge shock.

DCPS IT is an example of a central office function that should be robust, competent, and best-in-class. Anything less negatively affects every student, teacher, parent, and principal in the system. Any Bill should not further weaken these critical functions, should not give DCPS excuses, but should instead promote stability and demand performance and accountability.

Thank you.

September 15, 2022

Members of the City Council  
District of Columbia  
1350 Pennsylvania Avenue NW  
Washington DC 20004

Dear Chair Mendelson and the City Council Members:

My name is Sherri Jones, School Librarian, at Charles Hamilton Houston Elementary School in the historic Deanwood neighborhood in Ward 7. I am here on behalf of the students that I serve to support Bill 24-443, Student's Right to Read Amendment Act of 2021.

During the 2021-2022 budget season the Council took unprecedented steps to ensure that funds were available to have a full-time certified librarian in every school. The leadership shown by the council with this action helped ensure that the loss of literacy instruction during the pandemic was mitigated.

DCPS released PARCC scores on September 2. As expected, there was a significant drop in both reading and math scores. Student reading scores dropped 6% while math scores dropped 12%. While data does not exist to support this fact, it is my heartfelt belief that students being in school buildings with **full time certified librarians** helped them to rebound from the learning loss that happened across the country because of the COVID 19 pandemic.

Some of the critical roles served by your school librarians are:

- Information Literacy Teacher
  - Teaches standards-based lessons in inquiry, research, digital citizenship
  - Teaches how to evaluate resources and synthesize information
  - Boosts curiosity, critical thinking and academic outcomes
- Reading Advocate
  - Hosts authors, activities, and events to nurture a lifelong love of reading
  - Promotes wide reading across genres through book talks, read-alouds, reading campaigns
  - Matches books to readers
- Innovation Leader
  - Teaches standards-based lessons in technology
  - Teaches creative tools for sharing learning
  - Leads future-ready initiatives like personalized learning, Hour of Code, Maker Space
  - Stays at the fore of emergent issues in educational tech such as accessibility, privacy, and digital ethics
- Equity Champion
  - Promotes identity safety and cultural relevance by seeking out books that represent students and families

- Shares stories that deepen global awareness
- Educate about historical injustice, and amplify underrepresented voices
- Guides students in considering multiple perspectives
- Resource Curator
  - Seeks out and shares new, award-winning books, media and digital tools
  - Curates inspiring book lists, resource lists and thematic displays
  - Discovers enrichment opportunities
- Program Manager
  - Develops the collections
  - Supervises volunteers
  - Manages library schedule
  - Oversees budget to ensure updated collection and vibrant programming
  - Serves on leadership teams
  - Manages library communications
- Wellness Partner
  - Nurtures safe, inviting inclusive community learning space
  - Develops social/emotional skills and self-awareness through literature
  - Promotes digital wellness
  - Fosters growth mindset, expression and problem solving via digital tools and maker space
- Event Planners
  - Coordinates schoolwide literacy activities, events to enhance learning, collaboration, and community connection
  - Leads, supports professional development, parent education and student leadership opportunities.

Across the country states have recognized that for their students to be successful they need to invest in school libraries and librarians. States such as Colorado, Indiana, Nebraska, and New Jersey have demonstrated their commitment to the value of having a school librarian by protecting their positions. Not surprising these states' reading scores have been greatly improved by the presence of a school librarian, compared to DC which does not currently have such a policy.

If we are to bridge the literacy divide that currently exists, our students need and deserve to have a full-time librarian in every school

**I hope that you will vote for Bill 24-443.** Thank you for your time and urgency in addressing this matter.

Sherri R. Jones, Librarian  
 Charles H. Houston ES  
 Ward 7

I am Valerie Jablow, a DCPS parent for the last 17 years. In that time, my kids have often experienced school budget problems, including instability and losing beloved teachers and programming due to cuts.

I appreciate that this bill attempts to address those issues.

Unfortunately, the bill does not address the root causes of our school budget woes, and its fixes for a vast and complex process were crafted in an opaque manner (i.e., who was guiding the revisions? when? why?) that could seriously change—for the worse—DCPS operations by, for instance,

- defunding needed central office programming;
- not addressing mis-use of at risk funds;
- ignoring rank inequities in programming and staffing between schools in what is supposed to be a SYSTEM;
- channeling yet more money to charters by a. equating 1-time funds with permanent funding; b. ignoring the need for money to follow students; and c. ignoring the reality that a system of schools of right with robust staffing and programming is ill-served by per pupil funding models; and
- making DCPS closures an easy and convenient way to balance DCPS budgets, while allowing education leaders to take money out of individual school budgets to support what had been in central office funding.

Worse, even if one corrected for everything in that list above, this bill would *still* not succeed because ignoring the root causes of DCPS budget problems supersedes any and all attempts to tweak DCPS's budgeting!

So let me outline for a moment the root causes of DCPS budget problems:

### **1. DC's student population is not growing--but our school seats are.**

Analyses from the deputy mayor for education (DME) show that kindergarten enrollment may soon be as low as it was 10 years ago. (See [here](#) and [here](#).) This is truly nothing new: I submitted [testimony](#) on the comprehensive plan to this body 2 YEARS ago, noting the decrease of students.<sup>1</sup>

Yet just in the last 4 years (since fall 2018), 8 new charter schools have been approved—with more on the way. Last school year those charters enrolled 1016 students--1016 students who did NOT enroll in existing schools.<sup>2</sup>

That number doesn't count students who enrolled in that time in expanding charters or in increased DCPS seats of choice like Bard or an expanded Banneker. And that's not even mentioning the new Ward 3 high school with up to 50% of its students from out of bounds; that out of boundary enrollment is actually a necessity because the ward it's in not only has some of the \*fewest\* students in DC but also doesn't have enough students RIGHT NOW to fill all its schools. (Yes, really: See [here](#).)<sup>3</sup>

There is nothing anywhere saying that we needed all those new schools and seats; they are almost entirely seats of choice and thus optional. For instance, all lottery seats are 100% optional—and in the case of the new Ward 3 high school, no one in the Wilson Building thought to revisit boundaries, out of bounds slots, and feeder patterns to alleviate overcrowding in Ward 3 schools for \$0, as opposed to the \$100 MILLION set aside for a new high school that will inevitably depopulate existing schools.

Please: Do not say this is school “choice”:

The only choice represented in ANY of this was that of charter school operators and the mayor’s people. As a DCPS parent, I can safely assert that NONE of my fellow DCPS parents likes having poor HVAC repairs; shoddy renovations; and delayed modernizations—yet, we endure all of those things every year because of budget choices made by people who are NOT parents, teachers, or students.

As it is, each new school requires a facility and administrative staff, which are increases in fixed costs borne by DC taxpayers. Each new school also requires students from a not-growing pool. That means that existing schools WILL lose students.

This fiscal REALITY has been for more than a decade at the heart of DCPS budget struggles, especially in schools of right with low or declining enrollments. Just because no DC education leader has acknowledged that reality doesn’t make it any less real or painful.

I say unto you now: Truly, there is no magic in creating new schools—it is all coming from the same pot of money and the same not-growing population of students. And it means that we the people are losing money All. The. Time.

Charmingly, when the DME talks of the perils of “unintentionally small” schools, that’s code for DCPS schools of right with low enrollment. In fact, that is the plan for our schools right now—and has been for a very long time.

In this “plan” for our schools, it’s perfectly fine for schools of choice to be small and/or prolific—not so for DCPS schools of right, which always face defunding and destabilization.

Because of that “plan,” I now fear that those DME population analyses will be used to justify DCPS closures, most likely in DC’s poorest neighborhoods, where charters have long found the magic ingredients of inexpensive and historically unprotected properties; political disempowerment; and lots of kids.

Please: do not call this unconscionably poor use of our public resources “competition.”

Low enrollment, disinvestment, and subsequent closures of schools of right are civic FAILURES to protect communities, education rights, and sound use of our money.



*If you really want budget stability, you have to address enrollment pressures caused by proliferation.*

**2. Half our annual education expenditure goes to DCPS—while the other half, \$1 BILLION, goes to a sector with largely unregulated finances, putting undue pressure on DCPS.**

DC charters have more than \$350 million in unrestricted cash--averaging \$5.7 million per LEA. Just last year, DC charters received over \$150 million in facilities fees—to be used for anything with NO public record.<sup>4</sup>

In 2020, 38 DC charters took in more than \$40 million in PPP loans while funding from DC not only never stopped, but comprised the vast majority of each school's annual budget.<sup>5</sup>

Recently, DC Prep solicited for an advisor to invest millions in cash. Its board characterized the haul as private money--even as the school gets more than 80% of its annual funding from DC taxpayers.<sup>6</sup>

That school has seen an extra \$4 million in its coffers annually, mainly due to what a staffer called “healthy increases in per pupil funding.” It reportedly has \$30 million in cash available—with about 2150 students. (That annual surplus, BTW, is more than 10% of its annual operating budget.)

Despite DC Prep's board worrying over the “optics” of a publicly funded charter school having an investment strategy for millions, its board declined to give permanent raises to staff—even though staff is paid on average less than \$70,000; the school struggles with staff retention; and the school's top administrators got paid more than the mayor in the last 3 reported years.

**Tell me: How is this hoarding of (public!) cash a public service—and without effect on other DC schools?**

Even though \$2 million was apparently embezzled from KIPP DC in 2020 for student distance learning devices that never appeared, there was nothing in its 2021 audit to indicate anything was wrong. In addition, the DC register had nothing about KIPP DC entering into a contract for those devices, which was apparently done between 4/3/20 and 10/27/21.

**Tell me: What proof is there to show that embezzlement is unique?**

Yet, while micromanaging DCPS's budget, this bill sidesteps the steep public price of ignoring DC's OTHER \$1 billion annual education expenditure:

As our charters amass funds to do whatever and locate wherever, DCPS must be on stand-by for all comers. All schools of right are located specifically to serve the students there, in THAT place, and have NO choice when a charter moves next door or down the street.

*So we rightfully invest money into our schools of right, for the legitimate and democratic purpose of securing education rights for all and then . . .*

*we turn around and are perfectly OK with giving money to schools of choice to locate down the street or wherever they wish, to draw from the same population of students, thereby not only duplicating services wastefully, but drawing down students and resources from the very schools whose budgets we are discussing here today!*

And as we have no limit on the total number of charter seats, the destruction will continue endlessly no matter how much tweaking of DCPS's budget you do.

Most importantly:

**Every dollar charter schools bank our kids do not necessarily get directly (or maybe ever).**

You can read every single audit, every single financial document on the charter board website or on pro publica's (which appears to contain more recent data). But absolutely NONE will tell you that that unrestricted cash—hundreds of millions in DC charters right now—is going to kids.

Not one document—because no one knows.

So it is that DC not only has NO idea of the extent to which we may be OVERpaying our charters annually (except that \$350 million pot of unrestricted cash is clear evidence of it), but we have no fiscal mechanism to understand it--and no political interest to find out.

In case you think it's just "private" money sitting there as unrestricted cash, ask how it is possible for individual charters to have tens of millions in cash lying around when the vast majority of their budgets are DC taxpayer dollars.

That's because it's not private money—it's OURS! And instead of going to kids, it's treated as the profit of individual charter schools.

**When you ignore this, you ignore funding DCPS appropriately—and by extension, all DC school kids.**

DC has more than enough money right now to have robustly staffed schools of right with robust programming in every corner, without any closures or budget shortfalls.

*But we don't—because we ignore that OTHER \$1 billion, as if it's inevitable that we must spend it in that manner!*

Consider that we know charter proliferation, enabled by such excess public money, is dire for DCPS schools of right.

Yet, while micromanaging DCPS's budget, this bill sidesteps that reality as well as the fact that we do not know how or even if such excess cash in charters ever gets to kids.

Indeed, ignoring all of that may very well be the wish of those literally banking on that charter school cash:

This spring, charter advocate and heiress Katherine Bradley gave \$15,000 to a political action committee that appeared to be taking in money from, and on behalf of, DFER DC, without actually saying so—and then donated only to charter-friendly politicians.

Bradley donated as chair of the KIPP Foundation.

At the same time, charter advocacy organizations spent millions in DC's primary, all the while there is no required disclosure of donors to charter schools on their 990s and to political action committees in DC.

(And that's not mentioning there is no required disclosure of disaggregated independent expenditure committee spending; no requirement for PACs to use their money specifically for their stated purpose in all directions; and the fact that this hearing's witness list has the head of one of those charter advocacy organizations that donated heavily to both Mayor Bowser as well as council chair Phil Mendelson. Gosh, wonder what they could possibly want from this DCPS budget bill?)

Oh, and lest I forget:

There are also no visitor logs in the Wilson Building.

We all know the problems of DCPS budgets: lack of stability, lack of resources, lack of equity, lack of clarity.

While this bill attempts to address those things, it does so without acknowledging other things that **MUST** be acknowledged to get true stability, resources, equity, and clarity.

Now, I worry about what happens *after* this hearing.

Namely, if the council passes this bill in some form, the council can say it did its job and walk away, hands clean.

And when DCPS schools subsequently lose funds or are closed, we the people cannot complain because we each had our 4 minutes to testify.

DCPS is such low-hanging fruit—easy to criticize and tear down because so much is in fact dysfunctional.

But this bill works hard to not pay attention to the man behind the curtain of the OTHER \$1 billion we give to education annually--as if that's all cool and unworthy of comment and UNrelated to DCPS's budget struggles.

Unfortunately, that's not how our school budgets (or frankly democracy) work. And in this case, it represents a terrible misuse of public resources.

Thus, I urge you now to stop right here and work with community advocates on a rational fiscal plan that takes all of these root causes of DCPS budget problems into account. Thank you.

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<sup>1</sup> One need not even look at kindergarten enrollments as the DME did to see the coming enrollment slump. For instance, here are recent birth data for DC, showing a large percentage drop from 2016, which was—not coincidentally!—the last time kindergarten enrollment in our publicly funded schools didn't drop:

D.C. resident births (calendar year)	Births	% change from 2011	% change from 2016	
2011	9289			
2012	9370	0.9%		
2013	9264	-0.3%		
2014	9509	2.4%		
2015	9578	3.1%		
<b>2016</b>	<b>9858</b>	6.1%		<b>Largest number of births in recent years</b>
2017	9560	2.9%	-3.0%	
2018	9212	-0.8%	-6.6%	
2019	9079	-2.3%	-7.9%	
2020	8874	-4.5%	-10.0%	
2021	8644	-6.9%	-12.3%	

Sources of the numbers are from CDC reports, including these for the last 3 years:

2019: <https://www.cdc.gov/nchs/data/nvsr/nvsr70/nvsr70-02-508.pdf>

2020: <https://www.cdc.gov/nchs/data/nvsr/nvsr70/nvsr70-17.pdf>

2021: <https://www.cdc.gov/nchs/data/vsrr/vsrr020.pdf>

<sup>2</sup> Here are the audited enrollments SY21-22 for the 8 new charter schools approved in and since SY2018-19:

Capitol Village: 89

Girls Global: 155

Sojourner Truth: 157

I Dream: 68

Social Justice: 102  
 Statesman: 221  
 Global Citizens: 60  
 Learn DC: 164

I got some of this list from PCSB's Charters to open 20-21: <https://dcpcsb.org/new-public-charter-schools-open-2020-21>

I got other schools from the PCSB annual reports from 2019 to the present, which are available here: <https://dcpcsb.org/about-us/dc-pcsb-annual-reports>

<sup>3</sup> If you don't wish to wade through [the prose](#) outlining the looming disaster of the new Ward 3 high school on overall DCPS high school enrollment, just take a gander at this table, which was included in that outline:

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	<b>Wilson Feeder Shed Enrollment and Utilization (Draft)</b>													
2	Sources	OSSE SY19-20 Audited Enrollment; DCPS Reported SY19-20 OOB (to Council); MFP (2018)												
	School Name	Type	Feeder to	SY19-20 Enrollment	SY19-20 OOB	SY19-20 % OOB	SY18-19 5th	SY19-20 6th	SY17-18 6th	SY19-20 8th	Capacity	In-Bound Enrollment	In-Bound Utilization	In-Bound Utilization
3	Oyster - Adams Bilingual School	EC	Wilson	731	318	44%					723	413	57%	Under
4	Bancroft ES	ES	Deal MS (6-8)	616	185	30%	66				786	431	55%	Under
5	Eaton ES	ES	Hardy MS (6-8)	467	138	30%	61				451	329	73%	Under
6	Hearst ES	ES	Deal MS (6-8)	340	89	26%	39				344	251	73%	Under
7	Hyde-Addison ES	ES	Hardy MS (6-8)	376	239	64%	33				unk	137		
8	Janney ES	ES	Deal MS (6-8)	752	33	4%	99				722	719	100%	Utilized
9	Key ES	ES	Hardy MS (6-8)	382	51	13%	45				432	331	77%	Under
10	Lafayette ES	ES	Deal MS (6-8)	940	108	11%	87				805	832	103%	Utilized
11	Mann ES	ES	Hardy MS (6-8)	426	77	18%	43				428	349	82%	Under
12	Murch ES	ES	Deal MS (6-8)	623	95	15%	95				730	528	72%	Under
13	Oyster-Adams EC (ES)	ES	Oyster-Adams EC (MS)	519	79		71				375	440		
14	Shepherd ES	ES	Deal MS (6-8)	371	172	46%	53				400	199	50%	Under
15	Stoddert ES	ES	Hardy MS (6-8)	494	110	22%	51				489	384	79%	Under
16	Deal MS	MS	Wilson	1458	331	23%		474	484	493	1570	1127	72%	Under
17	Hardy MS	MS	Wilson	474	239	50%		163	128	141	485	235	48%	Under
18	Oyster-Adams EC (MS)	MS	Wilson	212	48			76	70	73	348	164		
19	Woodrow Wilson HS	HS		1872	669	36%					1840	1203	65%	Under
20	Feeder shed (MS)			2414	605	25%					2700	1809	67%	Under
21	Feeder shed (ES)			6396	1535	24%					5988	4861	81%	Under
22	Feeder shed (all)			9101	2540	28%								
23	Note (red): Schools under-utilized by in-bounds students													
24	Note (gray): Estimate or unknown: DCPS did not report OOB at the grade level, configuration of Oyster-Adams not reported, capacity of Hyde-Addison not identified													

Bottom line: It is fiscally UNCONSCIONABLE that changing feeder patterns, out of bounds slot, and boundaries was not considered for Ward 3 schools before investing in capacity expansion in Ward 3.

But politically, it is a different matter, isn't it?

<sup>4</sup> Total of unrestricted cash is from the most recent PCSB financial analysis report, available here: <https://dcpcsb.org/financial-analysis-reports>

I calculated the facility fee total from the amount allotted per student multiplied by the audited charter school enrollment for SY21-22. Per DC code, the facilities fees can be used for anything—literally—without any requirement for reporting.

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That's not good fiscal policy on any level—but it's great political policy, isn't it?

<sup>5</sup> Out of a total of more than \$40 million, 18 DC charters were awarded more than \$1 million each in PPP loans. Most of the loans (if not all) have been forgiven. Below is a list of DC charters and the PPP amounts they received, compiled from the sources linked immediately below. Incredibly, the mayor awarded DC charters more than \$10 MILLION on top of this, to assist with re-opening in the pandemic:

<https://mayor.dc.gov/release/mayor-bowser-announces-10-million-grants-support-public-charter-school-reopening-efforts>

**Is anyone in DC keeping track of all this? (The answer is NO.)**

DC charter schools receiving PPP loans, per

<https://www.federalpay.org/paycheck-protection-program/dc/400>

<https://www.washingtonpost.com/graphics/2020/business/sba-ppp-data/>

Center City 3.7 M  
St. Coletta 3.4 M  
Eagle 2.6 M  
Paul 2 M  
Appletree 1.9 M  
LAYC 1.8 M  
Chavez 1.7 M  
Meridian 1.7 M  
Mundo Verde 1.5 M  
SEED 1.4 M  
Stokes 1.4 M  
Achievement Prep 1.4 M  
LAMB 1.3 M  
Creative Minds 1.3 M  
Bridges 1.2 M  
Thurgood Marshall 1.1 M  
DC Scholars 1.1 M  
Mary McLeod Bethune 1.1 M  
IDEA 978K  
Monument 898K  
WLA 877K  
Academy of Hope 857K  
Kingsman 834K  
Howard middle school 733K  
Lee 657K  
Richard Wright 643K  
Shining Stars 625K  
SELA 516K  
Washington Global 463K  
Digital Pioneers 440K

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National Collegiate 429K  
Breakthrough 377K  
Harmony 254 K  
Roots 205K  
Perry Street 200K  
Briya 91K  
Girls Global 59K  
Capital Village 43K

<sup>6</sup> At its May 2022 meeting, DC Prep’s board discussed investing millions in cash; since then, it has advertised for an investment manager (see the notice in the charter school section of the DC register, 69/26, dated 7/1/22).

At the 56 minute mark of the [board meeting video](#), a board member worried about the “optics” of a publicly funded charter school having an investment strategy for millions.

But housing developer and board member Terry Eakin had a different view.

At 58 minutes in the video, Eakin noted that “donors have given us over \$36 million since the beginning. If we were investing in the stock market monies from the taxpayers, I think it would be different.”

The school started in 2003.

Recent [fiscal audits](#) (also, see [here](#) for the 2021 audit) show that between 2014 and 2021, DC Prep got an average of 82% of its revenues directly from DC taxpayers.

In fact, each of those fiscal audits makes this statement: “DC Prep receives a substantial portion of its revenue from DC.”

2014: 80% of revenues from DC taxpayers  
2015: 77%  
2016: 81%  
2017: 79%  
2018: 85%  
2019: 85%  
2020: 84%  
2021: 89%

At the May board meeting, Eakin noted that “in the unlikely event we were to make a major investment and lose all of [the extra cash], **it wouldn’t be monies we had gotten from DC. I would earmark it as monies we received from donors.** . . . the way I look at it, we’re just trying to get a better return for our kids.”

Another board member at the 1 hour 3 minute mark expressed a need for a communications strategy, worrying about criticism “as this becomes more public.” Most

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of that same board mtg was taken up discussing the school's struggles with staff retention.

The staff retention discussion lasted for >30 min out of a total 70 min. of open board meeting. At minute 31, a board member asked if the school offered a "substantial bonus" or "money" to try and retain staff to discourage mid-year staff departures.

The answer seemed to be not really.

DC Prep's annual reports on the PCSB website outline its average teacher salaries:

17-18: Declined to report

18-19: \$66K

19-20: \$66K

20-21: \$67K

Here from those same annual reports are the school's reported top 5 salaries for those years:

17-18: Declined to report

18-19: \$225,000, \$200,000, \$171,000, \$154,000, \$151,000

19-20: \$235,000, \$205,000, \$182,000, \$167,000, \$157,000

20-21: \$234,000, \$204,000, \$185,000, \$164,000, \$162,000

SO, take a look at all the UNanswered fiscal questions around just this one charter school's finances:

--Is a publicly funded nonprofit really nonprofit if it banks every year cash that represents 10% or more of its operating budget & the costs of the public service it is obliged to provide?

--Is infinite growth of our publicly funded charters an acceptable business practice even as we have a decreasing student population?

--What is appropriate cash on hand & net assets for DC charters? Investment like this inevitably mean locking away public and/or donated resources that could be used for direct educational purposes \*now\*.

--Why is the school not paying down its (considerable) debt with this cash—nor giving permanent raises to improve retention problems?

--Is it equitable that this publicly funded school gets the same per pupil funding as another with fewer, or less generous, charitable contributions?

--Whose interest is served when DC's leaders do not have the answers to those questions?



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--More importantly, how much money is on the line here being used to literally line the pockets of private operators and not go directly to DC kids?

**PUBLIC HEARING**

**Bill 24-570, “Schools First in Budgeting Amendment Act of 2021”**

**Before the Committee of the Whole  
Chairman Phil Mendelson**

**Thursday, July 7, 2022, 9:30 AM  
Virtual Hearing via Zoom  
Testimony of Eric Goulet**

Good afternoon, Chairman Mendelson, Councilmembers \_\_\_\_\_, and Council staff. My name is Eric Goulet, DC resident and candidate for the Ward 3 seat on the District of Columbia State Board of Education. I am delighted to join you at today’s virtual public hearing to provide testimony on Bill 24-570, the “Schools First in Budgeting Amendment Act of 2021”. I would like to note, for the record, that I am testifying in my individual capacity at today’s hearing and not in a government role as Special Counsel for the DC Council, Committee on Health, and that if my testimony is taking place prior to the formal close of the business day at 5:30 p.m., then I will be using annual leave during my time testifying before the Committee today.

I would like to begin by commending you Chairman Mendelson for your commitment to transparency in the District’s budget process and for your leadership as Council Chairman to ensure that our public education system is adequately funded. I particularly want to highlight your efforts in working with Councilmember Gray and your colleagues to find a Council-wide solution to increase funds for public education in Fiscal Year 2018, by doubling the percentage increase to the Unifrom

Per Student Funding Formula (UPSFF) from 1.5% to 3.0%, and in Fiscal Year 2020, when the Council provided funding to stabilize 31 schools, many of which were in Ward 7 and 8.

I strongly support the spirit of this legislation in three main conceptual areas. First, the goal of the bill for putting “schools first”, ahead of central administration, is absolutely the right mindset the District should have for prioritizing education dollars going directly into classroom instruction of our students. Second, the goal of providing principals with as much certainty as possible, in future budgets, is critically important to allow principals to establish a multi-year vision for their school with creative and unique electives and special courses that can be sustained year-to-year. Finally, the process of making the budget calculation available six weeks before the submission date for the fiscal year budget reflects your commitment to transparency and ensures that parents have the maximum amount of information available to understand the proposed budget of their local school. I fully support the intent of this legislation and commend you for your leadership in introducing this bill, which has spurred this important discussion.

I would respectfully recommend a different path to achieve your goals for increased budget transparency. First, I recommend that instead of advancing a bill to be codified in DC Code, that your proposed formula in the bill be included in the upcoming Fiscal Year 2024 Budget Submission Resolution as a funding benchmark. You could require the Executive to provide a spreadsheet showing data from each step of the calculation, and then require the Executive to compare the amount from your calculated benchmark to the actual amount proposed for the school in the Mayor’s budget. Further, you could require in the Submission Resolution that if the funding allocation the Executive proposed is lower than the benchmark, that the Executive is required to

provide a written explanation for the variance. This would provide all of the benefits of transparency that you are seeking, and would avoid a potential situation in which the Executive Branch might elect to strike or waive all or a portion of this legislation that it finds overly prescriptive through an amendment or “notwithstanding” clause submitted with the Budget Support Act.

I do have a substantive concern with the new amendatory Section 108a(b)(4) being included in the amount calculated for a local school. This provision may be attempting to address the troubling fact that the Washington Teachers’ Union and the District of Columbia are now operating three years without a contract. It becomes increasingly problematic with each year that goes by, from an overall DC budget perspective, when the city and a large union of this size cannot stay current on a contract. Since any agreement will likely involve retroactive pay for prior fiscal years, the District is creating, in essence, a large unfunded liability, which is exacerbated in the case of the WTU contract, because retroactive amounts paid to settle the contract, would also be matched to our DC Public Charter Schools.

I am concerned that if principals are automatically provided with a 2% increase to personal services, then they may assume that they can use these funds to hire instructional staff for elective programs. However, if the District subsequently reaches agreement with WTU mid-year, and the principal has not held back the 2% personal services, then he or she, would not have the funds available to pay for the contractually mandated raises. To avoid the possibility of providing a principal with funds that he or she cannot safely use, I would recommend setting 2% aside annually in a non-lapsing and recurring workforce investment fund that covers both the anticipated liability due to WTU members and the UPSFF match to Charter Schools. If such a reserve were in place, you could avoid or reduce

the difficulty of needing to find a large amount of unbudgeted recurring dollars required to obtain certification from the Office of the Chief Financial Officer that funds are sufficient to approve an agreed upon contract.

Finally, I believe a better, non-statutory means of answering the question of, “What is the necessary level of funding for providing our children with a high-quality education?”, is through the upcoming Adequacy Study, which you Mr. Chairman, funded for Fiscal Year 2023. This exciting, in-depth study will provide District leaders with expert guidance on what constitutes sufficient and equitable funding for meeting student learning needs through the District's UPSFF, at-risk weight, English Language Learner (ELL), and special education student funding. The Adequacy Study will be essential for solving challenges such as how many larger schools in Ward 3 may be currently underfunded through the UPSFF and how we continue to close a still troubling achievement gap.

I want to thank you again, Mr. Chairman, for the opportunity to testify before the Committee of the Whole today on Bill 24-570. I am available to answer any questions that you or your colleagues might have.



**Bill 24-570 "Schools First in Budgeting Amendment Act of 2021"**  
*Staff Draft (9-6-22)*

**Jessica Giles**  
**State Director**  
**Education Reform Now DC**

Good afternoon, Chairman Mendelson and members and staff of the Committee of the Whole of the DC Council. My name is Jessica Giles. I am a ward seven resident and State Director of Education Reform Now DC ("ERN DC"). ERN DC is a non-profit organization that fights for a just and equitable public education system for all students. I am pleased to provide testimony on Bill 24-570, the "Schools First in Budgeting Amendment Act of 2021."

On January 20, 2022, I testified before the DC Council on the first version of this bill and urged the DC Council to adopt three recommendations: review DCPS' new budget model before making any changes to their budgeting process; create a more transparent and accessible tracking system of expenditures across our public education system; and require the Mayor to complete a new adequacy study of the Uniform Per Student Funding Formula (UPSFF) every five years. Thank you for listening and advancing those recommendations. DCPS has implemented a new budget model that is more equitable. The public can see federal investments and expenditures, and the adequacy study will get kicked off in January 2023. Additionally, the DC Council approved a 5.9% increase to the UPSFF in FY2023 and created two new concentration weights for students designated as "at-risk." These are all critical investments as the District seeks to accelerate learning after the devastating impact COVID has had on our students, families, educators, and schools.

Now, turning to Bill 24-570 itself. We support extending the time the DC Council and the public have to properly review DCPS' budget calculation and require the local education agency (LEA) to share only one budget document (lines 100-107). These positive process changes will help enhance transparency and clarity during the budget



process. Overall, however, we believe the bill is overly prescriptive and would cause negative consequences.

**Issue #1:** We believe funding must follow the student, with increased spending on students furthest from opportunity. Lines 73-76, however, would allow a school to keep its same level of funding (for up to a classroom of students) at the expense of schools with increased enrollment. We need every school working to enroll and retain students. A provision that would allow DCPS to keep 95% of its prior year's funding is already codified into law.

**Issue #2:** We are concerned that lines 90-94, which replace federal funding with local funding, would cause a multi-million dollar funding hole when federal relief funds are exhausted. There are limits to the number of cuts DCPS could make to the central office to give more to those few schools with rising enrollment while still providing essential services necessary to run a large system. Further, if DC were to increase funding for the UPSFF to help DCPS fund the hold harmless provisions in this bill, it may mean fewer funds for programs that support public education outside the UPSFF.

School funding must be equitable, flexible, transparent and accessible, and predictable and stable.

- **Equitable**, with resources following students and additional spending is on students with higher needs, so all students get the resources they need to meet high standards and thrive.
- **Flexible**, so that school leaders can invest in a combination of resources that drive student learning and meet the distinct needs of their students.
- **Transparent and accessible**, with clear, easy-to-understand rule for where, how, and why funds are distributed, so school communities can hold districts accountable for distributing funds equitably and so that principals and families understand changes in their enrollment and student needs.
- **Predictable and stable**, so that school system leaders understand how changes in their system's context affect funding, and so that big changes in funding from



year to year don't disrupt strategies and services that are particularly important in high-need schools.

All of these strategies must work optimally together to ensure that our public education system prepares every student to reach their limitless potential. Thank you for allowing me to testify today.



## Testimony of Matthew Frumin

Thank you, Chairman Mendelson for bringing forward this proposed legislation and raising the critical issue of ensuring full, fair and predictable budgets for DCPS schools. While I greatly admire the spirit of the proposed legislation, I have three reservations which I will address in reverse order:

1. Every formula breaks down
2. We need to ensure that our benchmark for each school is appropriate
3. We need provide DCPS with adequate funds

### Adequately Fund DCPS

Many of the current year DCPS school budgets are plugged with one time. If those funds went away next year, it would be a catastrophe and radically irresponsible in the wake of the significant learning losses during the pandemic. Indeed, averting such a “fiscal cliff” is the most powerful argument in favor of this legislation.

The fiscal cliff is on the order of \$30 million. That gap can and should be addressed by appropriately funding DCPS for enrollment and equalizing the UPSFF tax on DCPS relative to the charter sector for maintenance and operations. I have testified on these issues in the past and the crux of my analysis is attached. The bottom line though is that by addressing these issues of simple fairness, we can and should add between \$25 million and \$50 million to the DCPS budget. That should be a first step.

### The Appropriate Benchmark

Admittedly, the FY22-23 school budgets come closer to providing an adequate benchmark for many, but not all, schools. Hardy Middle School provides a poignant illustration. It did not see a significant enrollment decline so did not receive one-time hold harmless dollars. The result was a small budget cut with wide ranging negative ramifications. The Hardy budget should be fixed now, and I hope you will press for that. But the Hardy example is cautionary on the sweeping embrace of a benchmark year without first a close analysis to ensure all the benchmark budgets are appropriate.

### The Limits of Any Formula

DCPS spent a year developing a new formula. Simple implementation of it without the addition of the one-time money in the current budgets for many schools would have wreaked havoc. The old formula had issues too. As did the one before that.

It is not possible to craft a formula that can capture all of the distinctive situations. The utility of formulas is to evaluate the reasonableness of budgets, not as a strict regimen. Indeed, the DCPS budget formulas have never been treated as a strict regimen. There have always been exceptions and workarounds. We should acknowledge that reality.

We need to flip the script on our approach to school budgets and start, shocking as it may sound, with an evaluation of what each individual school needs to serve its community and then fund each school to succeed. The reasonableness of the resulting budgets should be tested against the various potential formulas, but our funding should be driven fundamentally by what is needed.

Once we went through a process to ensure we had proper benchmark budgets, the kind of accountability you propose could make a lot of sense. Perhaps though another way to get at it would be to require, if DCPS made FTE cuts at any school, in any category, that DCPS be required to explain in the proposed budget for the school why it was proposing such a cut.

Taking this all together, we can and should take steps to fixed budgets like Hardy's now, ensure the fiscal cliff is averted next year, work to achieve proper school-by-school benchmark budgets and then hold DCPS accountable for any cuts made off of those benchmarks going forward.

Enrollment

DCPS gains students after the audit (on the order of 584) and charters lose them (on the order of 1,413). Charters are funded based on the audit. To fund DCPS on equal footing would require funding it based on the expected audit plus its expected midyear gain plus the charter midyear loss or 1997 over the expected audit. That approach would put the sectors on equal footing and brace DCPS to contend with the enormous midyear churn it experiences as the matter of right system particularly in schools serving low income communities.<sup>1</sup>

In the Mayor’s proposed budget the adjustment for midyear gains and mobility is 1,125, better than the 577 last year, but still well below the adjustment called for by the data. Correcting this shortcoming likely would add \$18 million to the DCPS budget.

Back up data on the subject is shown below.

	Total for Schools	Total in Agency Budget	Adjustment for Midyear Change	Midyear Net Gain
FY22	51,450	52,575	1,125	
FY21	53,033	53,610	577	
FY20	50,003	51,334	1,331	596
FY19	48,924	50,221	1,297	572
FY18	50,099	50,243	144	357

For data on charter midyear departures, see below.

	2011-12	2012-13	2013-14	2017-18	2018-19	2019-20
PCS Midyear Loss <sup>2</sup>	(1,666)	(1,338)	(1,330)	(1,342)	(1,371)	(1,455)

For calculations for the last two years for which we have reasonable data showing the DCPS gain and charter losses, see below.

	DCPS Midyear Gain	Charter Midyear Loss	Sum
FY20	596	1,455	2,051

<sup>1</sup> See [here](#) at 2018 and 2019 tabs for DCPS. Data from DC School Report Card dataset showing May entry and May exit data by school.

<sup>2</sup> See [here](#) at 2018 and 2019 tab for Charter schools. For earlier years, see OSSE Mobility Report [here](#),

FY19	572	1,371	1,943
Average	584	1,413	1,997

A likely rejoinder to this analysis is that the charter sector budgeted enrollment would be based on the October audit while the DCPS one would be based on a projection of that enrollment plus an adjustment. If DCPS were systematically overestimating school based enrollments, before the adjustment for midyear entries and churn, perhaps an adjustment should be made for that overestimate. The most recent data, however, shows that DCPS has either significantly underestimated October enrollment or been very close.

	DCPS Projected School Enrollment	DCPS Audited Enrollment	Amount Projection Exceeded the Audit
FY20	50,033	51,060	-1,027
FY19	48,924	48,902	22

Yet another measure further underscores that fact. Rather than report the audited enrollment for a school in its report card, OSSE now reports the total number of students served by a school or LEA. Data from the most recent year available – FY19 points to an adjustment of 4,302 over projected October enrollment using that metric.

	Projected Enrollment in School Budgets	Audited Enrollment	OSSE Reported Total Served	Additional Students Served Over the October Audit
FY19	48,924 <sup>3</sup>	48,902 <sup>4</sup>	53,222 <sup>5</sup>	4,302

The data points to at least an almost 2000 student adjustment to the DCPS projected October enrollment to account for midyear mobility and churn and place the sectors on equal footing.

This is not a mere math exercise, but critical to enabling DCPS to fully serve its students. OSSE has made clear just how destructive midyear mobility can be.<sup>6</sup> While we experience it we must fund schools to address it. Indeed, the failure to fund DCPS adequately to prepare for and deal with midyear entries and churn hurts our students who need us the most.

<sup>3</sup> See [here](#) for link at bottom of page to Initial Allocations FY19 and sum projected enrollment column on linked spreadsheet.

<sup>4</sup> See [here](#) for FY19 audited enrollment and total UPSFF figure on District Summary tab.

<sup>5</sup> See [here](#) for DC School Report Card entry for DCPS.

<sup>6</sup> See OSSE Mobility Report [here](#),

Virtually all of the schools with midyear entries over 5% of their audited enrollment are DCPS schools serving low income communities.<sup>7</sup> Schools with STAR ratings of 1 or 2 experience significantly higher levels of midyear entries than those with higher ratings.<sup>8</sup>

STAR Rating	1	2	3	4	5
2018-19 midyear entry percentage	12.64	6.48	3.41	3.44	1.94
2017-18 midyear entry percentage	8.72	8.05	3.95	2.26	1.77

The challenges for DCPS, particularly for its schools serving low income communities, created by midyear entries and churn is enormous and unfunded.

Maintenance and Operations

The way we fund school building maintenance and operations (M&O) structurally disadvantages DCPS requiring it to dip more deeply – to the tune of \$550 per student -- in to funds needed to serve students than charter LEAs overall. The Council should address this structural unfairness in the budget for FY22. It can do so by moving to pay DCPS utility expense (around \$24 million a year in previous years) outside of the UPSFF.

A better approach still would be for the city to pay actual occupancy costs including M&O for both DCPS and charters outside of the UPSFF. M&O costs are different than the costs of instruction, support and administration covered under the UPSFF. Determining how many teachers, support professionals and administrators are needed is a function of the number and characteristics of the students. M&O cost is largely a function of the size, age, condition and mix of uses of the building and grounds.

Fitting such costs into the UPSFF has always required putting a square peg into a round hole. Indeed, the Adequacy Study consultants at the time grappled with how to do it,<sup>9</sup> and came up with a way that they knew underfunded DCPS and overfunded charter schools, even as experts urged that such costs not be included in the UPSFF, but paid separately.<sup>10</sup>

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<sup>7</sup> See [here](#) at tab for STAR by May Entry Level. Note this workbook shows the schools for which both mobility and STAR data were available. The schools that were not included in the analysis are shown at the bottom of the May Entry by STAR Level tabs.

<sup>8</sup> See [here](#) at tabs for May Entry Level by STAR.

<sup>9</sup> See Adequacy Study (Letter to Stakeholders) Tab 1 [here](#), (System Level Findings at 80-81) Tab 2 [here](#) and (Cost of Education Adequacy at 102-103) Tab 3 [here](#).

<sup>10</sup> See DCFPI Blog Post Tab 4 [here](#)

Paying actual occupancy would help some charter LEAs that like DCPS must dig into UPSFF funds more heavily to support M&O cost. See attached chart showing how different LEAs would have fared in FY18 under a system of payment for actual cost.

This may seem counter-intuitive because charter advocates have long argued that the facility allocation is not sufficient to cover occupancy costs.<sup>11</sup> But what is lost in that charter sector complaint is that charter reported occupancy cost includes M&O cost.

In their individual audits, Charter LEAs reported \$45.5 million in M&O cost, including maintenance, repairs and utilities, in their reported occupancy cost.<sup>12</sup> These costs are captured by the \$50 million reported as “other occupancy” in the audit of the sector as a whole<sup>13</sup> When M&O costs (which charter advocates in their dismissed lawsuit claim should be funded through UPSFF dollars for DCPS)<sup>14</sup> are taken out, on average the facilities allocation more than covers the other categories of occupancy cost for charter LEAs.

For data in support of this analysis, see below.

#### Charter Sector FY18

	Total	Per Student
Reported Occupancy Cost	\$162.2 million	\$3742
Facilities Allocation (Blend of \$3193 and \$8621)	\$141 million	\$3253
Reported M&O Cost	\$45.5 million	\$1052
Occupancy w/o M&O	\$116.7 million	\$2690
M&O covered by Facilities Allocation	\$24.3 million	\$568
Purported Shortfall (M&O covered by UPSFF)	\$21.2 million	\$484

If, as charter advocates have argued, M&O should be paid exclusively through the UPSFF, then the charter facilities allocation overfunded charters by around \$24.3 million in FY18. This may contribute to the fact that the charter sector as a whole has accumulated net assets of over \$500 million and those holdings grow by \$40 million to \$50 million a year.<sup>15</sup>

<sup>11</sup> See Charter 2018 Financial Audit Review (FAR) Audit at 2 Tab 5 [here](#).

<sup>12</sup> See Worksheet [here](#), and [here](#) for all charter occupancy costs in FY17 and FY18.

<sup>13</sup> See Charter 2018 FAR Audit at 8 Tab 6 [here](#).

<sup>14</sup> See Charter Lawsuit Complaint at para. 52 Tab 7 [here](#).

<sup>15</sup> See Charter 2018 FAR Audit at 5 Tab 8 [here](#).

In FY18, the charter sector had around \$21.2 million (or \$484 per student) in M&O cost not covered by the facilities allocation that had to be covered by UPSFF dollars.

For DCPS as well some M&O cost is borne outside of the UPSFF and some inside it. <sup>16</sup>

	FY20 Total	FY20 Per Pupil
DGS (Repair & Maintenance)	\$ 27,538,000	\$ 536
DCPS Central (Utilities) (UPSFF)	\$ 23,747,402	\$ 463
DCPS School Budgets (Custodians) (UPSFF)	\$ 29,731,562	\$ 579
Total	\$ 81,016,964	\$ 1,578

Thus, DCPS must fund \$1042 per student in M&O cost (\$463+ \$579) with UPSFF dollars while charter LEAs on average must devote \$484 per student.

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<sup>16</sup> For the DGS funded DCPS M&O, see DGS FY20 Budget at Table AMO-4 Tab 9 [here](#). For Central funding for utilities, see Worksheet developed by Mary Levy from FY20 budget materials [here](#). For DCPS funding for M&O through school budgets, see [here](#) summing the columns for custodians. There may be other school M&O costs paid by Central using UPSFF dollars and the figures for school funded M&O does not include the cost of custodial supplies and overtime, so those cited figure are conservative.

LEA Code	LEA Name	Cost per Student (PCSB-declared occupancy cost)	Cost per Student Maintenance, Repairs and Operations	Cost per Student w/o Maintenance, Repairs and Operations	FY18 Audited UPSFF Enrollment
138	Paul PCS	\$1,471	\$1,300	\$171	708
114	DC Bilingual PCS	\$1,684	\$1,195	\$489	440
145	The Next Step/El Proximo Paso PCS	\$1,957	\$440	\$1,517	418
162	Carlos Rosario International PCS	\$2,142	\$1,014	\$1,128	2,121
160	Washington Yu Ying PCS	\$2,198	\$720	\$1,478	579
178	Academy of Hope Adult PCS	\$2,344	\$834	\$1,510	386
132	Mary McLeod Bethune Day Academy PCS	\$2,347	\$795	\$1,552	457
176	Community College Preparatory Academy PCS	\$2,366	\$370	\$1,996	600
123	Cedar Tree Academy PCS	\$2,469	\$1,448	\$1,021	381
190	Goodwill Excel Center PCS	\$2,757	\$147	\$2,610	356
144	Elsie Whitlow Stokes Community Freedom PCS	\$2,768	\$817	\$1,951	350
118	Early Childhood Academy PCS	\$3,007	\$571	\$2,436	246
158	Excel Academy PCS	\$3,072	\$105	\$2,967	642
173	Ingenuity Prep PCS	\$3,121	\$51	\$3,070	496
171	Mundo Verde Bilingual PCS	\$3,128	\$703	\$2,425	578
194	Washington Leadership Academy PCS	\$3,196	\$1	\$3,195	204
108	Capital City PCS	\$3,218	\$1,002	\$2,215	993



175	Somerset Preparatory Academy PCS	\$3,220	\$27	\$3,193	375
165	Inspired Teaching Demonstration PCS	\$3,234	\$0	\$3,234	446
163	National Collegiate Preparatory PCHS	\$3,248	\$13	\$3,234	276
127	Ideal Academy PCS	\$3,259	\$830	\$2,428	279
109	Cesar Chavez PCS for Public Policy	\$3,269	\$1,170	\$2,099	1,177
177	Lee Montessori PCS	\$3,273	\$4	\$3,268	177
156	Center City PCS	\$3,279	\$1,155	\$2,125	1,469
117	Eagle Academy PCS	\$3,311	\$958	\$2,353	935
					<b>15,089</b>
179	Democracy Prep Congress Heights PCS	\$3,428	\$900	\$2,527	645
155	Achievement Preparatory Academy PCS	\$3,437	\$654	\$2,783	962
103	AppleTree Early Learning PCS	\$3,474	\$791	\$2,682	653
119	Briya PCS	\$3,476	\$272	\$3,204	673
135	Meridian PCS	\$3,496	\$753	\$2,744	636
152	Washington Mathematics Science Technology PCHS	\$3,510	\$811	\$2,699	228
115	DC Prep PCS	\$3,534	\$889	\$2,645	1,875
140	Roots PCS	\$3,594	\$373	\$3,221	118
149	Two Rivers PCS	\$3,596	\$1,138	\$2,458	812
168	Basis DC PCS	\$3,708	\$490	\$3,219	596
129	KIPP DC PCS	\$3,739	\$1,288	\$2,451	6,115
174	Sela PCS	\$3,739	\$1,060	\$2,679	202
126	IDEA PCS	\$3,768	\$1,764	\$2,004	305
131	Youthbuild PCS	\$3,782	\$541	\$3,241	116

116	E.L. Haynes PCS	\$3,806	\$1,222	\$2,585	1,131
151	Washington Latin PCS	\$3,848	\$944	\$2,905	698
146	Thurgood Marshall Academy PCS	\$3,887	\$2,044	\$1,843	383
124	Howard University Middle School of Mathematics and Science PCS	\$3,891	\$261	\$3,629	278
120	Friendship PCS	\$4,237	\$1,592	\$2,645	4,170
169	Creative Minds International PCS	\$4,250	\$598	\$3,652	441
166	Shining Stars Montessori Academy PCS	\$4,274	\$866	\$3,408	272
188	The Children's Guild DC PCS	\$4,307	\$446	\$3,860	375
215	Sustainable Futures PCS	\$4,355	\$0	\$4,355	45
189	Breakthrough Montessori PCS	\$4,393	\$1,107	\$3,286	129
107	Bridges PCS	\$4,456	\$43	\$4,413	399
170	DC Scholars PCS	\$4,469	\$1,321	\$3,147	515
121	Hope Community PCS	\$4,560	\$574	\$3,986	755
167	Richard Wright PCS for Journalism and Media Arts	\$4,579	\$80	\$4,498	269
172	LAYC Career Academy PCS	\$4,716	\$0	\$4,716	136
180	Harmony DC PCS	\$4,907	\$1,185	\$3,722	94
153	City Arts & Prep PCS	\$5,387	\$1,512	\$3,876	499
130	Latin American Montessori Bilingual PCS	\$5,390	\$978	\$4,412	462
125	Perry Street Preparatory PCS	\$5,559	\$2,337	\$3,222	351
186	Kingsman Academy PCS	\$5,758	\$2,504	\$3,253	249

181	District of Columbia International School	\$5,853	\$529	\$5,324	804
185	Washington Global PCS	\$6,089	\$1,565	\$4,524	196
142	SEED PCS of Washington, DC	\$7,141	\$3,935	\$3,206	363
191	Rocketship DC PCS	\$7,176	\$1,217	\$5,959	633
133	Maya Angelou PCS	\$7,556	\$3,707	\$3,849	306
143	St. Coletta Special Education PCS	\$10,297	\$4,998	\$5,299	247
184	Monument Academy PCS	\$10,938	\$257	\$10,682	115
					<b>28,251</b>



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**Testimony of Ryllie Danylko  
Policy Analyst, DC Action  
To the Committee of the Whole  
Public Hearing: Schools First in Budgeting  
Council of the District of Columbia**

**Friday, September 14, 2022**

Good afternoon, Chairman Mendelson and members of the Committee of the Whole. Thank you for the opportunity to address the Council today. My name is Ryllie Danylko. I am a policy analyst at DC Action, home of the DC Out-of-School Time Coalition. I am testifying today about an issue closely related to the bill being discussed today— the recent decision by DCPS to discontinue the provision of security personnel for many of the afterschool programs in DCPS schools. While this decision was temporarily reversed for the current fiscal year, the school district has implied that it will not cover these costs in future years and that out-of-school-time partners should find money in their organizational budgets for security personnel. For the record, we are talking about expenses of nearly \$100,000 for some community-based organizations. This change would not only threaten community-based OST organizations' financial stability and sustainability of programs for youth, but could also compromise the safety of students and staff during afterschool programs – especially for middle and high school students, who this decision would disproportionately impact.

OST programs provide a long list of benefits for young people and families, including academic enrichment, creative outlets, social and emotional support, exercise, and college and career readiness. Perhaps less obvious, but equally important, is the benefit of a safe space for youth to spend the afterschool hours. Working parents especially rely on OST programs for peace of mind that their children are in a safe, supportive environment in the hours between the end of the school day and the end of their workday. That's why it's crucial that DCPS commits to continuing the longtime policy of providing security personnel to ensure student and staff safety.

We understand that conversations around public safety and security in schools are complex, and that there are varying viewpoints among District leaders, families, and youth, about what makes them feel safe in their neighborhoods and schools. However, the answer is not to pull security resources from OST programs, especially without bringing OST leaders to the table to come up with collaborative ideas about how to address safety and security in afterschool programs.

When DC Action and the DC OST Coalition spoke out against the decision, which was originally set to apply to the current school year, we were pleased that Chancellor Ferebee and the school district's decision makers responded by stating DCPS would cover security costs for this year



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for programs that provided free afterschool activities to families and who were in compliance with partnership requirements. The district's response signaled an understanding of the impact that the initial policy change could have on programs and students, and a willingness to collaborate with OST partners on resolving challenges. However, the Chancellor's response fell short of committing to provide security for programs in the future, saying, "While DCPS will continue to evaluate this issue moving forward, partners are strongly encouraged to identify funding to cover future costs."

If the school district implements next year the same change that was presented this year – to only provide security for the 55 DCPS-sponsored OST programs, many OST providers may be forced to eliminate seats for some of our city's most vulnerable youth. Most alarming is that this seat decrease will disproportionately affect students from low-income families that receive free or low-cost afterschool services. In many instances, OST providers offer programming that fills critical gaps in DCPS afterschool programming. It will also disproportionately impact middle and high school students, since the majority of DCPS-sponsored sites are elementary schools. Middle and high school students are at greater risk of becoming disconnected from positive environments and often have less supervision than younger students in the afterschool hours.

To further illustrate the financial impact on nonprofit organizations, note that a security guard costs an average of \$45 an hour. If a guard is in a school from 4:30 to 6:30 pm on all 180 school days, this brings the cost to over \$16,000 per site. Many organizations have programming in multiple sites, ballooning security costs to close to \$100,000 for some nonprofits. These costs are prohibitively expensive for nonprofit organizations that are already facing increased operational costs associated with the pandemic and rising inflation while confronting increased student needs and longer waiting lists for their programs.

OST partners don't just value student safety and well-being – they are an important part of the "village" that keeps our youth safe. In the coming year, the coalition is eager to work with Chancellor Ferebee, Deputy Mayor Kihn, and the Council to strategize around these challenges and come up with answers that keep youth safe and able to access affordable, reliable, and high-quality OST activities. While OST is not the focus of this hearing, we urge the Committee to convene a public roundtable for OST as soon as possible, given that the issue mentioned today is just one of a number of administrative challenges that the OST sector is facing.

Thank you again for the opportunity to testify today, and I look forward to answering any questions.

Ryllie Danylko  
Policy Analyst, DC Action  
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PREPARED TESTIMONY BY COLLEEN CRINO, HARDY MIDDLE SCHOOL CIVIC LIAISON  
TO: COUNCIL OF THE DISTRICT OF COLUMBIA  
Committee of the Whole and The Honorable Phil Mendelson, Chairman  
Friday, September 16, 2022

Thank you, Chairman and Councilmembers, for hosting this hearing today and engaging with the community on the DCPS budgeting process. My name is Colleen Crino, and I've been a DCPS parent for 11 years, now with a 6<sup>th</sup> grader at Hardy Middle School, and a 9<sup>th</sup> grader at School without Walls who graduated from Hardy this spring. I also serve as the Civic Liaison on the Hardy Middle School PTO. My daughter and son are only 3 years apart in school, and yet their experiences have been dramatically different at the same schools, given that 3-year time difference.

My daughter, starting in 3<sup>rd</sup> grade, was learning to play the violin at Fillmore Arts program, offered to her through the programming at Key Elementary. She went on to play the violin at Hardy Middle through Beginner, Intermediate and Advanced Orchestra, and is now trying out for the orchestra at School without Walls. Meanwhile, my younger son began to learn the trumpet also in Fillmore in 3<sup>rd</sup> grade and told me then that he wanted to go to Duke Ellington one day. Later that school year, COVID hit, and Fillmore closed. He still has the trumpet, that as with all the Fillmore instruments, was simply left behind when the program suddenly shuttered. It has been collecting dust since then, and will continue to do so, because starting this year, just as he is arriving in 6<sup>th</sup> grade, Hardy no longer has a Band or Orchestra program. Not only did he lose Fillmore music and arts in Elementary school, Hardy is now also unable to offer the music programming that they have long been known for and which has attracted students to the school. I do count him fortunate that he was at least able to get a language placement for 6<sup>th</sup> grade, however, because many of his classmates did not.

This is just one example of how negatively Hardy was impacted by the new DCPS budget model, which because of continued enrollment growth throughout COVID, was not eligible for "hold harmless" funding.

So, a school that has seen continued high growth has had to cut 3 positions supporting visual arts, STEM and ELA.

- And because those 3 positions were also critical to staffing the master schedule, deeper cuts were needed, so all specialized Orchestra and Band offerings had to be cut.
- And elective offerings had to be limited to a choice between General Music or Introductory language, instead of offering students guaranteed access to both Arts and Language, as is specified in the DCPS Arts Framework.
- And because there weren't enough classes being offered in the master schedule, each class length had to be extended, and class sizes made larger to accommodate students who would otherwise have been spread throughout the schedule.
- And because the classes are longer, and more students are in each one, the teachers are frustrated and exhausted, and the students are having a hard time focusing over 90 minutes.

Hardy is not only suffering from significant programmatic cuts, but it is now the bellwether for what other schools will have to suffer as they come out from “hold harmless” funding into the new schools budgeting model. I may not be the financial expert on the actual budget funding process and the allocations the way that others on this call are, but I’m a parent and engaged community member who can give you a sense of what the detrimental impact to our school community is. In this current model, priority is not placed on the health of the school or the academic and learning well-being of students and their teachers. Instead, schools are left to figure out how to continually “make do” with a constantly shrinking pool of funds, and what cuts will be the least impactful to their communities. Rather than having a best-in-class public school system, we are setting up our schools to fail by not supporting them with the necessary resources for a quality education.

I strongly support the Schools First in Budgeting Act, and would ask the Council to ensure the support not only of our schools going forward, but also of those schools like Hardy, which as early adopters of the budget, are unable to function even now in the way that they should.

Thank you for your time.

Date: September 16, 2022

Dear Chairman and Councilmembers:

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**Subject: Students First In the Budget**

Thank you for the opportunity to testify today on behalf of students and librarians in DCPS. Chairman Mendelson, I would like to thank you for championing the importance of students first in the budget. Your commitment to ensuring students have the resources and support makes a huge difference. I truly appreciate your comments at the beginning of this hearing.

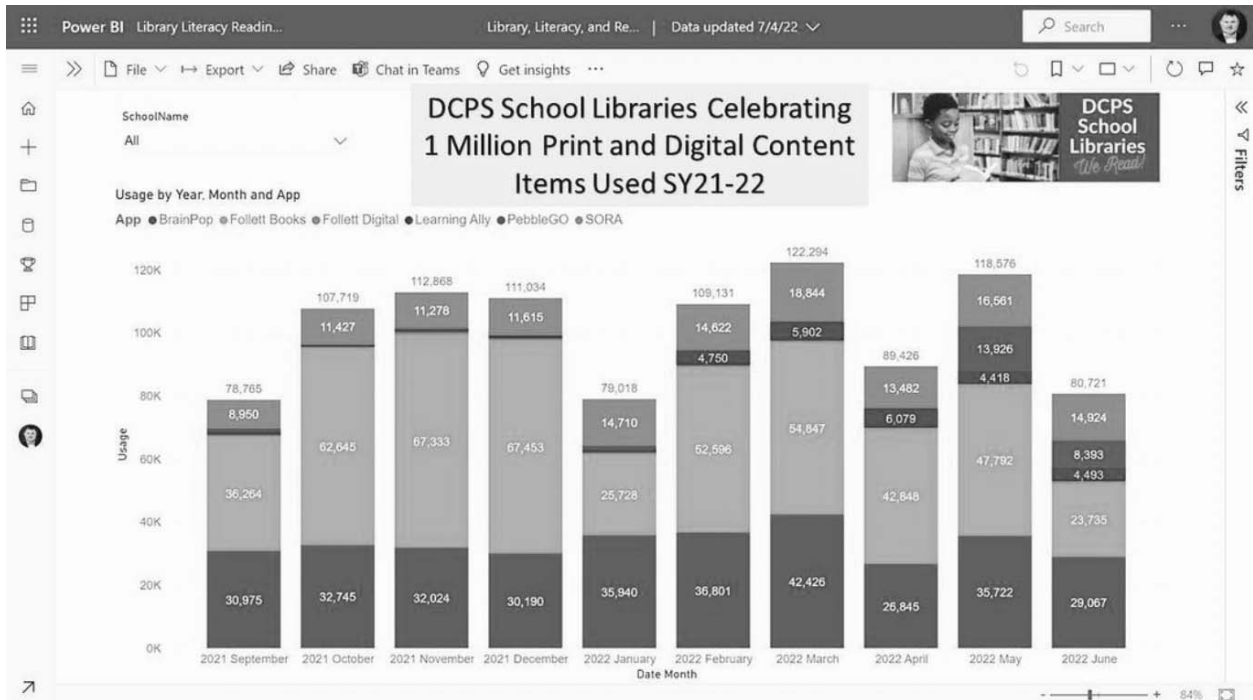
For almost a year, I have testified in front of this body advocating for the passage of **"B24-0443 - Students' Right to Read Amendment Act of 2021."** For the past two years I have asked myself, "Why is the library position always left vulnerable in the DCPS central or school budget?" I've received responses that ranged from Principal autonomy to LSAT choice despite many of our students not reading on grade level throughout the district. Historically, every 8-10 years school librarians have faced elimination from school budgets which have negatively impacted student access to a well stocked library run by a certified librarian.

Last year, the council helped support the funding for DCPS library programming and a record number of librarians were staffed in wards 7 and 8. For some of those schools, they had not had the experience of working with a full-time librarian in several years. Also last year, DCPS library programs documented a historic 1 million print and digital content items used by students/teachers during the 2021-2022 school year. This success can be attributed to the direction of our Director, Dr. Kevin Washburn and all of the full-time certified librarians in every DCPS school. The school library was truly the center of learning where students could read, discover and identify a location in the school that they could really claim as their home away from home.

My question to the council is, "Do we want to see this usage continue where students have access to ebooks and research materials to help them be successful academically?" "Do we want our students to receive the social emotional support school libraries and can provide to the students who need them the most?"



Respectfully, a promise from DCPS that librarians will remain in the budget is not enough. Ensuring that this position is permanently staffed in the budget is the answer and holding DCPS accountable is.



Councilmembers, my request to each one of you today is to pass legislation for the **“B24-0443 - Students’ Right to Read Amendment Act of 2021.”** We are currently on an upward trajectory and to maintain this success we need to ensure that school libraries in DCPS will be provided for all students regardless of zip code and run by full-time certified school librarians. I will also add the importance of our school leaders ensuring that the librarian is not pulled from their essential duties to serve as substitutes or teach classes.

**PLEASE PASS THE STUDENTS RIGHT TO READ AMENDMENT OF 2021 to protect the future of our children.**

Thank you for your time and urgency in addressing this matter.

K.C. Boyd, Librarian  
Jefferson Academy  
Ward 6

Wolf Testimony on Proposed Bills on DCPS School Budgets  
September 2022

Councilmembers,

There are three ills that plague DCPS school budgets today: instability, inadequacy, and inequity. This bill addresses the first ill – instability – and while I support the spirit of this legislation, the bill currently lacks the needed nuance to have the desired outcomes.

First, the bill doesn't address the fact that DCPS changes its special education and other special programming all of the time, which makes year-to-year comparisons near impossible. Right now, the only people who have a full understanding of whether schools have the same level of staff from one year to the next are the principals. We need a much better tracking system to understand what's going. We also need side-by-side comparisons from one year to the next for each staff position in each school.

Second, the bill bases inflation costs on the CPI, but the CPI would not be available by the time that DCPS would need it to enact this legislation. It's unclear how DCPS would implement this.

Third, the bill doesn't account for the fact that DCPS (and other school districts around the country) received one-time federal recovery funds. How are districts supposed to provide the same level of resources without these federal dollars? Where is this money going to come from?

Fourth, the bill doesn't address equity at all, and holding constant last year's budgets does not treat "at-risk" dollars as supplemental, nor does it necessarily provide substantially more local dollars to schools serving underserved populations. Test scores are a reflection of educational opportunities since birth. If we are serious about changing discrepancies in test scores, then we need to put our money where our mouth is and contribute substantially more resources to students who have had fewer educational opportunities since birth. We also need much more transparency on how "at-risk" dollars are spent in both DCPS and charter LEAs, and we need to ensure that those monies are benefitting kids.

Fifth, while I share others' frustrations about DCPS central office, we need to be careful that we don't wipe out the useful things with mandated cuts. There have been some very bad things to come out of central office, but there have been some good things like social studies standards. Perhaps we should first understand how the money is being spent, and then where cuts might be appropriate.

Finally, if this bill passes, it will ultimately be up to DCPS to figure out how to implement it. And DCPS might not hold staff harmless, similar to the way that "at-risk" funding hasn't supplemental even though it's supposed to be. Then what will Council do?

I appreciate the effort behind this legislation. But it also feels like it's a band aid, especially when Council is not willing to address the structural problems behind school budget instability, like funding schools based on students who are there on October 1<sup>st</sup> and ignoring mobility after that, or allowing new schools to open their doors literally next to existing schools, hurting both of their enrollments. This bill also focuses exclusively on DCPS and not at all on charter LEAs. We know that some charters have too-large central administrations, budget instability at specific schools, and likely misuse of "at-risk" or EL dollars. Why does Council feel strongly enough to legislate all of these things for DCPS but doesn't care about what happens in charter LEAs when they serve almost half of DC's students?

I encourage Councilmembers to pass legislation on school budgets, but I also encourage them to do the work to make sure that the legislation will hit the mark, will address issues in both sectors, and will not result in unintended consequences, like reducing equity.

Wolf Testimony on Proposed Bills on DCPS School Budgets  
September 2022

Thank you.

Thank you Chairman, and council, for putting such thorough deliberation into a reconsideration of the DCPS budgeting process. I speak to you today as the parent of an 8<sup>th</sup> grader at Hardy Middle School, though I am also the chair of Hardy's LSAT (beginning this year) and the secretary of the Ward 2 Education Council.

I wish to give you an example of how DCPS's new budget model has affected my son's learning experience in Middle School, and to suggest some ways that the Schools First Budgeting Act might be adjusted to better account for budget situations like that of Hardy. First, though, I assert that I am very much in support of the Schools First Budgeting Act—we desperately need budget stabilization that families can plan around.

When my son was entering the 6<sup>th</sup> grade two years ago, we had a choice of where to send him. Through the lottery he placed into a competitive charter, but we chose Hardy because he was interested in music and he wanted to be in a place where he could further develop his skills. We also really wanted to support our neighborhood schools, we had heard from other parents that Hardy's trajectory demonstrated outstanding academic growth. Hardy also had a clear reputation for excellence in music and arts education. For two years, we had an outstanding experience. Not only was my son able to participate in the advanced orchestra, he was also introduced to Spanish his first year, and was invigorated by learning a new language, which he continued to enroll in each year. He was also able to choose from other energizing and relevant electives that provided a creative outlet, social stimulation, emotional acuity, and skills training during a fragile time in his life as a middle schooler living through a pandemic. These courses included drama, art, computer applications, and STEM.

This Spring, however, things changed suddenly as DCPS rolled out the new budget model. Hardy did not receive so-called "hold harmless" funds because its enrollment grew during the Pandemic. The general curriculum budget allocation for Hardy in the new model fell short by \$360,000. As a result, Hardy was forced to cut three positions: in art, STEM, and ELA. Now that's bad enough in terms of Hardy's inability to offer a roster of courses, but I want you to emphasize that the impact of these lost positions goes much farther than elimination of three course offerings. With the reduction of three staff positions, there are now insufficient staff to effectively support the overall master schedule. As a result, Hardy can only offer two, no longer three electives. Furthermore, among those electives, Hardy has lost its differentiated instrumental music lessons, Beginner, Intermediate, and Advanced Orchestra and Jazz. Now students can only take one undifferentiated, non-instrumental "music appreciation" course despite the fact that Hardy has two world-class music teachers on staff and a storage room packed with precision musical instruments. Additionally, because there are no longer enough staff members to support a schedule with multiple classes, students can no longer take foreign language AND music, they must choose between them; that is, if they can get into the language courses at all. With fewer classes, now there are not enough seats in the language courses. And again, no art or computer classes at all. All of which contradicts DCPS's own best practice guidelines, which state that all middle school students "should receive a minimum of one semester of instruction in both music and visual art each year."

But it gets worse—these general education budget cuts also forced Hardy to remove an entire course from the weekly schedule, so that it went from being able to offer seven classes in past years to only six now. Class sessions that before COVID were 45 minutes long have expanded to 90 minutes. As a college professor, I regularly teach 75-minute classes, a duration in which 20-year olds struggle to consistently engage. 11 to 13 year olds cannot handle this kind of sustained attention. Teachers have reported that with the extended class times and loss of art and music as creative outlets students are distracted and frustrated in class. With fewer offerings, class sizes have swelled to unmanageable proportions. Hardy has lost some of its most beloved teachers due to burnout and an unwillingness to teach in these conditions. I sympathize with them and support their decision—these are not adequate pedagogical conditions. Our teachers and students deserve better. But these are exactly the same conditions that other schools may face if hold harmless funds are removed.

Stabilization of school budgets from year to year would prevent such drastic alterations to educational standards and curriculum within a single budget cycle. I would only point out that the Schools First Budgeting Act calculates minimums based on current budgets. This minimum does not suffice when schools like Hardy-- and I know that Hardy is not alone, Thomson, Drew, and I'm sure others have experienced similar cuts—do not have enough in the current budget due to cuts introduced into general curriculum programming by the new budget model.

I urge you to pass the Schools First Budgeting Act so that what happened to Hardy Middle School does not happen to other schools in the district. I implore you to hold DCPS accountable for the student experience within the new budget model. And I ask you to provide the oversight and investigation into programming across the district before setting minimums based on last year's allocation, to ensure that the general education program is fully funded—Hardy is not alone and all of our scholars in general *and* special ed deserve a fully funded curriculum. Thank you.



# Washington Teachers' Union

Jacqueline Pogue Lyons, *President*

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## Council of the District of Columbia Committee of the Whole

### Bill 24-570 “Schools First in Budgeting Amendment Act of 2021”

September 16, 2022

Testimony of

Jacqueline Pogue Lyons, *President*  
Washington Teachers' Union  
AFT Local 6

Good afternoon. I am Jacqueline Pogue Lyons, President of the Washington Teachers' Union (WTU). I have taught in public schools across Washington, D.C. for twenty-eight years. My last teaching assignment was as a kindergarten teacher in Savoy Elementary. As president of the WTU, I am committed to fighting for social and educational justice for the students of the District of Columbia as well as the well-being of District teachers.

We know from national research that strong relationships with teachers are critical for improving student achievement. Yet, DCPS continues to suffer from some of the highest rates of teacher turnover in the nation. While there are many factors that contribute to the District's inordinate rate of teacher turnover – including the lack of a fair contract with teachers and the use of the IMPACT evaluation system which has been found to be racially biased – the DCPS annual school budgeting process is a significant contributing factor. The annual process creates confusion and uncertainty for school communities and for educators, forcing many educators to make the choice to leave their school community before budgets are finalized. As I stated last spring during the budget oversight hearings, the WTU supports the primary purpose of B24-0570 – The Schools First in Budgeting Amendment Act of 2021 to promote stability in our local schools.

Before talking about the specifics of the legislation before the council today, I'd be remiss if I didn't take a moment to mention the structural issues that impact our city's educational systems. Until these broad issues are addressed, we will continue to face challenges annually at the school level to ensure that every school receives the funding required to ensure that each and every student receives a great education in all parts of our city.

First, the city needs a comprehensive plan that crosses sectors to ensure we are spending our limited education dollars wisely and effectively. Both within DCPS and the Charter sector, we continue to open new schools, diverting funds out of the classroom and away from our students. The WTU again calls for a moratorium on the opening and closure of schools until the city (1) conducts a review of the costs associated with opening and closing schools and the impacts of these openings and closures on student achievement, (2) adopts a comprehensive plan for education across sectors, and (3) updates the funding adequacy study to ensure that our city is adequately funding LEAs as well as individual schools.

Second, we must acknowledge that achievement gaps between Black and white students and rich and poor students have grown under mayoral control of our school systems. And, it is critical to note that the COVID-19 pandemic was disproportionately felt by our city's Black and Latino students and those from disadvantaged communities as evidenced by the recent PARCC scores released by the city. These persistent and growing achievement gaps are clear evidence that our city needs to set out on a

different path to ensure that every student receives a fair shot. This begins by ensuring the mayor comes to the table to agree on a new contract with the WTU that invests in our educator workforce as well as in proven interventions such as smaller class sizes, co-teaching models, and increased investment in special education services. A new contract must also protect planning periods for teachers allowing them time to prepare lessons and meet individually with students and, of course, fairly compensate educators for the work that they do in our schools.

A different path also means ensuring that all students receive the same basic support and services regardless of their zip code. In this light, I hope the Council will move the "Students Right to Read Amendment Act" to mandate that every DCPS school will have a full-time librarian in each and every local school budget and consider action to mandate minimum ratios for school counselors and social workers to help ensure our students receive the supports they need both inside and outside the classroom to be successful.

Returning to the specifics of the legislation before us, the WTU has long believed that the current DCPS local school-by-school budget process is broken beyond repair and lacks transparency. The effort the District undertook last year to move from a comprehensive staffing model to a per-pupil based model failed to deliver, primarily because our local schools have long been under funded. In the new model, schools are still left to scramble to find funds to maintain their current staffing and programs, pitting members of school communities against each other. While I applaud the intent of the re-drafted legislation to help us ensure a basic floor for an individual school's budget, I believe there are some additional components that must also be addressed for the local school budgeting process to be fair, transparent, and equitable.

First, the DCPS budget process has long lacked in transparency and public input. In an August 2019 ruling, the Board of Ethics and Government Accountability found that LSATs are public bodies subject to the Open Meetings Act. Yet, many LSATs continue to operate outside of the District's OMA requirements regarding deliberation of their enrollments and school budgets. Reform must begin with transparency. ***I hope that Council will join require DCPS to verify that all LSATs are engaged throughout the entire budget process and that they are meeting OMA requirements throughout the local school budgeting process.***

Second, school level budgets are based on projected enrollment, yet schools lack details on their projected enrollments. As schools begin the budgeting process, LSATs lack detailed information on grade-by-grade enrollment projections as well as detailed information on students, including the number of special ed, ELL and other student populations that require additional expenditures in the budgets. ***I hope that the legislation can be amended to require DCPS to share detailed enrollment projections with school communities and to require LSATs to approve of those enrollment targets prior to receiving their projected school year budgets.***



Third, the budget process must include enough time for local school communities to provide meaningful input on the budget. DCPS regularly fails to meet their own stated deadlines in providing budgets to local schools and, as a result, schools are expected to analyze the proposal, propose changes through DCPS's cumbersome (and secretive) amendment process, and finalize their submissions within days. This prevents proper notification of meetings under OMA requirements and prevents LSATs from providing meaningful input. ***I hope that you will require DCPS to meet a minimum of 21 days for schools to provide feedback on their budgets to DCPS. Additionally, LSATs should be asked to hold and report a non-binding vote on the final budget submitted to help gauge whether or not the budget proposals have community support.***

And, finally, fourth, the WTU believes that DCPS must be transformed to be more equitable. As I mentioned previously, all students deserve the same basic support and educational services regardless of their zip code. However, this is far from the case currently and gaps in basic services are often made up through the misallocation of at-risk dollars preventing those dollars from going to programming designed to supplement the students' education. ***Again, I hope that you will require the DME to update the District's adequacy study and work to ensure that all schools receive the full amount required to meet the needs of their students.***

The WTU supports the efforts of the council to improve the local school budgeting process to ensure stability across our school communities. The legislation before the council today is a positive step, with some additional protections to ensure a meaningful role for local school communities in the annual budget process. However, I want to reiterate that reform at the school level cannot be undertaken in isolation of the larger structural issues that impact the quality of education across the District – including the underfunding of students furthest from opportunity, the misuse of at-risk dollars, and the lack of a cross sector plan for public education – that impact the ability of every student to receive a high-quality education.

Communities, students, and educators deserve to know what is in their local school budget in a timely manner that allows them make informed decisions about enrollment and employment. The legislation before the council today is an important step but is not adequate to ensure that our school systems and individual schools are adequately funded. I'd like to thank you for considering this legislation and for taking time to listen to me today. I'd be happy to answer any questions.

**DC Council Hearing CoW B24-0570 - Schools First In Budgeting Amendment Act of 2021  
September 16, 2022**

**Testimony of Sandra Moscoso – sandramoscosomills@gmail.com**

Good afternoon Chairman and Councilmembers. I am Sandra Moscoso, a member of the School Without Walls High School Home and School Association and LSAT and an officer in the Ward 2 and Ward 6 education councils.

First, I support stabilizing school level budgets and I thank you for taking action via legislation. I also support the push for transparency so we understand what exactly is funded, and via which budget. I want to highlight the following line in the bill's introduction about SY22's budget process "Parents were angry, and some teachers left in search of greater job stability."

At School Without Walls, this played out in SY22 when a foreign language teacher's position was cut. After months of city-wide advocacy, the position was restored. However, the damage was done, and the teacher, a 10 year veteran at the school, left. On paper, the position was funded, but in reality, many students paid the price of a chaotic semester without a teacher.

What will happen in SY24? Under the current DCPS budget model, when DCPS' mystery temporary stability funds are gone, as things stand, School Without Walls will lose 3 staff members. No drop in enrollment, but a callus defunding of the school while city leaders boast about DC Values.

You'll hear today from Hardy parents about the devastating impact a change in Special Education funding had on Hardy's current scheduling and student access to music, foreign language and more. This desperately needs to be resolved.

Our current erratic budgeting process is a bad habit we can't break. It causes damage, even when budgets are restored. It exacerbates teacher turnover, blows up school programming and academic continuity, and hurts the school community. Yes Councilmembers, as a result, parents are angry, and teachers are leaving.

I have three concerns I hope you can resolve:

- It's not clear how this bill will prevent DCPS from continuing to use at-risk funds to fill holes in programming. How does it ensure equity in access to resources across schools?
- Even a perfect law will not guarantee that DCPS will comply. What will be different in Council's approach to oversight that will ensure DCPS is accountable to keeping budgets, staffing, and programs whole (and equitable)? Will there be an Education Committee?
- DCPS' budget and spending is only half of the picture of school budgets. It's irrational to believe that we will achieve budget stability so long as our city does not have an overall education plan that encompasses both sectors. To have stability in funding, we need to have stability and predictability in the number of schools that need to be funded. Publicly

funded schools open almost spontaneously from year to year without regard for demand and without accountability for their impact to existing schools, across both sectors. Shouldn't the schools be funded in a way that support the needs of the students in the schools operating today? How will Council ensure our city develops an education plan comprehensive of both sectors?

Thank you for your work supporting schools and thank you for your time.



**Testimony of Qubilah Huddleston, Senior Policy Analyst  
B24-0570, “Schools First In Budgeting Amendment Act of 2021”  
Committee of the Whole, DC Council  
September 16, 2022**

Chairman Mendelson and members of the Committee, thank you for the opportunity to testify. My name is Qubilah Huddleston, and I am a Senior Policy Analyst at the DC Fiscal Policy Institute (DCFPI). DCFPI is a non-profit organization that shapes racially-just tax, budget, and policy decisions by centering Black and brown communities in our research and analysis, community partnerships, and advocacy efforts to advance an antiracist, equitable future.

DCFPI has long researched and testified about the need for both the District and DC Public Schools (DCPS) to engage in less opaque and more sound budgeting processes—such as developing a current services budget for public schools to accurately estimate how much it truly costs to provide a high-quality education to all of DC’s children.<sup>1</sup>

DCFPI appreciates Chairman Mendelson’s intent to address the unstable and unpredictable process and outcomes of DCPS budgets through this legislation. Specifically, DCFPI supports:

- Requiring DCPS to increase school budgets by inflation year over year so that schools do not lose buying power.
- Requiring DCPS to increase school budgets to cover costs that the agency transfers to schools that were previously covered by the central office, schoolwide, or school support accounts.
- Limiting the instances in which DCPS could justifiably decrease a school’s funding for full-time classroom teachers. (DCFPI recommends that the bill also include protections for classroom and schoolwide positions such as behavior technicians and computer lab teachers—positions that help promote positive school climates and enhance students’ learning experiences.)

However, DCFPI remains concerned that the bill may not achieve the stability the Chairman and DC residents desire. The bill fails to address key structural issues that DCFPI and many other advocates have raised before the DC Council, including:

- The need to replace one-time recovery funds that schools are using to cover needed and recurring positions.
- The financial viability of the continuous opening of new DPCS and public charter schools despite stagnating, and in some cases, declining enrollment in the District.<sup>2</sup>
- The Council’s ongoing failure to enforce the law that requires DCPS to “supplement, not supplant” school budgets with funding for “at-risk” students.

DCFPI strongly urges the Chairman and the Committee to prioritize additional policy and budget solutions that will make school budgets adequate and more equitable as well as define a unified vision for public education in the District.

### **Mayor and Council Will Need to Replace One-Time Funds Invested in Ongoing School Needs to Ensure Stability and Avoid Cuts**

The fiscal year (FY) 2023 approved budget includes significant one-time federal and local funding to hold school budgets harmless against the projected enrollment declines that would have negative effects on school budgets and to help schools invest in pandemic recovery strategies in both DCPS and the public charter schools.

The Mayor has committed to providing another round of one-time pandemic recovery funding in FY 2024 but has not made an additional commitment to guard against further harm that DCPS enrollment declines will have on school budgets. Further, Federal Elementary and Secondary Schools Emergency Relief (ESSER) dollars expire at the end of FY 2024. However, in the last budget cycle, schools have budgeted ESSER and other one-time funds to pay for recurring expenses, such as classroom aides and other general education positions, that schools will need beyond pandemic recovery. This reality reflects policymakers' need to right size DCPS' budget so that it can both adequately fund general education services and equitably provide additional resources to students facing the steepest barriers to learning.

If the goal is to ensure school budget stability and avoid cuts as enrollment fluctuates, the Council will need to provide additional funding. If policymakers fail to permanently replace these funds, DCPS will likely be forced to make cuts in other key areas of the agency's budget. Such cuts could lead to DCPS reducing important services such as curriculum development, food services, rent, and utilities—services that are more adequately and equitably provided through the agency's central office and school support accounts.

DCFPI supports stable and predictable school budgets but is concerned that if the Council passes this legislation without a concurrent plan for sustaining needed resources and services made possible by vital one-time funds, the DCPS budget will be squeezed in ways that are destabilizing and harmful to children. **DCFPI urges policymakers to proactively plan for the long-term sustainability of ESSER and other one-time investments to adequately meet the urgent and ongoing needs of students, families, and educators.**

### **Declining Enrollment and Unchecked School Growth Are Root Causes of Unstable School Budgets**

Budgeting models and processes only partly contribute to instability in school budgets. Declining enrollment is one of several root causes of school budget instability. DCPS primarily funds schools based on the number of students that the Deputy Mayor for Education (DME) projects will enroll at each DC public school. The DME projected enrollment declines in every ward except Ward 5 for FY 2023. The DME projected the largest enrollment declines in schools in Wards 7 and 8—DC's Blackest and lowest income communities.

The District and DCPS have policies that attempt to protect schools from losing too much funding year-to-year. The DC law requires DCPS to fund schools no less than 95 percent of their previous year's budget. DCPS' new budget model includes a "safety net," which is a "supplement...provided

to schools when the student-based funds do not generate enough dollars to provide a baseline service by school type.”<sup>3</sup>

These policies are important, yet they do not solve for the fact that by-right, neighborhood schools—namely those with high percentages of students designated “at-risk” of academic failure—continue to experience enrollment declines year after year. In addition, they do not address the fact that DC has been experiencing a declining birth rate since 2016, which could lead to fewer children enrolled in schools overall.<sup>4</sup> These policies also do not address the fact that despite there being 35,665 unfilled seats last school year, DCPS and public charter LEAs continue to open new schools.<sup>5</sup>

DC has too many schools and not enough students, a reality unaddressed by the proposed legislation. And it is the schools who are serving students facing the steepest barriers to learning that are harmed the most by seemingly unfettered school growth in the District. The District’s seemingly “choice only” approach and disregard for the students who, due to choice or chance, attend their neighborhood schools, undermines educational equity. Is a high-quality, well-resourced school only available to those students lucky enough to get their school of choice in the lottery? Do students attending neighborhood schools not deserve the same quality of education?

If the Council wants to meaningfully address school budget stability, policymakers should articulate and adopt a more unified vision of public education so that resources are both adequate and equitable for all students no matter the sector.

### **Structural “Isms” Have Placed Many Students “At-Risk,” and the District is Failing These Students**

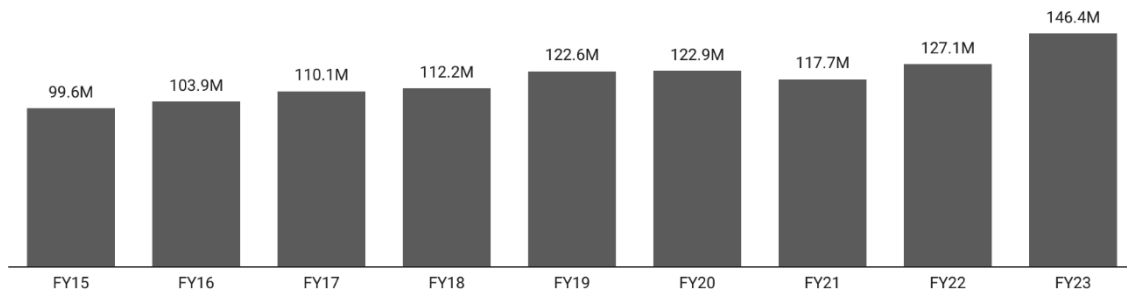
It is past time for policymakers to make good on the promises of at-risk funding. Seven years ago, the Council implemented these funds to support students designated “at-risk” of academic failure, many of whom are Black and brown students and students from families and communities that face economic divestment, occupational segregation, environmental racism, over-policing, and other structural harms. Despite DC law requiring DCPS to supplement, not supplant school budgets with at-risk funding, the school system has never complied. And, while the law does not subject public charter local education agencies (LEAs) to the same law (even though it should), there has been a lack of uniform oversight of and transparency about how public charter LEAs are leveraging their at-risk dollars to meet students’ needs.

Policymakers continue to approve annual budgets that provide more at-risk funding to DCPS and public charter schools. They should provide a concurrent level of oversight to ensure that LEAs are budgeting these funds according to the law and in ways that match the purpose and intent of at-risk funding (*Figure 1, page 4*).

FIGURE 1.

### Policymakers Continue to Increase Funding for At-Risk Students

Total Approved Budget At-Risk Funds for DCPS and Public Charters, by Fiscal Year



Note: All figures have been adjusted for inflation.

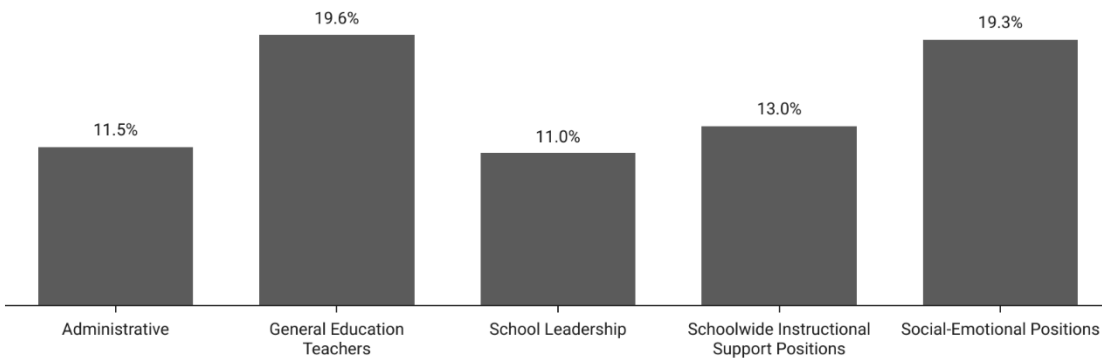
Source: DCPS and DC Public Charter School Approved Budgets, FY 2015-2023 • Created with Datawrapper

Policymakers’ failure to conduct robust oversight and the lack of efficient education data systems means that the District is unable to determine the relationship between at-risk investments and student outcomes. This is alarming considering DC taxpayers have funded \$1.1 billion in at-risk funding since policymakers implemented the at-risk weight in FY 2015. In FY 2023, DCPS allocated their at-risk funding across 13 different categories, ranging from classroom teachers to administrative positions to non-personnel costs. Forty percent of DCPS’ total at-risk allocation are for classroom teachers and social-emotional positions with the remaining top five categories consisting of administrative, school leadership, and schoolwide instructional support positions, according to DCFPI’s analysis (*Figure 2*).

FIGURE 2.

### Top Five At-Risk Funded Categories in DCPS' FY 2023 Approved Budget

By Percentage of DCPS' Total At-Risk Funding



Note: Excludes the additional at-risk concentration money that the DC Council approved in the FY 2023 Approved Budget.

Source: DCFPI’s Analysis of FY 2023 DCPS Submitted Budgets available at <https://dcpsbudget.com/budget-data/>. • Created with Datawrapper

How individual schools budgeted at-risk dollars in FY 2023 varies significantly by ward, with schools in some wards allocating more of their funding toward costs that appear to fit the purpose of at-risk funding while others are more questionable. And given the lack of transparency of schools’ at-risk strategies, it is challenging for the public to understand how spending at-risk dollars on administrative or school leadership costs might be a worthwhile investment to improve outcomes for students designated at-risk.

**DCFPI urges DCPS and public charter LEAs to provide more guidance to school leaders to support them in identifying effective strategies to boost student outcomes. DCFPI also urges the Council to use its oversight power to ensure that LEAs are spending at-risk dollars according to the law and intent of the funds.**

Thank you for the opportunity to testify and I am happy to answer questions.

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<sup>1</sup> Qubilah Huddleston, “[Raising the Bar: Budgeting for a Strong Public Education System](#),” DC Fiscal Policy Institute, December 17, 2019

<sup>2</sup> Perry Stein, “[D.C. school enrollment expected to drop after years of increases](#),” The Washington Post, July 13, 2022.

<sup>3</sup> DCPS, “[Stability Funding](#),” DCPS.

<sup>4</sup> Deputy Mayor for Education, “[After Years of Growth, Births Across DC Have Been Declining since 2016](#),” Edsight, May 2022.

<sup>5</sup> Deputy Mayor for Education, “[Chapter 3 – Public School Facilities](#),” EdScape.





Testimony on the “Schools First in Budgeting Act”  
Scott Goldstein, Executive Director, EmpowerEd

Today’s hearing centers on a critical question: “how do we ensure that our schools have the resources and stability they need to best serve our students?” We applaud the Chairman’s focus on school stability. In fact research shows that school stability is the foundation of school success. With wavering budgets, changing school leaders, high teacher turnover, a constant line of new initiatives and changes in district, state or federal policy, it becomes difficult for schools to not only achieve success but to sustain it. So we share the goal of creating stability and predictability for our schools while ensuring they have every resource they need. But the question is, does this bill attack instability from the right angle? My testimony today is that school budgets are a source of great stress for schools and that budget stability is critical, but it’s not the *only* or necessarily the most important element of stability. While I am glad the Chairman is rightly focused on this goal, I am worried that this bill seeks to do the right thing in a way that may actually leave us vulnerable to several unintended consequences.

First, by establishing the basis for future year budgets in our current budgets, we face the real risk of baking in the inequities that exist right now. Before we benchmark to this school year, we better know that this school year’s budgets are the right ones for each school. I love the idea of benchmarking to higher funding, because our schools need more. On the other hand, starting from the present when federal funds are playing a large role in school funding and requiring DCPS to maintain those levels regardless of what funds are available in the coming years may push DCPS or the mayor into cutting external programs that are actually quite critical, or worse, closing schools because they view it as the only way to maintain funding for the rest of the schools in a way that complies with this law. Of course we hope that doesn’t happen, but I don’t see where this bill protects us from that possibility.

You’ve heard testimony for many years that the central office is too big. I absolutely believe we want to prioritize funds for our schools. At the same time, I am not sure that the way the four categories are created in these schools, we would actually be preserving the most important central office roles in supporting schools with the kind of work that’s very hard to handle in house. I am also cognizant of the fact that DCPS just spent substantial time creating a new budget process that we don’t have a real verdict on yet.

How could we amend this bill to avoid unintended consequences? I would start with an equity audit that engaged each school community to ensure that we are beginning with the proper benchmarks. I would keep language to protect 100 % of the budget year over year, ensure additional equity protections including at-risk, ELL, SPED and more, and eliminate the four proposed categories in the current bill, which I worry may inadvertently cut the wrong programs.

There is one other glaring problem with the bill, which is that it only addresses 50 % of our schools and 50 % of our students. Why would we legally require DCPS to ensure funds are going to schools and students as directly as possible but leave untouched what public charter schools do with the same public funding? Is it fair to our students and families that depending on the school they choose that school may or may not be able to stash public monies away for savings, huge contracts or large central expenditures rather than utilize them to maximize student learning and support?

But still I return to the question of how we actually ensure school stability. My hope is that this bill, in whatever form it advances, is simply step one in the Chairman's school stability agenda. School budgets are essential for stability, but even with a better budget process there will be no school-level stability if we continue to have 25-30 % of educators leaving their schools each year. We need council action on teacher retention with the same level of urgency. The shortage this year is being felt by students, parents and families everywhere with central office staff and substitutes covering long term. And this builds on DC's already highest rate of teacher turnover in the country. Additionally, according to OSSE a stunning 67 % of our school leaders have less than five years of experience. Principal turnover is crippling to efforts to sustain school success. And we cannot create stability in our schools without also addressing the ever expanding number of schools, the inefficiency of so many small LEAs and its impact on student services, or the lack of guardrails around school openings and closings. So as you work to improve and pass this bill, I hope you will give equal priority to well-researched and proven measures the council can take to improve teacher and principal retention and school stability more broadly. Thank you for your time.

**TESTIMONY BEFORE THE COMMITTEE OF THE WHOLE, DISTRICT OF COLUMBIA  
COUNCIL**

**Bill 24-570 “Schools First in Budgeting Amendment Act of 2021” and Bill 24-571 “Schools Full Budgeting Amendment Act of 2021”**

**Laura Fuchs**, DCPS Teacher at HD Woodson HS, Secretary of the Washington Teachers Union, Chair of the DC Caucus of Rank and File Educators (DC-CORE), Board Member of Empower DC, Member of the Senior High Alliance of Parents, Principals and Educators (SHAPPE), Ward 5 and Ward 7 Education Councils, and Ward 5 Resident

**September 16, 2022**

Listening to Council Chairman Phil Mendelson speak on this bill I am glad to see that we are focusing on one of the chief concerns many of us have had for a long time – the size of Central Office. I hope that, as others have brought up, that we do everything we can to protect the neighborhood public schools from being closed.

I do think that Central Office provides important logistical support for our schools. Something it is failing in dramatically. Teachers wait for months to have basic paperwork processed. Pay is done incorrectly. Teachers still haven't gotten paid for work done last year. In that vein if DCPS needs more money to hire additional workers for these important functions, I think that it is reasonable to increase the “Central Administration” staffing to make sure they can increase staffing in this highly necessary area.

On the other hand, the “School Support” section of the budget is the one that causes by far the most problems and unfunded mandates for our local schools and is at the heart of why we show up and testify at length about our problems with central office. Instead of supporting our schools they create additional paperwork, programs, and more to justify their own existence in a top down manner rather than supporting our schools from the bottom up. They are so large that they often fail to communicate with each other, often doing many redundant and sometimes contradictory requests, usually with zero understanding of policy and practice. This section of the budget could be significantly reduced – by at least half - and our educators would thank you for it.

Average Salaries in schools – this is a tricky issue. I understand why many view it as a problem with equity because oftentimes schools in the most under-resourced wards often have younger staff. But if we don't use average salaries, it could lead to schools choosing to push out or fire an older and more experienced teacher because they could hire two younger teachers for the same amount of money, or not being able to hire a more experienced teacher for a given position dependent on the budget, thus exacerbating the problem.

I know this isn't a part of this legislation necessarily, but I would like for the legislation to increase the power of the Local School Advisory Team (LSAT) within this process. Too often principals are subject to intense pressure from Central Office to use certain programs, or waste money on school-based administration instead of front-line workers. If the LSAT had final sign off power – not just that a letter is shared if we disagree – but actually we HAD to sign off on the budget in order for it to be approved, that would force the principal to work with educators and parents to ensure that our budget is what is best serving our students, not serving DCPS paperwork mandates.

We have said it before and clearly we will have to say it again: Budgets are moral documents and are the foundation upon which our education programming is built. It is simply not possible to achieve our ambitious and important equity goals without equitable funding. And as we have seen time and time again, equity cannot be achieved if left up solely to a Mayor and their central office team – it must be inclusive of the stakeholders and those who are actually implementing the policy – and we cannot operate in the dark.

For the past 13 years I have sat and sometimes chaired the Local School Advisory Team at HD Woodson HS. Thanks to the guidance of experts like Mary Levy and DC Fiscal Policy Institute analysts, I have pored over budget documents and attempted to figure out if HD Woodson was getting the money it was owed by law. DC Public Schools has consistently made that almost impossible, taking up hours and hours of time just trying to get the right number that we are owed by *law* that would be better spent strategizing what to do with the proper amount of money. This has allowed our students to be consistently shortchanged in At-Risk, Special Education, English Language Learner and General Education dollars (as has been proven for At-Risk funds by the DC Auditor) and forces our school to rely on inconsistent sources of staffing that remove most of our local school's decision-making power.

Year after year educators are cut from our schools as central office and school-based administrations often grow. This attitude towards what matters – upper management over direct services – is endemic to the education reform culture that was brought in by Michelle Rhee and has been continued by every successive Chancellor who has openly shared their attitude that central office is what drives important changes, not educators with students. While DCPS Central office continues to expand their spending, our school has made consistent cuts to services we can provide our services that are far bigger than is warranted by our student population.

I appreciate that we are trying to address this problem. We need to do whatever is possible to upend the current system of budgeting. Schools should be the ones who create their budgets. They should work with budget experts to decide what should be prioritized – small class sizes, reading and math supports, advanced placement, NAF, social work and counselor ratios, SEL Programming, etc. etc. etc. – then the budget should be built to meet the needs of the schools for the long term, focused on growing and strengthening the programming over time. Central office should not be dictating how schools should make due with increasingly limited means, they should be the ones figuring out how to support schools. Central office should be lean and mean to better support schools and put the budget where it belongs: in our classrooms servicing our students.

I hope that we find ways to stop DCPS to categorize their spending by grade levels served will just give DCPS Central Office the door to further obfuscate what they are doing and its impacts. When you have over 600 people in a centralized location they have a lot of time to justify their existence while teachers actually working with students lose their jobs. There will be no additional information of use – especially if past documentation efforts by DCPS are any indication of how seriously they take these reporting requirements.

We need a clear definition of what makes a Central Office employee and then we need to hold DCPS to the law of only spending 5% or less on those activities. We are *at least* three times above the legal limit right now. We need more information on external contracts. I went through the spreadsheet submitted to the Council and it took hours of time to organize the information into useful pieces and I found many contracts that ostensibly did the same thing but were purchased from different offices from different companies. Either they were actually doing the same thing, or the reporting requirements are so general that we don't actually know what was being paid for. On top of this there was zero justification as to whether these contracts – many that have gone on for years – have actually achieved the “results” that we are paying for.

I also want to caution against assuming a buzzword like “student based budgeting” will automatically fix our budgeting problems. Many systems, like Chicago, are trying to move to *our* model because it actually provides more stability and makes school budgets less dependent on enrollment numbers and instead focuses on what the base-line level of what every school should have no matter what. The problem we have in DC Public Schools is that DCPS is not following its own policies. Changing the policy without some mechanism to actually make DCPS follow it will not change the problem. Enforcing the Comprehensive Staffing Model and actually following it would mean every school, even the small ones with fluctuating enrollments, would have everything they need to provide a robust education for their students. What we need to add is a more inclusive process for creating that baseline, mechanisms to clearly ensure that schools are getting what they are owed in that model, and then making sure that additional funds for specialized programming, Special Education, English Language Learners and At Risk students are added *on top of* that model.

DCPS Needs to follow the DC Auditors recommendations and keep *one set of books* that is open and completely transparent. What a principal sees at their school level should be the same thing an LSAT chair sees and should be the same thing the Council sees. We waste endless amounts of time with multiple books where nobody knows what is true and what isn't – even the people who are tasked and paid very well for creating them.

Ultimately though none of this will matter if DCPS is allowed to flout the law with zero consequences. The Council needs to use its budgetary authority to force DCPS to follow the laws that are being written by this body. My suggestion – hold the pay of all Central Office employees until the requirements are verifiably met. We have allowed countless students to be underserved, educators who work directly with students to lose their livelihoods and an expanding “achievement” and resource gap under the watch of mayoral control. Enough is enough. This body took on the role of the school board when they empowered the Mayor and removed all authority from the school board. This is on you as much as it is on the Mayor.



# Washington Teachers' Union

Jacqueline Pogue Lyons, *President*

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## Council of the District of Columbia Committee of the Whole

### Bill 24-570 “Schools First in Budgeting Amendment Act of 2021”

September 16, 2022

Testimony of

Regina Bell, *General Vice President*  
Washington Teachers' Union  
AFT Local 6

Good afternoon. I am Regina Bell, General Vice President of the Washington Teachers' Union (WTU). I'm not entirely sure bill 24-570 accomplishes the stated goals without unforeseen consequences. The annual school budgeting process, however, is clearly broken and change is desperately needed, so I commend the Council for taking action to improve the process.

I would ask the Council to look beyond the budgeting process into more systemic problems with administration because transparently creating a good budget does not necessarily mean that the money will be well spent in furthering student's education. When Murch was ready to move into its newly renovated building from their swing space, the staff was told they could not take any old furniture because everything in the building was brand new. One teacher had just transferred to Murch from Hendley and knew that the furniture in the Murch's swing space was better than what they had at Hendley. She called her former colleagues who rented a truck with their own money and came to Murch on their own time to get our leftover furniture and materials. We need budget equity, so some teachers don't have to dumpster dive for materials they need for their classroom while other teachers get new equipment.

I have been working full time at the WTU for just over a year. I was so excited to join President Lyons and knew that under her leadership we could get many things accomplished. But we spend most of our time doing the job of DCPS's administration. We both field calls **daily** from teachers complaining about school facilities – not the subject of this hearing but it is a big chronic problem.

In addition to poor facility conditions, teachers are not getting responses to their FMLA requests. The Council passed a law last year extending PFL, but teachers are not able to apply for that new leave because DCPS hasn't changed the form to reflect that extended time.

To top it off, at least 50 teachers didn't receive their paycheck last week. Today, a week later, they still haven't been paid. And no word from DCPS on when they will get paid.

Maintaining schools, responding to leave requests, and paying your employees on time are **basic functions** of any organization, yet year after year DCPS is not able to provide these services. Something needs to change.

DCPS has the highest rate of teacher turnover – not a statistic to be proud of. The hiring process is long and costly. Because of the teacher shortage classes longer and overcrowded. This arrangement makes it very difficult for teachers to build relationships with students which we all know are critical for improving student achievement. And to add insult to injury, Teachers haven't had a contract in 3 years – 3 very difficult years.

I know this hearing is about budget legislation, which is desperately needed by our community. Very few people can make sense of the budget madness that happens every March. This bill brings stability and transparency, but the WTU is concerned it doesn't solve the problems of unequal treatment of similar schools, diversion of at-risk funds to other purposes and other unforeseen consequences.

**Testimony by David Alpert**  
**President, Ward 2 Education Council**  
**B24-0570, Schools First in Budgeting Act of 2022**  
**September 16, 2022**

Good morning. My name is David Alpert and I am President of the Ward 2 Education Council.

**I support Council acting to increase stability in DCPS school budgets.** The last DC budget saw large surpluses yet again, and I've received a stream of press releases touting new and very worthy programs costing tens of millions of dollars. Yet many schools saw cuts, even ones without declining enrollments.

Others face a steep cliff of future cuts when the Hold Harmless funds expire. There is temporary federal funding which will expire, but unfortunately, DCPS has already quietly yanked underlying funding away from many schools, especially elementary schools of both high and low need levels, and needs to figure out how to avoid crippling these schools when the cliff hits.

I would also ask the council to analyze how to not lock in cuts to schools which didn't receive one-time stabilization funding and saw cuts this year.

In addition to stability, **we need transparency** in these budgets in a form parents can comprehend. Parents and advocates have found it extremely challenging to understand the details of what is going on with individual budgets and the budget model.

Thank you for pressing for answers on Drew Elementary. Unfortunately, parents and council staff have not gotten such explanations for other schools, such as Thomson and Hardy. DCPS's letters were full of PR puffery and, except on Drew, short on specifics. We still don't fully know why Hardy had to cut 3 positions amid enrollment increases, and then, parents discovered far more unexpected severe changes to their children's school experience come the fall.

To families, what ultimately matters is the services which children are receiving. I recommend you legislate a requirement that the mayor communicate, from the start of budget season, what would be changing in the school - not just a dollar figure but in actual services for children. At the very least, everyone should be able see the information as in the Drew letter for every school.

Sometimes cuts may be necessary, but if so, DCPS and the mayor should have to honestly communicate their cuts and then be subject to political debate and council review. Right now, the system allows a chain of buck-passing and opacity that leaves nobody accountable. Indeed, most parents have no idea about how much worse an education their children will receive if their schools only received the formula dollars and not one-time or temporary stability funds under the new model.



Third, **we need a budget system where the Council can make changes**, including direct more money to schools from other city programs if it chooses. It should not be hamstrung by a UPSFF framework that treats two very different types of educational systems the same in ways they are not the same. We keep hearing any Council budget action will “cost double” due to UPSFF. This puts our neighborhood public schools in an impossible position.

Finally, I do worry that **cutting central office will not be a panacea**. With the notable exception of the budget staff, most people I have worked with in the central office are doing a good job and serve a valuable role. If anything, they often lack the resources to do things families want and need. While I agree schools should come first and some can be trimmed, I don't think we can solve all our problems by cutting the central office.

Thank you, and I am happy to answer questions.

## Appendix A: The challenges in understanding budget shifts, with Hardy as an example

The experience of Hardy families is illustrative of some of the problems with the budget process (and this does not even cover all of the problems).

Proponents of the budget model have argued that principals receive an allocation of funds based on enrollment, and then principals and LSATs have the power to decide how to use those funds. However, this process has not worked for this school or many others.

- Messaging from DCPS around Hardy stated that Hardy received more money than the previous year.
- However, later, it became clear that Hardy would need to cut 3 positions.
- During the summer, the principal then worked through the details of the new staffing and determined it was necessary to reduce the block schedule to have fewer classes, meaning students could choose fewer electives and there were fewer levels of those electives, according to LSAT members.
- The principal and other top leadership team members moved to other schools during the summer.
- Parents found out late in the summer about these changes and that, therefore, students who had been planning to do instrumental music to built toward getting into Ellington, or take advanced foreign language, could not do so.

It has been complex for me, who's become fairly versed in the budgets, to even grasp the specifics of what happened at Hardy, and from talking to parents, including some on the LSAT, it seems that few understand the specifics and nobody understood the block schedule impact. I have been able to analyze this further by creating a [year-over-year comparison spreadsheet for Hardy](#).

- Hardy increased its special education headcount by 5 FTE. The DCPS letter says that Hardy received extra funds for 2 FTE and also due to “special education population shifts” (not explained in the letter), it lost one inclusion teacher. This letter narrative is not easily reconciled with the fact that Hardy’s special education FTE increased by 5.
- The DCPS letter also states that Hardy had ESSER funds covering 2 FTE which expired. It’s not clear from the budget documents which FTEs these were, because ESSER dollars and the positions they fund are not documented in the budget documents.
- Besides special education, Hardy added 4 FTEs: 0.5 computer lab, a Program Coordinator, 0.5 music, 1 world language, and 1 admin clerk. It’s not documented whether some of these were FTEs that had been at Hardy and paid for by ESSER
- Hardy eliminated its computer teacher, its ELA TLI, and its visual art teacher. This was known by the LSAT in the spring but other impacts were not known.
- Hardy parents said that the theater teacher was assigned to cover some of the ELA instruction work that had been handled by the ELA TLI who was eliminated.

The experience has led to several conclusions:

- The budgets are difficult to compare year to year. FY23 budget data can be downloaded in Excel form from [dcpsbudget.com](https://dcpsbudget.com) but not older data (though some advocates have saved older versions of the spreadsheet). The PDFs on the site, which do cover older years, cannot be converted to spreadsheets using copy/paste, import features, or readily available PDF-to-spreadsheet tools.
- Even once the data is placed side by side, the changes are not clear for several reasons. As above, ESSER funds are excluded. Also, principals can reprogram staff and that information is also not documented, nor I believe are mid-year budgetary changes.
- Special education is a very important element of DC’s education. It’s important for parents and school staff not to see special education as something to resent, which requires ensuring that special education mandates come with sufficient funds to pay for all of the staffing to meet students’ special needs while also maintaining general education.
- DCPS’s letters favor PR puffery about the (unproven) stated benefits of the budget model over coherent explanations about school shifts. The messaging has emphasized how budgets increased, but parents see programs being cut.
- DCPS has not answered specific questions from me, or Hardy parents, or council staff.

## Appendix B: General questions sent to DCPS/DME about the budget model

The attached letter is one I sent to city education officials in July, and covers some similar questions I have highlighted previously including in Council testimony. The detailed data used for my analysis is in [this spreadsheet](#).

Thank you so much for talking today and for sharing your optimism about the new budget model. As we discussed, I am still unpersuaded about the value of the model. I would very much like to give credence to the expertise of DCPS and DME staff on this matter

I want to also be clear that I am supportive of the stated overall goal of equity through increasing funding for schools serving high levels of at-risk, special education, ELL, or other students with greater needs. I also support the goals of stability and transparency, but feel there have been gaps so far in their implementation.

My questions are as follows:

- Is it true, as my analysis so far suggests, that high schools benefit most strongly in the current model while elementary schools lose (pre-stabilization) funding? If so, was this an intentional goal to shift funding to upper grade bands, and why?
- Why do education campuses and early childhood centers receive add-on funding when elementary schools with early childhood, or middle schools without elementary, do not?
- While many schools received one-time stabilization funds, why did some schools not receive that and thus see cuts for FY23 (in Ward 2, that includes Thomson and Hardy)?
- Will the 95% threshold under which a school's budget cannot drop be computed based on its budget allocation including one-time stabilization funds, or without?

As I said on our call and in council testimony, I would love to be a supporter of the new model, and I hope that DCPS and/or DME will be willing to share information to make me a supporter. My ability to analyze the data was of course somewhat limited by the extent of the publicly available data (and it's also possible I made errors), so I would welcome further information.

Presumably your internal analysis persuaded decision-makers within the government, and so I am hopeful that they could persuade external stakeholders, and I welcome a detailed dialogue on this matter.

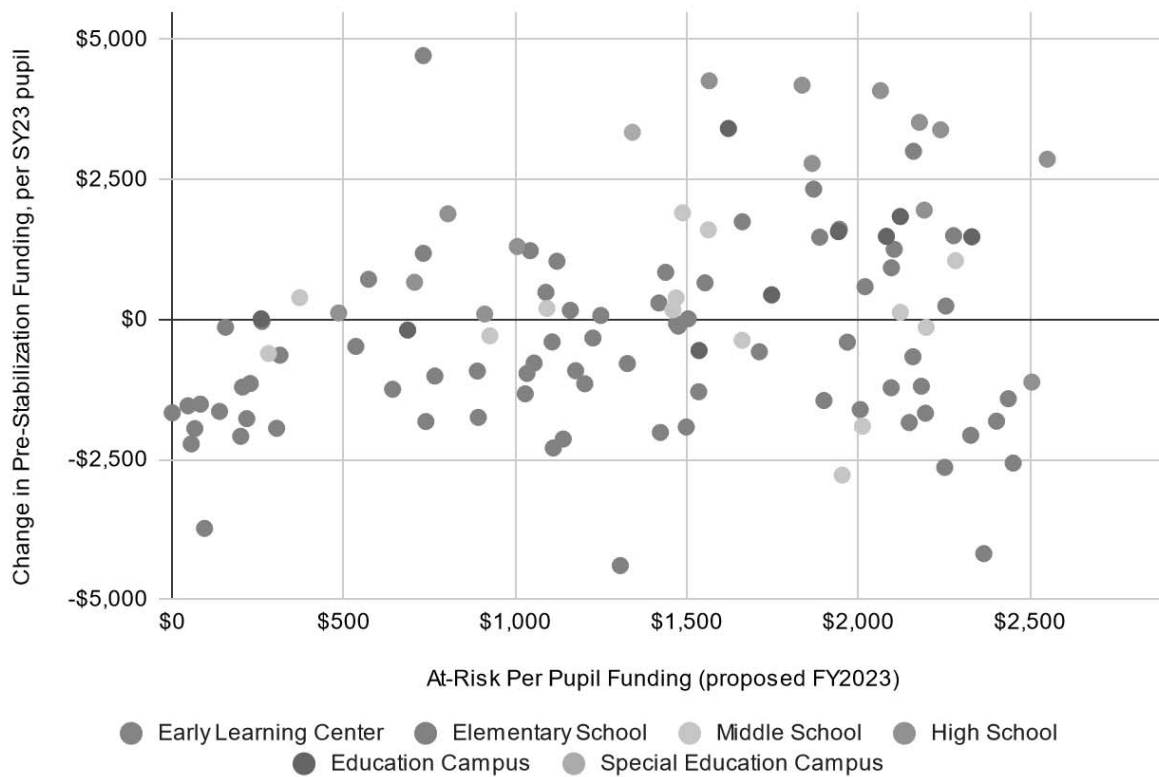
## Relative impact on high schools vs other schools

Because the stability funding is essentially filling in gaps or rounding off corners from the underlying budget model, to understand that model I analyzed just the funding provided by the Enrollment and Targeted Support components ("pre-stabilization funding").

I sought to see the correlation between at-risk levels and changes in this pre-stabilization funding. The data available for download did not list the numbers of at-risk students (or the numbers of special education students, etc.) Therefore, I computed an at-risk level for each school by dividing its at-risk funds by its total student population, which provides a quantitative measure of its level of its at-risk level.

The below graph compares the at-risk level (low at-risk at left, high at right) to its change under the new budget model (excluding stabilization).

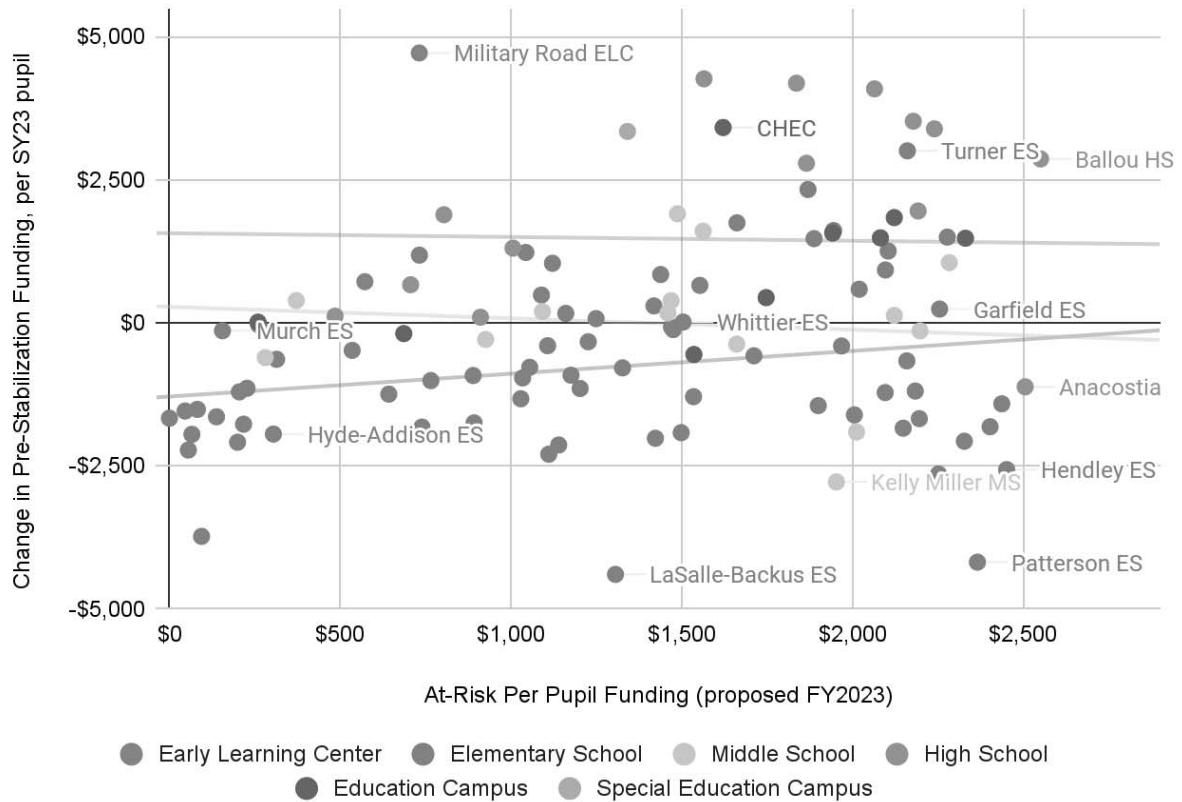
## Change in Pre-Stabilization Funding by Level of At-Risk



It appears from this graph that the change has aided high schools and been least favorable to elementary schools, even across at-risk levels. **Is this intentional, and if so, what is the rationale?**

We can fit a trend line to these, and meanwhile label a few notable data points:

## Change in Pre-Stabilization Funding by Level of At-Risk



There is a modest upward slope for elementary schools here, showing that the model does benefit higher at risk schools somewhat more (or, one could say, harm low at risk ones). The effect does not show up for middle schools and flat for high schools.

However, the budget model also applies considerable volatility between similarly situated schools. For example, looking at some of the highest at risk schools, Ballou HS's per pupil expenditure grows significantly while Anacostia HS's decreases. Why is this? Both were projected for a 4-5% enrollment drop from FY22 to FY23.

## Rationale for EC and ELC additional funds

The formula explicitly provides extra funding to Early Learning Centers and Education Campuses. The reason for this isn't clear to me. Bijan Verlin relayed this question to the budget team in February, and they replied:

- An EC's budget typically hasn't been large enough to get both a school counselor and an attendance counselor, despite attendance counselors being especially valuable for the

middle school age students. The added weight is to help cover needs of both elementary and middle school students in one building.

- PK students have a unique need for supplies other students don't.
- It's only one school, but the students at River Terrace have many specific physical and educational needs and use a variety of tools to support their student's learning.

Let's set aside River Terrace since I don't question the value of boosting funding to that. However, I'm still unclear on the rationale for the other two add-ons.

Assume there are two schools, Example ES and Scenario MS, which one day combine into Hypothetical EC. Example ES needed certain types of counselors, while Scenario MS needed some counselors too (especially an attendance counselor). Now, combined, one certainly would agree they likely need to keep the counselors that had worked for the two component schools. But the model now not only continues to fund the school at a rate based on the enrollment level and degree of at-risk etc., but also adds a new add-on. What is the purpose of this, given that the ES and MS counselors had already been funded, presumably, with the standalone ES and MS budgeting formulae?

Or, more likely with current plans, if an EC, such as Cardozo EC, splits into Cardozo HS and Center City MS, why should the budget for the two schools not only be divided between the two (which is logical), but also lose this extra overweight that had been going to Cardozo EC just by virtue of being an EC and which it appears it then would lose?

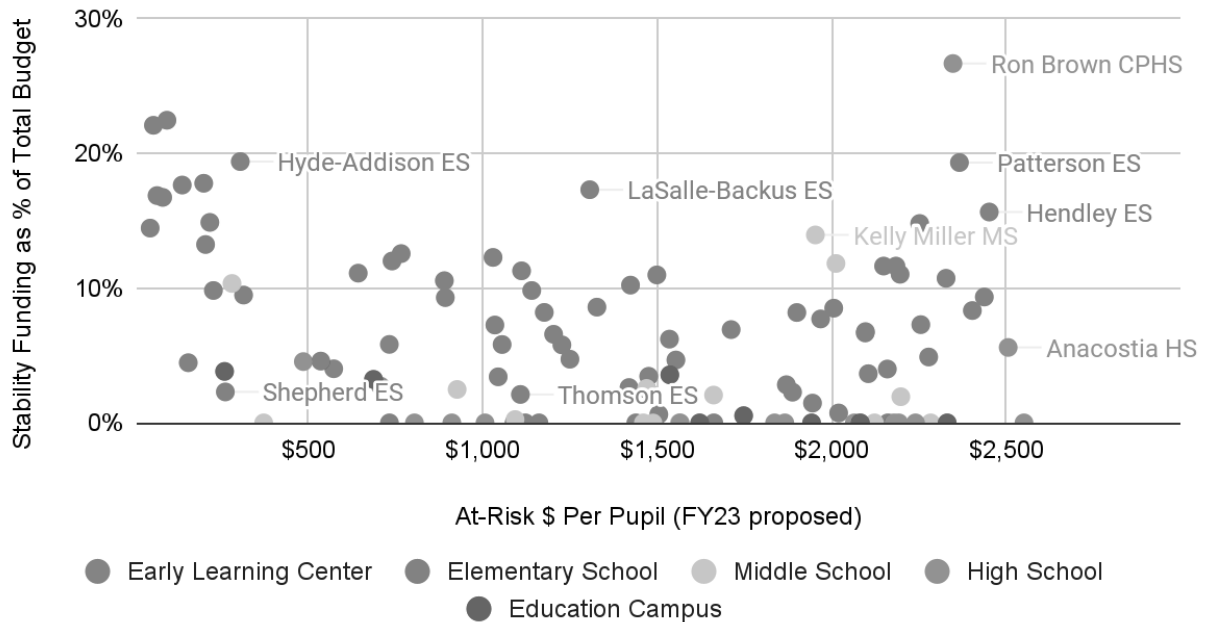
Similarly, let's say we have Illustration ELC which is nearby to Example ES and then DCPS decides to merge the two due to lower enrollment or something. Under this model, the budget for Illustration ELC would be added to the budget for Example ES, excepting a few things like the principal line item, but also, the combined campus would lose the funding that had gone to Illustration ELC under the add-on.

I don't understand the response that PK students have extra supplies needs. This is a (good!) reason for having an ECE overweight, where schools get extra funds based on their ECE enrollment compared to the funds they get under the regular per-pupil allocation. I get that. But schools are getting both - for instance, Stevens ELC was proposed for \$764,994.36 in ECE funding, plus also \$134,392.50 ECE weight, PLUS \$380,778.75 in "ELC weight."

## Stabilization funds

This graph considers the amount of stabilization funding given compared to the at-risk level of each school:

## % Stability vs. Level of At-Risk



The schools that benefited most from these stabilization funds were mainly some high-income schools and then some very high-need schools which are otherwise seeing large cuts under the budget model.

However, not all schools were saved from cuts. Thomson Elementary, for instance, reported that they will be losing one classroom teacher, 1.5 ESL, and one aide. Though Thomson, one of Ward 2's two highest at risk schools, comes out in the middle of the pack under the basic budget model, its stabilization funds were not sufficient to reverse cuts.

Hardy MS unexpectedly had to cut its entire art program. I believe some of the reason for this (at least in Hardy's case, and perhaps both) is their prior use of ESSER funding. However, was it not the case that other schools received stabilization funding to compensate for this? How were these numbers determined for schools such as Thomson and Hardy?

This graph also illustrates how, with a few exceptions, almost all of the schools receiving stability funds in large quantities were elementary schools, which feeds into the first question about whether having elementary schools drop in budget (and thus need large stabilization) was intentional or desirable.

### 95% computation for future years

The budget one-pager FAQ states that "schools will continue to receive at least 95% of their previous year's submitted budget." Does the base for this 95% computation include all funds in the budget, including one-time funds?

For instance, if a school has a \$1M budget which comprised \$850,000 in formula funds, \$50,000 in 95% stabilization or safety net supplement, and \$100,000 in one-time stabilization, is that school guaranteed to have a total budget allocation of at least \$950,000, or \$855,500 (95% of \$900K)?

## Broader questions for discussion

Above are the specific questions I have at this point. In order to more enthusiastically support the budget model, I would welcome an opportunity to discuss and better understand the philosophical underpinnings of these changes in the following ways:

1. Other than the level of at-risk funding, special ed, and ELL, what factors most drive the change in budget from the old model to the new? Has DCPS run a regression analysis to understand which schools would end up losers or winners, and why - and therefore to understand if those specific shifts are desirable or not?
2. If there is a philosophy of student-based budgeting, what is the reason for other add-ons besides the ones discussed above, such as those for all of the academies, swim program, etc.?
3. In SBB (as compared to the CSM or the Mendelson proposal), what should a school do if it ends up with half classrooms? For instance, a school projected for 58 kindergarteners would make for either two very crowded 29-person classrooms or three quite empty 18/19-person rooms. Does the ability to simply lower the number of pull-out staff (the ones not assigned to classrooms) account for this satisfactorily in DCPS's estimation?
4. Adding on to #3, non-selective DCPS schools differ from charters or selective schools in their inability to plan for their actual enrollment levels. While DCPS tries to do accurate projections, actual enrollment can vary compared to projection, which forces schools to either accept crowding or plan for lower enrollment. In the case of the aforementioned example school, for instance, is there a greater impetus to plan for the 3 sections of K given the possibility of exceeding the projection? Should the greater uncertainty of enrollment be factored in somehow (or, enrollment policies changed to reduce uncertainty?)

Thank you very much for engaging with me on these questions and I welcome the opportunity to discuss further.

David



Wolf Testimony on Proposed Bills on DCPS School Budgets  
January 2022

Councilmembers,

Good morning. Nothing gets me more excited to testify than proposed changes to DCPS school budgets. Here's my take-away of the proposed legislation on DCPS school budgets: It's the right idea, and I appreciate the effort. However, I think these bills contain the wrong details to provide school communities with the stability that they want and need.

My observation as an advocate is that whenever Council tries to argue with DCPS about what is central versus school support versus school, or what should count towards stabilization or not, Council loses and DCPS wins. What I have witnessed with the stabilization funds in particular is that DCPS made the numbers work for some schools losing staff by moving school resource officers from central to school budgets. Councilmembers picked up on this fact, asked questions about it in a hearing, to which DCPS responded by saying "No, it's fine," and then nothing happened. Even with Council's best intentions, it would be logistically challenging (if not impossible) to track every dollar and make sure that DCPS was abiding by the legislation. Moreover, the legislation doesn't provide enough details to prevent schools from being shortchanged each year.

DCPS is also about to roll out a new budget model with minimal to no public input. We don't even have details, like which positions are going to be funded by which buckets, like student-based or other. And Council has let DCPS get away with that.

Here's what we want: to not have to cut staff positions each year, which means holding harmless staff positions. But even this is complicated, and holding the same number of total staff constant would not work. DCPS changes the location of self-contained special education classrooms all the time, they add and subtract classrooms each year. Right now, the only people who have a full understanding of whether schools have the same level of staff from one year to the next are the principals. What we need is a detailed tracking of the number of teachers and students in each category, like second grade, English learners, special education, and so on. We need side-by-side comparisons from one year to the next for each category in each school. This would also add needed transparency. Some schools have lower student-to-teacher ratios due to special programs or favors, but right now, there's no transparency about this or political will within DCPS to change it.

You will also need to figure out what Council will do when DCPS doesn't hold staff harmless. Will additional money be moved within DCPS? Will additional money be allocated to DCPS? Holding staff harmless is probably not desirable for the Executive because it would require her to increase the UPSFF to the extent that the cost of staff positions increase. But this is the only way to ensure that schools don't face cuts year after year after year.

I'm sure you will also hear today the money grab from the charter lobby. But at some point, we have to talk about the fact that a dollar in a large government bureaucracy that is supposed to be a fail-safe as kids doesn't go as far as it does in the private sector, and sometimes, for good reasons. There's also the issue of limitless growth of the charter sector, which constrains resources left for existing schools. I hope you're willing to think about the entire landscape of DC public education, and what might make sense for the future.



**D.C. POLICY**  

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**CENTER**

**PUBLIC OVERSIGHT HEARING ON**

**Bill 24-570 “Schools First in Budgeting Amendment Act of  
2021”**

and

**Bill 24-571 “Schools Full Budgeting Amendment Act of 2021”**

Before the Committee of the Whole

Chairman Phil Mendelson

Thursday, January 20, 10:30 AM

Virtual Hearing via Zoom

Testimony of Dr. Yesim Sayin Taylor

Executive Director

D.C. Policy Center

Good morning, morning Chairman Mendelson and members of the Committee of the Whole. My name is Yesim Sayin Taylor, and I am the Executive Director of the D.C. Policy Center—an independent non-partisan think tank advancing policies for a strong and vibrant economy in the District of Columbia. I thank you for the opportunity to testify on the two DCPS budgeting bills the Council is considering.

In my testimony, I will offer comments and suggestions separately on the two bills.

Bill 24-571, “The Schools Full Budgeting Amendment Act of 2021” aims to prove schools budget stability by ensuring that schools will have at least the same budget as they got in the previous year unless the school loses a grade level, is poised for closure or must absorb students from a school poised for closure, or there is a systemwide shock that reduces total DCPS formula funding by more than 5 percent.

**First, this bill, as drafted, will not provide budget stability.** In a low inflation year, the 100 percent safe harbor provision might indeed provide some assurance to parents and principals that their schools will not lose any money or positions. But in an inflationary year like this one, when the recorded inflation is 7 percent, schools that receive the full amount of their previous year’s budget will still experience a 7 percent decline in their actual purchasing power. So, the hold harmless provision will neither relieve angst nor preserve budgets. This can, of course, be addressed by changing the bill to include an inflationary adjustment, but that would likely create a deficit in the financial plan and a future liability for the city to increase the per pupil funding formula by the recorded inflation.

**Second, this bill focuses on school budgets, but to achieve true stability, it should focus on actual expenditures.** Given how much attention published school budgets receive during the budget season, this is understandable. But remember that school budgets are published for the first time nearly eight months before the beginning of the school year. Many things change when schools open, shifting needs from one thing to another. So, it is common to see many reprogrammings within school budgets as well as across the entire school system. For example, I looked at the Fiscal Year 2017 data—it is dated, but it is what I had—and observed that for every DCPS school, the actual expenditures recorded at the school were different from the school’s published budget (as revised by the Council during the budget season. These differences varied between an increase of 9.4 percent and a decline of 14.4 percent in actual expenditures compared to the published budget for that (see Appended Figure 1).

Rather than legislating in this way to achieve budget stability, we recommend to the Committee to consider a public expenditure tracking study to see where schools begin with their budgets, and where they end the year with their actual expenditures. This will not only focus stabilization efforts on the right metric but will put in context the discussions around how budgets should be formulated.

**Third, this bill will permanently bake in place existing inequities in funding.** School budgets are driven by need and enrollment, but there are historic inequities, amplified by historic budgeting, that result in more resources for some schools and fewer resources for others. I examined the Fiscal Year 2021 budgets for all DCPS elementary schools and found that per pupil spending schools had in their budgets, after subtracting at risk funding, could be as high as \$19,500 and as low as \$10,405. Variations can be great even among similarly sized schools. For example, across 13 elementary schools with 400 to 450 students, one school had \$10,405 budgeted for each enrolled student, and one had \$17,804. These differences can partly be the result of varying special education needs or other needs in these schools, but my point is that we do not know this for sure. Therefore, we should not adopt a policy that would permanently preserve such differences.

The second bill, B24-570 first requires the DCPS to separate its budget into three big areas: central administration, local schools, and school supports. It then limits central administration spending to 3 percent of the overall budget and provides various rules that the Chancellor will have to follow in determining school budgets such as increasing personnel spending by the maximum of inflation, WTU required increases, increases in UPSSF, or 2 percent, and increasing nonpersonnel spending by inflation, and then making adjustments to reflect changes in personnel needs and other spending needs.

**This bill is intended to create transparency and transfer resources from the central office to schools, but it may end up increasing inequities.**

The bill treats the central office as purely overhead, similar to a back-office accounting operation. In fact, there are many programs that are traditionally budgeted in the central office that directly impact the success of schools and students. For example, the Multi-Tiered Systems of Support team (previously SEL), provides technical assistance, capacity building, observation, coaching, data analysis, and other supports which are responsive to schools' needs. Would they be considered school supports or central office? We do not know.

**Even central office programs that are budgeted in ways that are not correlated with enrollment counts may be serving the important goal of equalizing opportunity.** For example, the college and career readiness program at DCPS provides information to each student so they can be informed about what opportunities await them after graduation. If this program is cut back because there is no room for it under the 3 percent allotment, then every school will have to provide these supports on their own, and some, with greater capacity, will provide better services to their students, and others, with less capacity, will not. This is one example where a program organized and budgeted at the central office can better serve DCPS students compared to an alternative where every school is on its own. And this bill might just kill it.

There needs to be more transparency in school funding, and safe haven provisions are important for stability, but we need to know more about actual spending, capacity differences across schools, and the relationship between needs and programs before making such significant changes as proposed by these two bills.

Thank you for the opportunity to testify, and I welcome your questions.

**Appendix Figure 1 – How school budgets and actual expenditures could vary:**

The difference between revised school budget and actual spending, relative to revised school budget, Fiscal Year 2017  
DCPS



Source: SOAR data for fiscal year 2017, D.C. Chief Financial Officer  
Note: The bars depict the 10th, 50th, and 90th percentiles.



## Appendix Figure 2 – How per pupil budgeted funds differences across similarly sized DCPS schools (excludes at risk funding)

Per pupil budgeted funds at DCPS elementary schools in FY 2021  
*Minimum and maximum amounts observed across similarly sized schools*

School size	Number of schools	Min. budgeted funds per student	Maximum budgeted funds per student
150 to 200	6	\$13,519	\$18,789
201 to 250	9	\$15,354	\$19,289
251 to 300	13	\$13,710	\$19,564
301 to 350	8	\$11,781	\$16,935
351 to 400	6	\$11,906	\$17,383
401 to 450	13	\$10,405	\$17,801
451 to 500	5	\$11,494	\$19,331
501 to 550	1	\$15,936	\$15,936
600 to 650	3	\$11,123	\$14,372
700 to 750	2	\$10,440	\$14,143

**Source:** DCPS submitted budget information for Fiscal Year 2021  
**Note:** The table only includes enrollment buckets where there are more than one schools.





Thank you Chairman Mendelson and Members of the Committee of the Whole for this opportunity to provide testimony. My name is Jessica Sutter and I am honored to represent Ward 6 on the DC State Board of Education.

I appreciate the intent of the Chairman's two bills, Bill 24-570 "Schools First in Budgeting Amendment Act of 2021" and Bill 24-571 "Schools Full Budgeting Amendment Act of 2021." Each makes a concerted effort to address the turmoil faced by DCPS school communities each year during budget season.

However, I have a few concerns I hope the Chairman and members of the Committee will consider as you mark up this proposed legislation.

The focus of these bills is on stability - but one reality of DC education is that very little about our system is stable. We see significant mobility of students year over year, which results in changing enrollment numbers & changing needs for staffing and support at schools. While it is admirable to try to minimize the impact of such mobility on school budgets, the mechanisms described in these bills sets us up, perhaps inadvertently, a system of potential double payment for "phantom students" in our dual-sector system. It also seems to lack any protections requiring appropriate increases for DCPS schools which experience enrollment growth.

For instance - in my understanding of these bills, if a DCPS school loses 10 students for SY23-24 and each of these 10 students enrolls in a public charter school, DCPS will be expected to fund their prior school at the same UPSFF level, but will not receive additional funding from OSSE to cover that cost. Thus, the money will need to come from other sources within the overall DCPS budget. BUT - the charter schools WILL receive the UPSFF equivalent for each of those 10 students from OSSE as part of their budget.

While the \*state\* will not double-pay for these students, two LEAs will be allocating funding for these same 10 students. This may prove possible for a year or two, but as a compounding factor, such double-budgeting will be unsustainable for DCPS without significant increases in expenditures on education at the state level.

Additionally, the bills appear to begin with an assumption that central office "bloat" is the reason for annual budget cuts at schools. This is addressed by limiting the amount DCPS can



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Ward 6 Representative

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spend on "central administration" to 3 percent. I concur with the Chairman that our school communities deserve to have adequate funding to meet their needs for serving students, but I wonder whether the Committee has evidence to suggest that it is wholly growth at Central Office which is driving budget instability at individual schools. As I understand it, in addition to student mobility, growing costs of both labor and non-personnel services are key factors in school budget changes.

If my understanding is accurate, limiting the expenditures at Central Office may negatively impact the economies of scale employed by DCPS to responsibly serve the needs of students across schools within the LEA, without actually improving the budget situation at a given school. Said another way, holding a school harmless for changes in its enrollment and providing it with the same UPSFF equivalent as the prior year by pulling from the Central Office budget to do so might \*still\* result in a school with reduced purchasing power.

Finally, and most importantly, there is no clear provision in either of these bills to ensure that budgets for our schools are handled equitably. Keeping all schools flat-funded does not ensure that our schools serving significant numbers of students entitled to at-risk funding get the full amount of funding to which they are entitled - either directly or via properly delegated "school supports." This is a long-standing frustration for schools & their communities. Council would do well to address it in future iterations of these bills.

I understand that DCPS has been slow to provide detailed information on the new budget model, but it is my hope that either the new DCPS model will focus on equity as it has promised it will OR that the Committee will mark up these bills to specifically address equitable funding to schools. I also hope that the Committee will address transparency in data shared with the public, and specifically with principals and LSATs. If school communities are able to clearly see and understand the math used by DCPS to produce individual school budgets, that, in and of itself, would be a significant improvement over where we are now.



Council Hearing on the Schools First Budgeting Amendment Act and the Schools Full Budgeting  
Amendment Act of 2021

January 20, 2022

Cathy Reilly – Senior High Alliance of Parents, Principals and Educators

Thank you for this opportunity to testify. I am the director of SHAPPE and the facilitator for the Ward 4 Ed Alliance and C4DC.

I support the intent to ensure that DCPS schools are stable, able to expand programming and meet the needs of their students and families. I acknowledge the Council is working to solve a problem that has been persistent.

The first issue before the Council, not dealt with yet, is the way we fund public education effective, efficient and fair? We have policy that does not limit the number of schools, incentivizes families to exit rather than invest and in the name of neutrality does not prioritize its own DCPS system of right.

Today, considering the Schools First Budgeting Amendment Act, It is premature for us to recommend changes of this magnitude without knowing more about the DCPS budgets for this year and thus as proposed in these bills for perpetuity.

I am concerned that DCPS school stability actually depends on all three categories – school budgets, school supports and central office. They all have to work in support of the students in the schools. I am apprehensive about possibly transferring more responsibility to the schools, even with some funding and then holding them responsible. For example, we have asked schools to be the Dept. of Health this year.

I am in favor of continuing to use average salaries in the school budgets and against the provision in the bill specifying actual funding as I currently understand its ramifications. Using average salaries allows decisions to be made based on program and classroom needs at the school level and should help with retaining our more experienced teachers.

This said, there should be adequate funding so that Schools do not absorb the cost of inflation and salary increases into static budgets. These increases in cost should have an automatic increase in funds added to the school budget. This has been one of the main drivers of schools with constant enrollment having to cut staff.

In terms of a formula for increases and decreases in enrollment, the current provisions in the bill are elementary driven and may have some issues there. For secondary schools we would look at a requirement that planning periods be incorporated into the formula and that class size be set to allow for electives and advanced classes along with adequate staffing for ELL and SPED. Currently DCPS divides enrollment by 25 and that is the number of teachers. It ignores the fact that up to 25% of the teachers in a 4 by 4 schedule will not be teaching. They will be in their contract protected planning period. Class

size used to be 22 versus the current 25. This gives you some idea of the complexity of getting any formula right.

Finally, this proposal appears to remove the At risk provision currently in code for DCPS. Thus, it eliminates requiring annual reporting on the use of at-risk funds which directs that funds are to supplement not supplant other funds, as well as the requirement that 90% be allocated to schools.

Stability is one of a number of lenses we need to look at budgeting through. For this year, however, I hope you will prioritize ensuring that the new DCPS budget model allows schools to recover and grow. We will be back in March. Thank you.

**TESTIMONY BEFORE THE COMMITTEE OF THE WHOLE  
DISTRICT OF COLUMBIA COUNCIL  
Bill 24-570 “Schools First in Budgeting Amendment Act of 2021” and Bill 24-571  
“Schools Full Budgeting Amendment Act of 2021”**

**Mary Levy     January 20, 2022**

Thank you for introducing these bills. I have worked on the methodology and analyzed DCPS local school budgets for about 25 years. DCPS’ current system has multiple flaws and inequities. These bills do not purport to address them, nor do they address concerns about general underfunding, but that is all right. The sources of the inequities and insufficiencies are complex, and one cannot expect to solve all problems at once in one piece of legislation.

What the bills do seek, in a meaningful way, is to address the funding instabilities that have plagued schools for years. I have prepared simulations of the effect of both bills with the only data currently available: What would the results have been if either had been law governing the calculation of this year’s budgets?

The Schools Full Budgeting Act would have helped very little. Only 17 of 114 schools received fewer dollars in this year’s budgets than they had last year. This bill would have done nothing for dozens of schools that had to cut staff and/or services because the budgets they received were insufficient to cover all the costs for which they are charged.

The other bill, the Schools First in Budgeting Act, seeks to solve this very big problem, because it guarantees funding to cover salary increases, inflation, enrollment increases, cost increases in special education and English Language Learner programs, and any costs newly shifted into school budgets. This is a minimum that needs to be provided. It is a guardrail against backsliding and at the very least, it is vital triage.

**If this bill had been in place last year, 61 schools would have received more money than DCPS provided them, because their increased costs would have been covered.** Those costs were not, and that is why the Council heard so many complaints and pleas from parents.

That said, and looking only at stabilization, it is critical that the legislation get it right, and we cannot yet be sure of that.

- We need to see the budgets produced pursuant to the new – and essentially unknown -- model that DCPS has adopted. I will again run simulations to identify results and unintended negative consequences, and others will want to weigh in based on the experience they are about to have.
- The use of actual versus average salaries must be studied further. I ran my FY21 to FY22 simulations on both. Schools received far less money with average salaries in the base than with actual salaries. This happened because as of last winter, actual salaries in the schools (including funded vacancies) added up to \$26 million more than schools had in their Revised FY21 budgets. The average salary in the Revised budget was \$1,143 less

than that the schools were actually paying. The average, if used, had better be right. And there are other issues, including the treatment of experienced teachers, that need to be analyzed and discussed.

- The bill provides not only for more staff for enrollment increases, but fewer for enrollment decreases. This can be a significant problem for the latter. Enrollment goes up and down in some schools for reasons beyond their control and budgets are based on *projected* enrollment, which is often wrong at the school level, particularly due to the ever-increasing numbers of charter schools. It would be well to provide some leeway on enrollment decline.

Given that FY24 school preparation will not begin for some months, there is time to do this work. I urge you to stick with the approach of the Schools First, but to listen to the concerns of parents and community who are just getting into the details.

## Testimony of Stephen Kletter – Committee of the Whole Public Hearing – January 20, 2022

Good evening. My name is Stephen Kletter and I am a practicing economist who has lived and worked in the District for over 25 years. I have two children in DCPS schools. My youngest child attends Alice Deal Middle School.

While I really appreciate the spirit of proposed legislation, the problems with the current and proposed new budget models run much deeper—as I will describe—and cannot be fixed with broad legislation alone.

With 1,500 students, Alice Deal is by far the largest middle school in the city. It's helpful to remember that Alice Deal is more than three times as large as the average DCPS middle school and more than double the size of the next largest middle school.

School size matters because the current CSM Budget Model used by DCPS underfunds large schools even after accounting for student needs. To its credit, DCPS itself explicitly recognized this problem in its Summer 2020 budget presentations. This flaw in the budget model underfunds Alice Deal by over \$2 million per year and needs to be fixed in the new DCPS budget model.

The problem in the current CSM Budget Model lies in general education funds—referred to as “Enrollment” funds—given to each school which are not needs based. DCPS handles needs based funding through other specific funding programs (e.g., ELL spending, at-risk funding).

Under the “Enrollment” funding model, many key budget items do not increase with the size of the school – so big and small schools receive the exact same funding amount despite massive differences in size. Let's consider just two examples:

- First, the “Middle School Investment” is a budget item that allocates 2 to 3 additional teachers to each Middle School. Any school over 350 students receives 3 teachers. Deal with 1,500 students receives the same number of additional teachers as a school with just 350 students. This single line item alone underfunds Deal by up to nine teachers.
- Second, each middle school regardless of size receives a fixed \$100,000 for Social-Emotional support. That level of funding does not go far when you need to serve 1,500 students.

Some may argue that there are economies of scale in operating a school. And this is true but only for very small to mid-sized schools. In contrast, as schools get large, research studies show that diseconomies of scale kick in resulting in increased—not decreased—cost per student needed to maintain educational quality. As an academic study on school funding concluded:

*In dealing with school size issues, educational decision-makers should avoid simplistic notions of economic efficiency based upon perceived economies of scale. Advocates of the economy of*

*scale often perceive a linear relationship in which larger schools are automatically more efficient. Research does not support this view.<sup>1</sup> (emphasis added)*

Case in point, the Department of Education in Maryland—our next-door neighbor—recently studied this very question and found that large middle schools with over 900 students require more—not less—funding per student which is why they recommend new middle schools in the state be capped at 900 students.<sup>2</sup> **Consistent with Maryland’s finding, the new DCPS budget model needs to reflect the fact that large schools face increasing costs per student.**

I have attached a presentation that outlines this funding problem in detail, including cites to studies, academic papers, and DCPS materials.

Regarding the proposed legislation, what we really need is a well-constructed and transparent budget model in combination with increased total educational funding from the city. If for some reason those modest conditions cannot be met, then some form of legislation would be incrementally helpful.

Thank you Council Chairman Mendelson for your time and hard work.

Sincerely,

Stephen Kletter

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<sup>1</sup> Slate, John R. and Jones, Craig H. (2005) “Effects of School Size: A Review of the Literature with Recommendations,” *Essays in Education*: Vol. 13, Article 12.

<sup>2</sup> “Final School Size Study Report: Impact of Smaller Schools,” Prepared for the Maryland Department of Education, Submitted by APA Consulting, June 30, 2015, page 38

# Alice Deal FY22 Budget Discussion

April 9, 2021



## Thank You for the Opportunity to Share Our Thoughts on the Funding for Alice Deal

- We have done a deep dive into the funding of Deal Middle School, looking at DCPS data over the past few years.
- We plan to share our findings with you today.
- We hope you find them useful and welcome any feedback you might have.
- Alice Deal is a wonderful school with students from every part of the city and run by a supremely talented, hardworking leadership team. We want to ensure that the Deal leadership team has sufficient funding to continue their mission: **Provide a rigorous IB education to every student.**
- The education of students in our city needs to be priority number one in District. DCPS needs more funding.

# Deal's Overall Budget Will Fall in FY22

- Overall, Deal in FY22 will lose \$138,000 in funding, an 0.8% reduction.
- This 0.8% reduction does not account for inflation. U.S. inflation is forecasted to be 2.0% in 2021. As a result, the true inflation-adjusted reduction in Deal's funding is 2.8%, equivalent to a reduction of over \$460,000.
- As a result, Deal will need to zero-out non-personnel flexible funds and eliminate key staffing positions again in FY22.
- These cuts jeopardize Deal's mission and negatively impact its planned return to full in-person learning in the fall.

# Big Cuts to Deal's General Education Budget in Both FY21 and FY22

- The loss in FY22 funds is even more dramatic than it first appears. Needs-based increases in the number of ELL and Special Ed students masks the true drop in General Education funding.
  - In FY22, “General Education” funding will fall by \$409,692, a 3.0% reduction (4.9% reduction including inflation). This is larger than the 2.9% forecasted reduction in student headcount. As a result, General Education funding will fall by \$185 per student accounting for inflation (a reduction of 2.7%). This is equivalent to a headcount-adjusted reduction of \$276,000.
- Deal faced the exact same problem last year where increases in ELL and Special Ed funding were offset by reductions in General Education funding.
  - The combined impact of budget cuts in FY21 and FY22 have resulted in a \$650,000 reduction to General Education funding at Deal. Accounting for inflation, this is a reduction of nearly \$1.2 million. Even if you adjust for student headcount, the reduction in General Education funding is nearly \$600,000.

## Other Budget Funding Concerns

- For one-time “Stimulus” funding, Deal will receive only \$182 per student versus \$520 per student received on average by all other DCPS middle schools.
- The DCPS CMS Budget model underfunds large schools even after accounting for student needs. This underfunding costs Deal over \$2 million per year and needs to be fixed in the new DCPS budget model.

# Here is a comparison of Deal's Funding for FY21 and FY22

Funding Buckets	FY21 - Actual		FY22 - Budget		FY21 to FY22		
	Actual		Change		Inflation Adjusted Dollars		
	Change	% Change	Change	% Change	Change	% Change	% Change
Enrollment*	\$ 10,312,863	\$ 9,939,688	\$ (373,175)	(3.6%)	\$ (571,969)	(5.5%)	(5.5%)
Special Ed	\$ 1,988,574	\$ 2,026,141	\$ 37,567	2%	\$ (2,956)	(0.1%)	(0.1%)
ELL	\$ 554,455	\$ 787,985	\$ 233,530	42%	\$ 217,770	39%	39%
Title Funds	\$ 36,450	\$ 36,650	\$ 200	1%	\$ (533)	(1.5%)	(1.5%)
Other**	\$ 3,322,597	\$ 3,033,373	\$ (289,224)	(8.7%)	\$ (349,891)	(10.5%)	(10.5%)
Chancellor's Assistance***	\$ 85,000	\$ 337,707	\$ 252,707	297%	\$ 245,953	289%	289%
<b>Total</b>	<b>\$ 16,299,939</b>	<b>\$ 16,161,544</b>	<b>\$ (138,395)</b>	<b>(0.8%)</b>	<b>\$ (461,626)</b>	<b>(2.8%)</b>	<b>(2.8%)</b>
Student Headcount	1,510	1,466	(44)	(2.9%)			
General Education Funds****	13,720,460	13,310,768	(409,692)	(3.0%)	\$ (675,907)	(4.9%)	(4.9%)
General Education Funds per Student	\$ 9,086	\$ 9,080	\$ (7)	(0.1%)	\$ (188)	(2.1%)	(2.1%)
<b>Decrease in General Education Funding Adjusted for Headcount and Inflation</b>					<b>(276,106)</b>		

Red circles highlight the most relevant measures.

**Notes:**

- \* "Enrollment" funds are general education funds based on a funding formula that is not needs based.
- \*\* "Other" includes Leadership & Administration, Instructional Support, Custodial Staff, Non-personnel, and a small amount of Other.

\*\*\* The FY22 initial budget allocation of \$15.8 million does not include the \$377,707 in "Chancellor's Assistance." Above we include the Chancellor's Assistance (equivalent to 2.1% of the total Deal budget) even though it is a one-time payment outside of the budget process.

\*\*\*\* General Education Funds include Enrollment, Other, and Chancellor's Assistance.

Inflation rate equals 2.0%.

**Sources:**

- [https://www.dcpsdatacenter.com/assets/docs/compare/fy20initialsubmittedbudget\\_Deal%20MS.pdf](https://www.dcpsdatacenter.com/assets/docs/compare/fy20initialsubmittedbudget_Deal%20MS.pdf)
- <https://dcpsbudget.com/dashboards/fy22-initial-allocations/>
- <https://dcpsbudget.com/dashboards/fy21-submitted-budgets/>

# Here is a comparison of Deal's Funding for FY20 and FY22

## Alice Deal Middle School Budget Allocation

Funding Buckets	FY20 - Actual	FY21 - Actual	FY22 - Budget	Actual		FY20 to FY22	
				Change	% Change	Inflation Adjusted Dollars	% Change
Enrollment*	NA	\$ 10,312,863	\$ 9,939,688	NA	NA	NA	NA
Special Ed	\$ 1,626,893	\$ 1,988,574	\$ 2,026,141	\$ 399,248	20%	\$ 358,725	22%
ELL	\$ 327,342	\$ 554,455	\$ 787,985	\$ 460,643	83%	\$ 444,883	136%
Title Funds	\$ 36,850	\$ 36,450	\$ 36,650	\$ (200)	(0.5%)	\$ (933)	(2.5%)
Other**	NA	\$ 3,322,597	\$ 3,033,373	NA	NA	NA	NA
Chancellor's Assistance***	NA	\$ 85,000	\$ 337,707	NA	NA	NA	NA
<b>Total</b>	<b>\$ 15,952,250</b>	<b>\$ 16,299,939</b>	<b>\$ 16,161,544</b>	<b>\$ 209,294</b>	<b>1%</b>	<b>\$ (113,937)</b>	<b>(0.7%)</b>
Student Headcount	1,530	1,510	1,466	(64)	(4.2%)		
General Education Funds****	13,961,165	13,720,460	13,310,768	(650,397)	(4.7%)	\$ (1,177,503)	(8.4%)
General Education Funds per Student	\$ 9,125	\$ 9,086	\$ 9,080	\$ (45)	(0.5%)	\$ (405)	(4.4%)
<b>Decrease in General Education Funding Adjusted for Headcount and Inflation</b>				<b>(593,507)</b>			

Red circles highlight the most relevant measures.

### Notes:

- \* "Enrollment" funds are general education funds based on a funding formula that is not needs based.
- \*\* "Other" includes Leadership & Administration, Instructional Support, Custodial Staff, Non-personnel, and a small amount of Other.
- \*\*\* The FY22 initial budget allocation of \$15.8 million does not include the \$377,707 in "Chancellor's Assistance." Above we include the Chancellor's Assistance (equivalent to 2.1% of the total Deal budget) even though it is a one-time payment outside of the budget process.
- \*\*\*\* General Education Funds include Enrollment, Other, and Chancellor's Assistance.

### Sources:

- [https://www.dcpsdatacenter.com/assets/docs/compare/fy20initialtosubmittedbudget\\_Deal%20MS.pdf](https://www.dcpsdatacenter.com/assets/docs/compare/fy20initialtosubmittedbudget_Deal%20MS.pdf)
- <https://dcpsbudget.com/dashboards/fy22-initial-allocations/>
- <https://dcpsbudget.com/dashboards/fy21-submitted-budgets/>

## DCPS's CSM Budget Model Underfunds Large Schools Even After Accounting for Student Need

- General education “Enrollment” funds are not needs based. DCPS handles needs based funding through other specific funding programs (e.g., ELL spending, at-risk).
- For the Enrollment funding model, many key budget items are allocated to schools in a non-linear basis with respect to student headcount.
- In this context, this means that funds for certain budget items do not increase with the size of the school. For example,
- For example, the “Middle School Investment” budget item allocates 2 to 3 additional teachers to each Middle School. Any school over 350 students receives 3 teachers. Deal with 1,466 students receives the same number of additional teachers as a school with just 350 students. This alone underfunds Deal by up to nine teachers.

Other non-linear general education budget items also result in underfunding of large schools.

- Each middle school regardless of size receives just one position for:
  - Instruction Coach
  - Administrative Aid
- Each middle school with over 300 students receives just one position for:
  - School Librarian
  - Business Manager
- Each school regardless of size receives:
  - \$100,000 for Social-Emotional support.
  - \$23,000 to support travel and excursions.
  - \$5,000 to support activities and clubs.
- See Appendix for additional key examples.



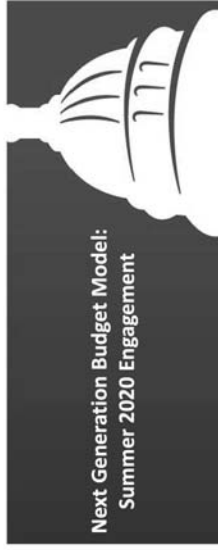
# Recent DCPS Budget Presentation Recognized that Large Schools Are Underfunded by Its CSM Budget Model Even After Accounting for Student Need



## Opportunities for Growth

- Total per student spending varies across schools, even after adjusting for varying student needs; this inequity is most pronounced in secondary schools

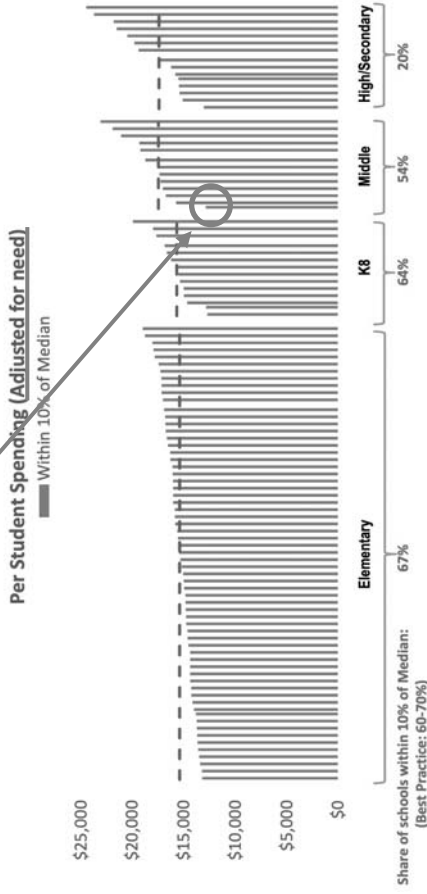
Alice Deal



Big schools receive fewer staff per student.

## Next Generation Budget Engagement

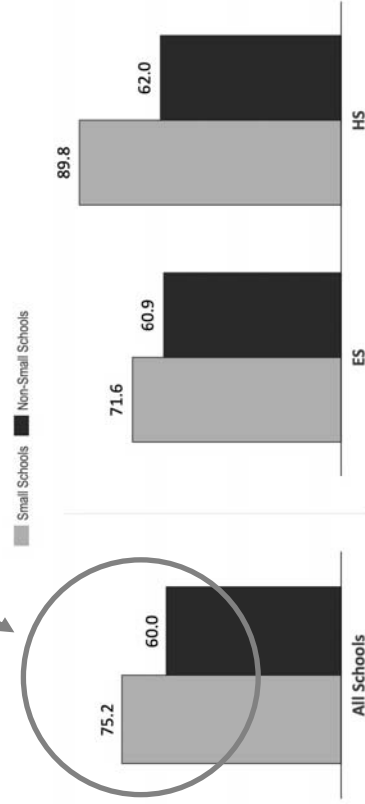
The CSM has resulted in a wide range of spending per student at secondary schools.



## Next Generation Budget Engagement

Utilizing the CSM, smaller schools end up being budgeted with more staff (FTEs) per student.

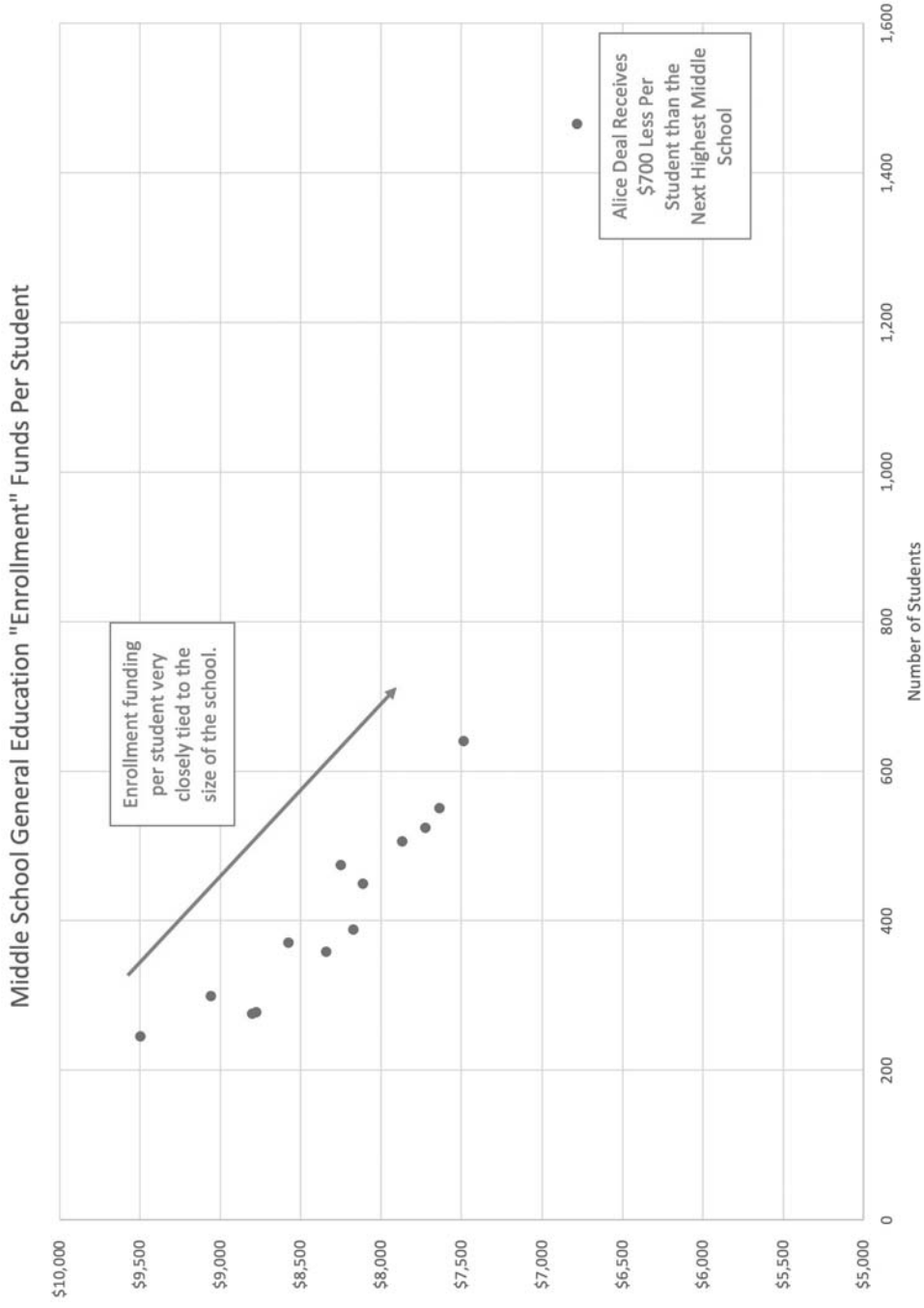
FTEs/500 Students in Small Schools vs. Non-Small Schools in Initial Budget (FY18 Data)



Note: Alternative and special education schools not included (see slide 37 for full list). Source: FY18 Expenditures; SY17-18 Payroll; SY17-18 OSSE Enrollment Audit; DCPS SVD Enrollment Data

Note: Alternative and special education schools not included; ES excludes K8 schools. Source: FY18 Initial Budgets; SY17-18 Payroll; SY17-18 OSSE Enrollment Audit; DCPS SVD Enrollment Data; Education Resource Strategies Analysis

# Charting Enrollment Funds Per Student Demonstrates the Underfunding of Large Middle Schools



Source: DCPS.

# Funding for DCPS Middle Schools: A Large School Like Deal Only Receives 83 Cents on the Dollar for General Education Enrollment Funds. This differential reduces Deal's funding by over \$2 million in total.

## Initial DCPS Budget Allocations for 2021-2022

Source: <https://dcpbudget.com/dashboards/fy22-initial-allocations/>

School	FY22 Projected Enrollment	Total Funding		General Enrollment Funds Only	
		w/ Chancellor's Assistance	Per Pupil	Total	Per Pupil
Kramer	246	\$5,468,732	\$22,231	\$2,335,686	\$9,495
McKinley	300	\$5,118,525	\$17,062	\$2,717,007	\$9,057
Sousa	276	\$5,537,716	\$20,064	\$2,428,170	\$8,798
Elliot-Hine	278	\$5,214,029	\$18,756	\$2,439,427	\$8,775
Johnson	371	\$6,247,992	\$16,841	\$3,181,005	\$8,574
Brookland	359	\$6,155,159	\$17,145	\$2,993,359	\$8,338
Hart	475	\$7,433,389	\$15,649	\$3,917,824	\$8,248
Jefferson	389	\$6,114,504	\$15,719	\$3,177,866	\$8,169
Kelly Miller	450	\$7,944,756	\$17,655	\$3,649,577	\$8,110
Stuart-Hobson	507	\$7,116,658	\$14,037	\$3,987,291	\$7,864
Hardy	525	\$6,595,003	\$12,562	\$4,053,661	\$7,721
Ida B. Wells	551	\$8,231,483	\$14,939	\$4,205,065	\$7,632
MacFarland	641	\$10,412,981	\$16,245	\$4,796,794	\$7,483
<b>Deal</b>	<b>1,466</b>	<b>\$16,161,550</b>	<b>\$11,024</b>	<b>\$9,939,688</b>	<b>\$6,780</b>
<b>Total</b>	<b>6,834</b>	<b>\$103,752,477</b>	<b>\$15,182</b>	<b>\$53,822,420</b>	<b>\$7,876</b>

<b>Subtotals:</b>	
Total Non-Deal	\$87,590,927
Small School Premium \$	\$16,317
Small School Premium %	\$5,293
Large School Discount	48%
Large School Cents on Dollar	32%
	68
	83

General Enrollment Funds are a subset of total funds that exclude needs-based funding.

# Purported Economies of Scales Do Not Justify Underfunding Large Middle Schools

- Labor intensive organizations do not typically exhibit large economies of scale.
- Non-profit organizations are not for-profit organizations run by MBAs obsessed with cost minimization.
- Schools exhibit U-shaped costs.
  - *Very small schools do experience greater inefficiencies, but as schools grow larger, their efficiency advantage is diminished by the increasing costs of administration and of the need for greater coordination across a larger, more complex school organization.* [Maryland Department of Education study]
  - This is particularly true for large schools like Deal that are at or over their school building capacity which causes congestion.
- Recent study for the Maryland Department of Education concluded that middle schools above 700 students exhibit increasing costs per student. Deal is over twice that size.

A recent 2015 study for the Maryland State Department of Education concludes that middle schools above 700 students experience increased costs of operation per student and lower student performance. For this reason, they suggest capping Middle Schools at 900 students. Deal is nearly twice that size.

### Final School Size Study Report: Impact of Smaller Schools

Prepared for  
Maryland State Department of Education

By  
Cheryl Humann, Humann Consulting,  
Robert Palaich, APA Consulting,  
Mark Fermanich, APA Consulting,  
and

Shawn SteLOW Griffin, Collaborative Communications

Submitted by  
APA Consulting

June 30, 2015



AUGENBLICK  
PALAICH AND  
ASSOCIATES



**The Literature** Conventional wisdom theorizes that larger schools must be more cost efficient to operate than smaller schools, since larger schools have greater economies of scale. The research on the relationship between school size and efficiency is not conclusive, but evidence suggests that school operating efficiency is actually U-shaped. Very small schools do experience greater inefficiencies, but as schools grow larger, their efficiency advantage is diminished by the increasing costs of administration and of the need for greater coordination across a larger, more complex school organization (Stiefel, Berne, Iatorola, and Frutcher, 2000; Walberg & Walberg, 1994).

Meanwhile, some research suggests that smaller school operations may be more efficient when student performance is taken into consideration. Stiefel et al. (2000) found that, compared to smaller schools, **larger schools are less efficient at producing student academic outcomes**. This results in larger schools having lower returns on investment than smaller schools.

**Executive Summary ...The study team has developed two recommendations** for state policy makers to consider, each related to school size: Create a policy establishing maximum school sizes by school level (elementary, middle, and high). **These maximum school sizes would be set at the enrollment levels at which school operating costs were no longer benefiting from economies of scale and where student performance begins to decrease due to larger school size**. Institute a competitive grant program to support the construction of small schools and/or the renovation of existing large school buildings. Such a program would help accommodate school-within-school models – that is, the program would be targeted toward replacing or reconfiguring the lowest-performing large schools in the State. **The research team has suggested enrollment limits based on the points at which schools in Maryland start becoming both less cost efficient and less productive. These enrollment limits are set at 700 students for elementary schools, 900 students for middle schools, and 1,700 students for high schools**. The study team does not recommend that schools in Maryland should be this large, but no newly constructed schools should be allowed to exceed these limits.

Slate, John R. and Jones, Craig H. (2005)  
“Effects of School Size: A Review of the  
Literature with Recommendations,” *Essays in  
Education*: Vol. 13, Article 12.

Conclusion:

*In dealing with school size issues, educational decision-makers should avoid simplistic notions of economic efficiency based upon perceived economies of scale. Advocates of the economy of scale often perceive a linear relationship in which larger schools are automatically more efficient. Research does not support this view.* (emphasis added)

# Appendix

A few years back DCPS added a “Middle Grade Investment” that adds 2 to 3 teachers per MS. Any MS above 350 students receives 3 teachers. As such, a school with just 350 students receives the same number of teachers as Deal at 1,466 students. This funding differential costs Deal \$738,000.

**Teacher – Middle Grade Investment - FY22 Initial Allocations**

For the DCPS Middle School investment, each Middle Schools receives an additional 2 or 3 teachers. Schools with 350 or more students receive 3 teachers. This formula arbitrarily penalizes large Based on Deal's size, it should receive about a dozen additional teachers rather than just three.

School	FY22		Students Per		Teacher Investment	
	Projected Enrollment	Additional Teachers	Additional Teacher	Dollars	Dollars Per Student	Dollars
Kramer	246	2	123	\$225,138	\$915	\$225,138
McKinley	300	2	150	\$225,138	\$750	\$225,138
Sousa	276	2	138	\$225,138	\$816	\$225,138
Elliot-Hine	278	2	139	\$225,138	\$810	\$225,138
Johnson	371	3	124	\$337,707	\$910	\$337,707
Brookland	359	3	120	\$337,707	\$941	\$337,707
Hart	475	3	158	\$337,707	\$711	\$337,707
Jefferson	389	3	130	\$337,707	\$868	\$337,707
Kelly Miller	450	3	150	\$337,707	\$750	\$337,707
Stuart-Hobson	507	3	169	\$337,707	\$666	\$337,707
Hardy	525	3	175	\$337,707	\$643	\$337,707
Ida B. Wells	551	3	184	\$337,707	\$613	\$337,707
MacFarland	641	3	214	\$337,707	\$527	\$337,707
Deal	1,466	3	489	\$337,707	\$230	\$337,707
Total	6,834	38	180	\$4,277,622	\$626	\$4,277,622
Total Non-Deal	5,368	35	153	\$3,939,915	\$734	\$3,939,915
Small School Premium \$					\$504	\$504
Small School Premium %					219%	219%
Large School Discount					69%	69%
Large School Cents on Dollar					31	31

**Hypothetical: Assuming Deal Receives Funding Equal to the Non-Deal Average**

Deal Funding at the Average	\$1,075,990
Resulting Increase in Deal Funding	\$738,283

Source:  
FY22-Middle-School-Comprehensive-Staffing-Model-DCPS-Budgets-1-2



DCPS provides “Leadership” funds for each school. Deal receives only about half of the Leadership funds per pupil as smaller middle schools. This costs Deal \$850,000.

School	Leadership Funding				Leadership Headcount			FY22 Projected Enrollment
	Total	Per Student	Principal	Assistant Principal - Intervention	Assistant Principal - Other	Students Per Leader		
Kramer	\$477,029	\$1,939	1	1	0.8	88	246	
McKinley	\$410,724	\$1,369	0.5		2	120	300	
Sousa	\$492,682	\$1,785	1	1	0.9	95	276	
Elliot-Hine	\$492,682	\$1,772	1	1	0.9	96	278	
Johnson	\$539,641	\$1,455	1	1	1.2	116	371	
Brookland	\$383,112	\$1,067	1		1.2	163	359	
Hart	\$602,252	\$1,268	1	1	1.6	132	475	
Jefferson	\$555,294	\$1,427	1	1	1.3	118	389	
Kelly Miller	\$586,600	\$1,304	1	1	1.5	129	450	
Stuart-Hobson	\$617,905	\$1,219	1	1	1.7	137	507	
Hardy	\$477,029	\$909	1		1.8	188	525	
Ida B. Wells	\$477,029	\$866	1		1.8	197	551	
MacFarland	\$523,988	\$817	1		2.1	207	641	
<b>Deal</b>	<b>\$962,269</b>	<b>\$656</b>	<b>1</b>	<b>4.9</b>	<b>248</b>	<b>1,466</b>		
<b>Total</b>	<b>\$7,598,236</b>	<b>\$1,112</b>	<b>14</b>	<b>8</b>	<b>24</b>	<b>151</b>	<b>6,834</b>	
<b>Total Non-Deal</b>	<b>\$6,635,967</b>	<b>\$1,236</b>	<b>13</b>	<b>8</b>	<b>19</b>	<b>137</b>	<b>5,368</b>	
Small School Premium \$	\$580							
Small School Premium %	88%							
Large School Discount	47%							
Large School Cents on Dollar	53							
Additional Students Handled by Each Deal Leader						112		
Additional Students for Each Deal Leader as a Percent						82%		
<b>Hypothetical: Assuming Deal Receives Funding Equal to the Non-Deal Average</b>								
Deal Funding at the Average	\$1,812,282							
Resulting Increase in Deal F.U.	\$850,013							

At Deal there is one leader per 248 students. At smaller middle schools the average is one leader per 137 students.

Notes: Even excluding intervention staff, the cents on the dollar measure is 65 cents and Deal leaders still handle 45% more students.

For Custodial Staff funding, Deal will receive only \$336 per student versus \$750 per student received on average by all other DCPS middle schools. This difference costs Deal \$606,000.

Custodial Staff - FY22 Initial Allocations									
School	Custodial Staff		FY22 Projected Enrollment	Custodial Cost					
	Headcount	Headcount Per Student		Dollars	Dollars Per Student				
Kramer	5	49	246	\$290,162	\$1,180				
McKinley	5	60	300	\$290,162	\$967				
Sousa	5	55	276	\$290,162	\$1,051				
Elliot-Hine	5	56	278	\$290,162	\$1,044				
Johnson	6	62	371	\$340,757	\$918				
Brookland	5	72	359	\$290,162	\$808				
Hart	7	68	475	\$391,352	\$824				
Jefferson	5	78	389	\$290,162	\$746				
Kelly Miller	5	90	450	\$290,162	\$645				
Stuart-Hobson	6	85	507	\$340,757	\$672				
Hardy	5	105	525	\$290,162	\$553				
Ida B. Wells	5	110	551	\$290,162	\$527				
MacFarland	6	107	641	\$340,757	\$532				
<b>Deal</b>	<b>9</b>	<b>163</b>	<b>1,466</b>	<b>\$492,542</b>	<b>\$336</b>				
<b>Total</b>	<b>79</b>	<b>87</b>	<b>6,834</b>	<b>\$4,517,623</b>	<b>\$661</b>				
<b>Total Non-Deal</b>	<b>70</b>	<b>77</b>	<b>5,368</b>	<b>\$4,025,081</b>	<b>\$750</b>				
Small School Premium \$					\$414				
Small School Premium %					123%				
Large School Discount					55%				
Large School Cents on Dollar					<b>45</b>				
<b>Hypothetical: Assuming Deal Receives Funding Equal to the Non-Deal Average</b>									
Deal Funding at the Average				\$1,099,249					
Resulting Increase in Deal Funding				<b>\$606,707</b>					

For one-time “Stimulus” funding, Deal will receive only \$182 per student versus \$520 per student received on average by all other DCPS middle schools. This difference effectively costs Deal \$496,502.

DCPS One-Time Stimulus Funding for Middle School - FY22 Initial Allocations				
School	Stimulus Funding		FY22 Projected Enrollment	
	Total	Per Student	Total	Enrollment
Kramer	\$183,125	\$744		246
McKinley	\$167,797	\$559		300
Sousa	\$179,181	\$649		276
Elliot-Hine	\$151,947	\$547		278
Johnson	\$260,787	\$703		371
Brookland	\$178,098	\$496		359
Hart	\$329,552	\$694		475
Jefferson	\$208,439	\$536		389
Kelly Miller	\$282,934	\$629		450
Stuart-Hobson	\$178,754	\$353		507
Hardy	\$114,978	\$219		525
Ida B. Wells	\$298,075	\$541		551
MacFarland	\$260,337	\$406		641
<b>Deal</b>	<b>\$266,540</b>	<b>\$182</b>		<b>1,466</b>
<b>Total</b>	<b>\$3,060,544</b>	<b>\$448</b>		<b>6,834</b>
<b>Total Non-Deal</b>	<b>\$2,794,004</b>	<b>\$520</b>		<b>5,368</b>
Non-Deal School Premium \$		\$339		
Non-Deal School Premium %		186%		
Deal Discount		65%		
Deal Cents on Dollar		35		
<b>Hypothetical: Assuming Deal Receives Funding Equal to the Non-Deal Average</b>				
Deal Funding at the Average	\$763,042			
Resulting Increase in Deal Funding	\$496,502			



Independent Research. Poverty Solutions. Better DC Government.

**Testimony of Qubilah Huddleston, Policy Analyst  
At the Public Hearing on B24-0570, “Schools First In Budgeting Amendment Act of 2021”  
and B24-0571, “Schools Full Budgeting Amendment Act of 2021”  
Committee of the Whole, DC Council  
January 20, 2022**

Chairperson Mendelson and members of the Committee, thank you for the opportunity to testify. My name is Qubilah Huddleston, and I am a Policy Analyst at the DC Fiscal Policy Institute (DCFPI). DCFPI is a nonprofit organization that promotes policy and budget choices to reduce economic and racial inequality in the District of Columbia through independent research and thoughtful policy recommendations.

My testimony mainly focuses on the “Schools First In Budgeting Amendment Act of 2021” (Schools First). Some of my statements and recommendations, however, also apply to the “Schools Full Budgeting Amendment Act of 2021.”

DCFPI appreciates Chairperson Mendelson for introducing legislation to “end the annual school budget crisis” of unstable and unpredictable initial school budgets that DC Public Schools (DCPS) releases each winter. We have long advocated for the city to adopt more common-sense budgeting practices as a tool to promote educational equity in the District. However, neither bill adequately addresses existing funding inequities or reins in DCPS’s illegal practice of supplanting school budgets with “at-risk” funding. DCPS hurts schools educating high percentages of low-income students—the majority of whom are Black and Latinx—the most with this practice.

Furthermore, the bills, as written, raise more questions than they answer. DCFPI recommends that the Committee of the Whole:

- Not move either bill forward until school communities and the Council have had the opportunity to understand the harms or benefits that DCPS’s new funding model will have on school budgets in fiscal year (FY) 2023. The Committee should then have another hearing or roundtable on the initial FY 2023 budgets to hear directly from schools.
- Ensure that the DC Code 38-2907.01 maintains the requirement that DCPS allocate 90 percent of “at-risk” funds directly and in proportion to school budgets. Any amendments should also still require DCPS to supplement, not supplant school budgets with “at-risk” funds.
- Consider the potential equity implications of requiring DCPS to budget schools with actual salaries versus the average teacher cost.
- Prioritize both overall funding adequacy for DCPS and better fiscal management within DCPS.

## Different Budgeting Models in FY 2023 and FY 2024 Will Create Less, Not More, Stability and Predictability

**DCFPI recommends that the Council wait to vote on the proposed bills until school communities and the Council have a sense of how DCPS's new school budget model will help or harm school budgets.**

DCPS will soon issue school budgets for FY 2023 under a new student-based budgeting model that departs from the Comprehensive Staffing Model. However, DCPS has not been transparent about the potential harms or benefits the new model could pose to schools, despite the public and the DC Council asking for more information, such as mock budgets. Even as a member of the DCPS Budget Policy Committee tasked with influencing the design of the new model, I cannot say how schools are likely to fare under the new model due to DCPS primarily making decisions behind closed doors.

It is DCFPI's understanding that if passed, the Schools First bill would first apply in the FY 2024 budget cycle. This timeline is troubling considering DCPS will have just introduced schools to a new funding model in FY 2023. If the Committee's goal is to ensure more stability in both the school budget process and funding, we do not believe that passing a law that would create another new way for DCPS to allocate funding to schools just one year after principals and local school advisory teams had to adapt to a new model would achieve that goal. Many principals, educators, and concerned DC residents have already expressed deep concern about what is to come from DCPS' new school budget model. Adding another layer of concern would only sow further confusion and frustration, which would undermine schools', students', and families' ability to recover from the pandemic.

DCFPI is also concerned about the potential FY 2024 application of the Schools First bill given DCPS would be required to use schools' FY 2023 budgets as the starting point for building FY 2024 budgets. Until the Committee and schools know more about the effects of the new model, the Committee should delay any amendments to the bill and its passage.

The spirit of the Schools First bill is laudable. However, we are concerned about the unintended consequences of the Council moving forward with major policy changes ahead or irrespective of the major policy changes that DCPS is in the process of implementing. Top education officials, the Mayor, and the Council need to work together to stabilize and improve school funding. The present and future of DC's children depend on such coordination.

### **DCPS Should Still Be Required to Direct Nearly All of its "At-Risk" Funds to Schools**

**DCFPI recommends that the Committee maintain current subsections within DC Code 38–2907.01 that require DCPS to give almost all of its "at-risk" funds directly to schools and supplement, not supplant, school budgets with the funds.**

The proposed language in the Schools First bill would amend DC Code 38–2907.01, which governs the DCPS operating budget. The code currently includes a subsection that requires DCPS to give 90 percent of its Uniform Per Student Funding Formula (UPSFF)-generated "at-risk" funds directly to

schools and in proportion to schools' projected "at-risk" student enrollment. It also includes the subsection that requires DCPS to add "at-risk" funds on top of schools' base budgets.

It is unclear whether the Schools First bill would preserve these subsections as the bill does not speak to DCPS "at-risk" funding. We urge the Committee to maintain these subsections to ensure that DCPS directs these dollars to students who need them the most. As previously stated, DCPS is already failing to adhere to the "supplement, vs supplant" provision in the DC Code. Mary Levy, school budget watchdog, has shown that DCPS has regularly diverted 40 percent or more of its "at-risk" funds to cover basic educational costs.<sup>1</sup> The DC Auditor has also found that DCPS tends to supplant high poverty schools' budgets with "at-risk" funds the most, shortchanging primarily Black and brown children living in families with low incomes.<sup>2</sup>

We urge the Committee to continue holding DCPS to the purpose and vision of "at-risk" funding in the city by maintaining the "at-risk" spending provisions in the code. Not doing so may encourage DCPS to further misuse these dollars.

### **The District Should Consider the Equity Implications of DCPS Switching to Actual Salaries**

**DCFPI recommends that the Committee consider how requiring DCPS to use actual salaries may help or harm low-income students, Black and brown students, and other students furthest from opportunity in the District.**

DCPS currently uses average school salaries when allocating funds to schools. DCPS is not alone in this budgeting practice, as many districts around the country use this practice to simplify budgeting and ensure that principals are able to hire quality teachers without having to be concerned about how much teachers actually earn.<sup>3</sup> The Schools First bill would change this practice and require DCPS to adjust schools' personnel budgets to reflect staff's actual salaries.

National data show that teachers in high poverty schools tend to be early in their careers, therefore earning lower salaries, and that these schools also often serve majority Black and brown student populations.<sup>4</sup> If it is the case that DC's high poverty schools have lower salaries due to early career teachers, then this change could lock in fewer resources for high poverty schools that have already undergone years of budget cuts due to enrollment declines. It also may make it harder for these schools to attract more experienced teachers with higher salaries. That would leave Black, brown, and low-income children further from opportunity.

As the Committee considers this change, it should consider the following questions:

1. How are novice, early career, and more experienced teachers distributed across schools in DCPS?
2. What is the size of the gap between the average teacher cost in DCPS vs actual salaries, on average?
3. How many winners and losers would the proposed change create? Would winners be concentrated in wealthier, whiter schools and losers concentrated in low-income, majority Black and brown schools?

### **The District and DCPS Need to Follow Best Budgeting Practices to Improve School Funding**

**DCFPI recommends that the committee prioritize both overall funding adequacy for DCPS and better fiscal management within DCPS to stabilize school budgets.**

Under the proposed changes in the Schools First bill, DCPS would be instructed to find the money within its existing budget to increase personnel services (PS) and non-personnel services (NPS). DCFPI agrees with the Chairperson’s attempt to promote better fiscal management within DCPS to ensure that schools’ budgets keep up with rising costs. However, the Committee should also acknowledge the Mayor and Council need to adequately fund DCPS based on the system’s real costs. If the rate at which DCPS is required to increase PS under contractual increases outpaces the rate at which the Mayor increases the UPSFF, the system could experience a deficit as seen at the end of FY 2019.<sup>5</sup>

DCPS students and families have firsthand experience of what happens when the Mayor fails to increase the UPSFF enough to keep up with rising educator costs. In FY 2020, the Mayor proposed a 2.2 percent increase to the formula—this kept up with inflation but did not keep up with rising average teacher expenses in DCPS (*Figure 1*). While the Council subsequently added additional funding to reverse large budget cuts concentrated in schools in Wards 7 and 8, the approved UPSFF still fell below rising teacher costs in DCPS.

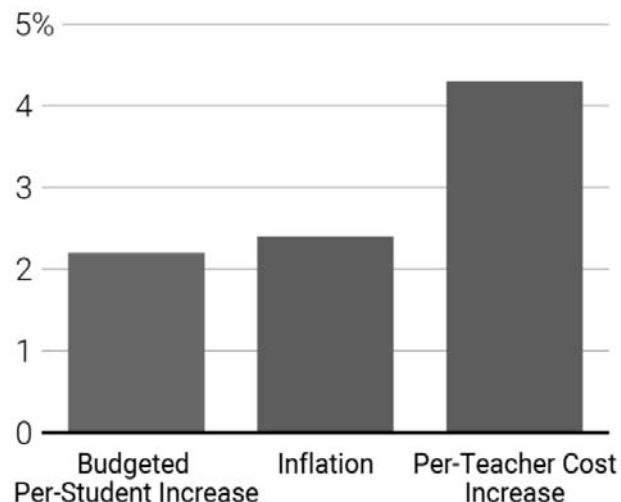
The city must adopt best budgeting practices if the District is to right the ship of school funding issues. Currently, the Chief Financial Officer does not prepare a Current Services Funding Level (CSFL) for DCPS or public charter schools. The CSFL is a neutral benchmark that measures the fiscal impact of a budget proposal or policy change relative to the status quo. It also includes inflationary adjustments to account for projected costs

increases in the new fiscal year.<sup>6</sup> Failing to develop a CSFL for DCPS and public charter schools is a departure from historical practice and best practices. In 2009, DC’s leaders eliminated a requirement for inflation adjustments to the UPSFF. In addition, the Mayor and Deputy Mayor for Education have seemed to use revenue availability and other budget priorities as their starting point for determining a proposed UPSFF increase versus what is actually needed to adequately fund schools.<sup>7</sup>

Relatedly, DCFPI is concerned about the Committee’s assumption that DCPS can merely shift dollars from one operating bucket to the next to find the funds to meet the inflationary adjustments for PS and NPS proposed in the Schools First. The bill would reduce the amount that DCPS can budget for central office to three percent of the gross budget from five percent. Before FY 2022, DCPS was already only allocating three percent of its gross budget to central office, while directly allocating nearly 80 percent or more to schools and between 15 and 18 percent to school support (*Figure 2*). DCPS also allocates funds to a fourth category, school-wide departments, but the budget

FIGURE 1.

### School Funding Increase Doesn't Keep Up With Costs



Source: Fiscal Year 2020 Proposed Budget & Financial Plan; DCPS School Budget Allocations, CPU-U

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data we have do not break out those costs. The share of the gross budget supporting central office increased in FY 2022 due to one-time federal funding enhancements to help address the harm of the pandemic.

Not every dollar that DCPS currently allocates toward central office and school supports can be easily transferred to or administered by schools. This includes federal title program dollars, such as Title I that provides state and local education agencies dollars to support programs that serve children from low-income families, Medicaid reimbursements, and other federal grants. And, while the Schools First bill would require DCPS to increase schools' PS or NPS budgets to adequately fund

“the cost of any additional costs the Chancellor may require the school to carry,” there are a number of centrally-funded school supports, such as food services or rent and utilities, that should not be and likely cannot be easily managed by the schools directly.

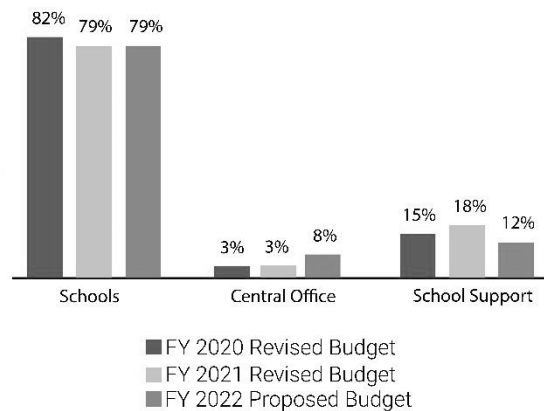
DCFPI believes the issue of school budget instability and unpredictability will not be solved by DCPS alone. The city's failure to accurately account for the true costs of operating the system is a problem that the Committee should not ignore. The lack of common-sense budgeting practices and transparency at both the District and agency level harm children from low-income families and Black and brown children the most. These two issues together reflect the size and scope of the policy and budget solutions that the Mayor, Council, and Chancellor need to enact to achieve more stable and predictable school budgets.

Thank you for the opportunity to testify. I am happy to answer any questions.

FIGURE 2.

### DCPS Allocates Most of Its Operating Budget to Schools Directly

Operating Dollars Allocated, as a Percentage of DCPS Gross Budget



Note: Dollar figures were not adjusted for inflation.

Source: "FY22 DCPS Dataset - Council Budget Data," provided via email from Mary Levy.

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<sup>1</sup> Qubilah Huddleston, “[Study of School Funding Formula Presents Opportunity to Involve the Community](#),” DC Fiscal Policy Institute, September 24, 2019.

<sup>2</sup> Erin Roth and Will Perkins, “[D.C. Schools Shortchange At-Risk Students](#),” Office of the DC Auditor, June 25, 2019.

<sup>3</sup> Allovue, “[Achieving Equity Using Average Salary](#).”

<sup>4</sup> The Education Trust, “[Fact Sheet - Teacher Equity](#).”

<sup>5</sup> Perry Stein, “[The District’s public school system faces \\$23 million deficit, drawing criticism](#),” The Washington Post, July 14, 2019.

<sup>6</sup> Qubilah Huddleston, “[Raising the Bar: Budgeting for a Strong Public Education System](#),” DC Fiscal Policy Institute, December 17, 2019.

<sup>7</sup> Deputy Mayor Paul Kihn, “[DME FY22 UPSFF Foundation Level Response](#),” December 21, 2020.



**Robert Henderson**

**Committee of the Whole**

**Bill 24-570, Schools First in Budgeting Amendment Act of 2021 &**

**Bill 24-571, Schools Full Budgeting Amendment Act of 2021**

**January 20, 2022**

Good morning and thank you for the opportunity to testify. My name is Robert Henderson. I am vice chair of the Ward 5 Education Equity Committee.

I appreciate and support the idea of funding the needs of schools first, and central office second, as well as the goal of providing budget stability for DCPS schools.

I have two main areas of concern regarding the bills. The first is that it is unclear, to me at least, how the provisions of these bills will be affected by or interact with the new DCPS budget formula. DCPS has not been forthcoming with details about the new model, offering too few examples to get a sense of their underpinnings as well as using examples that have no reasonable likeness to an actual DCPS school (their high school example is of a 2,500 student school – Wilson, DC’s largest, has fewer than 2,000). Bill 570 is oriented towards UPSFF funding, we don’t know exactly how that fits into the new model.

Transparency and predictability would be helpful qualities of a funding formula, but the formula itself needs to be adequate and equitable, and we don’t know yet that it is either. School support funds also need to be allocated equitably. Having a funding floor for year-over-year changes is desirable, but that floor has to be at the level needed to adequately and robustly fund our schools.

A second concern is enforcement. The track record of DCPS of late has engendered little trust that they will be accountable to the council or that what is stated by DCPS or put to paper will be reflected in reality. What will the Council do if DCPS doesn't follow the letter or spirit of the law and why should we expect DCPS to be responsive? If DCPS routinely elides the law regarding at-risk funds, why should we expect anything different here?

A few other thoughts: I defer to experts on whether bill 571 calls for the most appropriate measure of inflation to keep salary and benefits funding on pace. I agree that the public needs more time to review budget calculations that we have had previously, but I would defer to others, including LSATs and principals on whether six weeks before the fiscal year submission date is adequate.

Three final thoughts – first, stable funding is good — stable, more-than adequate, *and* equitable funding, is what our students deserve. That conversation, and the action to make it real, is urgently needed. We will need to take a comprehensive look at the entire school system. If stability is a goal, and I think it should be, we must also address the proliferation of new schools and its impact on enrollment volatility.

Second, I fear that with the new model and the lack of transparency surrounding it, this year's budget release will be just as chaotic if not more so than last year. If so, I ask that the Council help school communities navigate turmoil and ensure stability again this year.

Third, we are in the midst of a worsening teacher retention crisis and substitute shortage. We have simply asked teachers to do too much, without adequately respecting their professionalism or safety. Attracting and retaining teaching staff will likely require greater investment. We need to be ready for that.

Thank you.





Testimony of Scott Goldstein, Executive Director, EmpowerEd  
School Budget Bills Hearing- DC Council  
January 20, 2022

Good Afternoon Chairperson and Council Members. Thank you for the opportunity to testify today on the Schools Full Budgeting Amendment Act and the Schools First in Budgeting Amendment Act. We approach this conversation with two important guideposts- how do we provide our schools the stability they need and how do we ensure equitable budgets that truly provide each school community with what that specific community needs. Both of these bills are aimed at the first objective, providing schools more stability, but do not address how to make budgeting more equitable. I must say upfront the timing of this hearing provides a difficult context. DCPS is currently undergoing a process to modify their longstanding budgetary approach with a mixed formula approach that in theory will center equity- but for which we have not yet seen simulations with actual schools. Without that context, it becomes difficult to judge how these separate efforts would interplay with a new budget model and what the ultimate results would be for school communities.

As basic tenets, we agree that school budgets should start, at least, with what they received in the prior year to ensure that schools have predictability and stability- able to keep all staff who are valuably contributing. We also agree that we should absolutely prioritize spending at the school level over central office spending. We agree with Chairperson Mendelson's stated objective to end the yearly crisis in budgeting and provide schools more predictability. There are several things in these bills, however, that warrant some concern and further study. In the more prescriptive "Schools First" legislation- there is a distinction made between spending on central administration, school support and local schools. It seems pretty clear based on past practice that it will be fairly easy for central office to simply label a lot of traditional central office roles as school support in order to continue to expand the size and scope of central. We should force central office to make some hard choices about how to redirect supports towards schools- but the mechanisms in this bill may not do that.

Our biggest concern is with the switch in budgeting schools in the first year based on actual teacher salaries and not average salaries. First, the WTU contract would prohibit this, and rightfully so because using average salaries is what protects from schools discriminating against more experienced educators. Second, the Chairman has noted that under this new formula, about half the school would have a larger base budget and half would have a lower one in the

first year it is in effect. They would then build from there. So I did a calculation based upon a representative sample of schools in each ward to see how this change would possibly impact schools in the first year. Many of our lowest income schools actually have the highest percentage of teachers with over 10 years of experience. So in the first year, these schools, which need the additional money, might get it. But the problem is that in all of the successive years, these schools would have the largest incentive to turn over more experienced educators. If you ensure they will have at least last year's budget after year one but year one was based on actual salaries- there's a huge perverse incentive for principals and LSATs to consider that they could, in many cases, replace one teacher with two. You may not find them likely to make that decision, but we should not be creating an incentive for them to do something that could harm the quality of teaching.

Finally, we must address equity. For many years our school budgets have fallen fall short of adequacy. Yes, it's a problem that schools have almost no time to receive, consider and petition changes on the budget each year (and these bills don't address that timeline), but it's also a problem that the formulas do not examine the needs of individual school communities. One example is schools that have a programmatic theme- like dual language, STEM or global studies. They are asked to do more, but not necessarily provided any additional funds for the additional courses and programs DCPS advertises them for. This isn't addressed in this bill, but should be part of any budget reform conversation. We also aren't creating any additional funding streams here, or revising existing funding to target schools areas of needs. If OSSE acts to follow up on the SBOE recommendations and creates a school dashboard instead of a summative school rating, we will have tremendous potential to focus on each school's areas of strengths and unique challenges and target funding and resources accordingly. That should also be part of a broader budget reform conversation.

In closing, we applaud the effort to provide schools more predictability in budgeting, but we must have a fulsome conversation about how to provide both stability and equity in our school budgeting process. For that, we should slow down and do this both well and comprehensively.

**TESTIMONY BEFORE THE COMMITTEE OF THE WHOLE, DISTRICT OF COLUMBIA  
COUNCIL**

**Bill 24-570 “Schools First in Budgeting Amendment Act of 2021” and Bill 24-571 “Schools Full Budgeting Amendment Act of 2021”**

**Laura Fuchs**, DCPS Teacher, Secretary of the Washington Teachers Union, Chair of the DC Caucus of Rank and File Educators (DC-CORE), Chair of the WTU Committee on Political Education, Board Member of Empower DC, Member of the Senior High Alliance of Parents, Principals and Educators (SHAPPE), Ward 5 and Ward 7 Education Councils, and Ward 5 Resident

**January 20, 2022**

We have said it before and clearly we will have to say it again: Budgets are moral documents and are the foundation upon which our education programming is built. It is simply not possible to achieve our ambitious and important equity goals without equitable funding. And as we have seen time and time again, equity cannot be achieved if left up solely to a Mayor and their central office team – it must be inclusive of the stakeholders and those who are actually implementing the policy – and we cannot operate in the dark.

For the past 13 years I have sat and sometimes chaired the Local School Advisory Team at HD Woodson HS. Thanks to the guidance of experts like Mary Levy and DC Fiscal Policy Institute analysts, I have pored over budget documents and attempted to figure out if HD Woodson was getting the money it was owed by law. DC Public Schools has consistently made that almost impossible, taking up hours and hours of time just trying to get the right number that we are owed by *law* that would be better spent strategizing what to do with the proper amount of money. This has allowed our students to be consistently shortchanged in At-Risk, Special Education, English Language Learner and General Education dollars (as has been proven for At-Risk funds by the DC Auditor) and forces our school to rely on inconsistent sources of staffing that remove most of our local school’s decision-making power.

Year after year educators are cut from our schools as central office and school-based administrations often grow. This attitude towards what matters – upper management over direct services – is endemic to the education reform culture that was brought in by Michelle Rhee and has been continued by every successive Chancellor who has openly shared their attitude that central office is what drives important changes, not educators with students. While DCPS Central office continues to expand their spending, our school has made consistent cuts to services we can provide our services that are far bigger than is warranted by our student population.

I appreciate that we are trying to address this problem. We need to do whatever is possible to upend the current system of budgeting. Schools should be the ones who create their budgets. They should work with budget experts to decide what should be prioritized – small class sizes, reading and math supports, advanced placement, NAF, social work and counselor ratios, SEL Programming, etc. etc. etc. – then the budget should be built to meet the needs of the schools for the long term, focused on growing and strengthening the programming over time. Central office should not be dictating how schools should make due with increasingly limited means, they should be the ones figuring out how to support schools. Central office should be lean and mean to better support schools and put the budget where it belongs: in our classrooms servicing our students.

I hope that we find ways to stop DCPS to categorize their spending by grade levels served will just give DCPS Central Office the door to further obfuscate what they are doing and its impacts. When you have over 800 people in a centralized location they have a lot of time to justify their existence while teachers actually working with students lose their jobs. There will be no additional information of use –

especially if past documentation efforts by DCPS are any indication of how seriously they take these reporting requirements.

We need a clear definition of what makes a Central Office employee and then we need to hold DCPS to the law of only spending 5% or less on those activities. We are *at least* three times above the legal limit right now. We need more information on external contracts. I went through the spreadsheet submitted to the Council and it took hours of time to organize the information into useful pieces and I found many contracts that ostensibly did the same thing but were purchased from different offices from different companies. Either they were actually doing the same thing, or the reporting requirements are so general that we don't actually know what was being paid for. On top of this there was zero justification as to whether these contracts – many that have gone on for years – have actually achieved the “results” that we are paying for.

I also want to caution against assuming a buzzword like “student based budgeting” will automatically fix our budgeting problems. Many systems, like Chicago, are trying to move to *our* model because it actually provides more stability and makes school budgets less dependent on enrollment numbers and instead focuses on what the base-line level of what every school should have no matter what. The problem we have in DC Public Schools is that DCPS is not following its own policies. Changing the policy without some mechanism to actually make DCPS follow it will not change the problem. Enforcing the Comprehensive Staffing Model and actually following it would mean every school, even the small ones with fluctuating enrollments, would have everything they need to provide a robust education for their students. What we need to add is a more inclusive process for creating that baseline, mechanisms to clearly ensure that schools are getting what they are owed in that model, and then making sure that additional funds for specialized programming, Special Education, English Language Learners and At Risk students are added *on top of* that model.

DCPS Needs to follow the DC Auditors recommendations and keep *one set of books* that is open and completely transparent. What a principal sees at their school level should be the same thing an LSAT chair sees and should be the same thing the Council sees. We waste endless amounts of time with multiple books where nobody knows what is true and what isn't – even the people who are tasked and paid very well for creating them.

Ultimately though none of this will matter if DCPS is allowed to flout the law with zero consequences. The Council needs to use its budgetary authority to force DCPS to follow the laws that are being written by this body. My suggestion – hold the pay of all Central Office employees until the requirements are verifiably met. We have allowed countless students to be underserved, educators who work directly with students to lose their livelihoods and an expanding “achievement” and resource gap under the watch of mayoral control. Enough is enough. This body took on the role of the school board when they empowered the Mayor and removed all authority from the school board. This is on you as much as it is on the Mayor.



**Testimony for the Public Hearing on “Bill 24-570: Schools First In Budgeting Amendment Act of 2021” and “Bill 24-571: Schools Full Budget Amendment Act of 2021”**

To: DC Council Committee of the Whole, Chairman Phil Mendelson, and Committee Staff  
From: Maya Martin Cadogan, Founder and Executive Director of PAVE and Ward 4 Resident  
Date: January 20, 2022

Good morning Chairman Mendelson, members of the Committee of the Whole, and Committee staff. My name is Maya Martin Cadogan and I am a Ward 4 resident and the founder and Executive Director of PAVE (Parents Amplifying Voices in Education).

Today, I am grateful to testify on how Bills 24-570 (“Schools First”) and 24-571 (“Schools Full”) relate to what I have learned from PAVE parent leaders who have long advocated for equity, transparency, and stability in how public schools in the District are funded.

We will never reach real funding equity if we do not first *adequately* fund our school system. We are nearly a decade beyond the last adequacy study and despite a huge increase in federal funds—an unprecedented sum to help in our pandemic recovery—we are still a long way from adequacy as defined by the 2013 study and as envisioned by PAVE parent leaders.

Importantly, transparency and equity in school budgets have long been PAVE parent priorities. They developed their collective Statement of Beliefs on this issue in 2018 where they call for:

1. A standard and uniform budget reporting format across both DCPS and public charter schools to clearly compare information across all schools. This should include accurate reporting of the use of at-risking funding.
2. A standard of best practices to be developed for schools in order to meaningfully include parent voice in the budget development process.
3. An evaluation of current budgeting processes at all schools in order to ensure that funding is equitably distributed.

DC took important steps by passing provisions in the Fiscal Year 2021 Budget Support Act that called for uniform budgets across all schools after Councilmember Grosso introduced the School Based Budgeting and Financial Transparency Amendment Act in 2019. That bill and its companion BSA subtitle pulled directly from parents’ statement – and was co-sponsored by every member of the Council.

Still, there is much work to be done to get to adequate and equitable funding, especially in light of the pandemic. To further center the conversation on parent perspective, I would like to highlight a few critical pieces of **their** experience with schools and access to essential resources.





- In November 2021, we surveyed 630 D.C. parents to better understand how the ongoing pandemic has continued to disproportionately affect Black and Brown families, how families have been able to access critical school resources.
- Despite well-documented increases in incidents of mental health challenges for students, fewer than half of parents reported being aware that their child has access to mental health services at school.
- Similarly, while the District is rolling out expansive academic interventions to address interrupted learning resulting from the pandemic, more than 1 in 3 parents remain dissatisfied with classroom learning and fewer than half of the parents again reported being satisfied with academic tutoring on offer at their children's public schools.
- Parents are also hearing less and less about how their children are doing in school. According to our survey, **five times** as many parents reported having received no updates of any kind on their students' academic progress than did in the spring of 2021.

We can and must do better to support the **whole child**. I encourage the Committee and its staff to dive further into our survey to understand how families are navigating the enduring challenges associated with the pandemic. We are nowhere close to out of the woods and the voices of our students and families must stay central in our conversations of how to resource our schools.

Now to the bills before the Committee as they related to PAVE parents' vision and where they have found consensus:

Taken together, the two bills have admirable and worthy aims: priority and stability for DCPS school budgets. However, DCPS is just over one-half of our public school system. Public charter schools, which have a greater population of students of color, will still see the threat of budget fluctuations even if the Council passes today's bills in full. What's more, the fluctuations are simply a symptom of the larger issue of our collective failure to fund all our schools and students adequately and fully. As such, the bills risk serving as just half measures that end up making our system less equitable, not more.

We applaud the Council's desire to prioritize and stabilize DCPS budgets, but we cannot leave half of our students out of the conversation. PAVE parent leaders do a beautiful and admirable job advocating for not just their child – but all children, and we urge the Council to follow their example and look for cross-sector solutions to funding equity challenges and ensure that all of our students are the beneficiaries of a just school funding system.

Moving to the specifics of each bill, the **Schools First** bill takes a bold and welcome step of ensuring that schools come first in DCPS' budget. We also welcome the provision of the bill



that would make the annual calculation of the school-level budgets a public record available to the public “no later than six weeks before the submission” of the budget to the Council. However, despite a detailed formula to ensure that schools are funded first, the bill lacks a mechanism to ensure parent and community voice is at the center of the conversation. We urge the Council to include provisions to ensure that parent voice is prioritized in the actual allocations made through this – or any – formula.

Second, the **Schools Full** bill aims to curtail the damaging impact of large budget fluctuations at the school level for DCPS. Notably the bill would stabilize the funding of many DCPS schools that face the greatest challenges—those schools that are often under enrolled and frequently lose students year-to-year. We are concerned however, that while the **Schools Full** bill seeks to reduce the harm of budget fluctuations, i.e. implement a “hold harmless” provision of 100 percent of the prior year’s school-level funding, it does not actually create *more equitable* funding of our schools based on the unique needs of students.

To put it simply, for too long, we’ve seen a tale of two cities within the District that is divided by the “haves” and “have nots”. With this broad approach – even just within DCPS – it could lead to giving schools already rich in resources an even greater leg up (as we’ve seen exacerbated in nearly every aspect of our K-shaped pandemic recovery), while not appropriately infusing robust additional resources into schools serving students with the greatest need. Equity is not more for everyone, rather it is more for those who have been left behind by our policy choices throughout history and therefore need and deserve more; i.e. the at-risk weight, which is a cross-sector funding mechanism. We encourage the Council to not just seek to “do no harm” with respect to budgets, but to build truly adequate and equitable school budgets.

In closing, I’d like to return to the three budget priorities that our parent leaders enumerated now some four years ago. We need to standardize how budgets are communicated so that families and the community can effectively engage with them. Second, we must prioritize that engagement as a regular budget practice at the school level. And finally, we need to take meaningful steps toward building schools budgets that ensure funding is equitable and adequate – together with families and communities at the table.

If we make good on that parent-driven vision for our school budgets, we can go well beyond trying to do no harm and build the excellent, inclusive, and dynamic public education system that our students and families both demand and deserve.

Thank you,

Maya Martin Cadogan Founder and Executive Director,  
PAVE (Parents Amplifying Voices in Education)  
Ward 4 Resident

Good afternoon. I am Regina Bell, General Vice President of the Washington Teachers' Union (WTU). The entire WTU membership is committed to fighting for social and educational justice for the students of the District of Columbia.

I agree with the Chairman that it is time to end the annual budget crisis our schools – and parents – go through when the Chancellor releases proposed budgets, and budget cuts, for the next school year. Teachers go through this same crisis on a more personal level.

Every year, the school community goes through an intense, anxiety-provoking budget process that I like to refer to as March Madness. It is unclear who the winners are, but sadly the students are always the losers.

DCPS' budget process continues to be shrouded in secrecy. None of us know the budget formula that DCPS plans to use for this coming school year. We strongly support the effort made by this council, led by Councilwoman Henderson, to require DCPS to provide detailed information on how the proposed new budgets will impact schools prior to the beginning of the LSAT budget process – which will start in a few weeks.

The proposed budget needs to account for the reality of our lives today. We're still in the midst of a pandemic and there has been enormous disruption at each school, in each classroom, with every family. There is a teacher, substitute, and paraprofessional shortage. There is an increase in gun violence. Students and teachers are back in school full-time and have shown incredible resilience, but they are at a breaking point. Just last month the US surgeon general issued an advisory highlighting the urgent need to address the nation's youth mental health crisis.

Let's use this crisis to have a renaissance at DCPS. This is the perfect opportunity for DCPS to become a whole child-centered, anti-racist organization.

Let's create a budget that requires all schools to have the positions that ensure students' needs are met and they are given the opportunity to succeed. For far too long our students have been nicked-and-dimed by the budgeting

system. It is incumbent upon us to get this right, especially for our at-risk students.

Students need the skills to process all of the trauma they have experienced and are currently experiencing before they can be expected to sit in a classroom and learn. This problem isn't unique to DC, as the surgeon general noted, it is a national crisis. To address this crisis, we need to lower class size so that teachers can engage with each student where they are. We need to staff schools with enough psychologists, counselors, and social workers so that students can learn how to process all the trauma they've experienced. And the budget needs to include special ed coordinators so that special ed teachers can teach.

DCPS has started some very good initiatives – beginning next year, students in k-2 will be screened for reading difficulties, and teachers will receive PD on reading difficulties. Let's expand the Reading Clinic that teaches the science of reading. Require reading specialists and librarians so all students are literate and become lifelong readers.

The social-emotional field is far behind the academic field. Our schools need to be better attuned to where students are socially and emotionally so that they can thrive academically. As difficult as this work is, the consequences of not doing it are worse.

To paraphrase Frederick Douglass, **'It is easier to build strong children than to repair broken adults.'**



**WASHINGTON LAWYERS' COMMITTEE**  
**FOR CIVIL RIGHTS AND URBAN AFFAIRS**

**Testimony of the Washington Lawyers' Committee for Civil Rights and Urban Affairs  
Before the Committee of the Whole of the Council of the District of Columbia on  
Bill 24-570 - Schools First in Budgeting Amendment Act of 2021; and  
Bill 24-57 - Schools Full Budgeting Amendment Act of 2021**

Thank you for this opportunity to testify on the Schools First in Budgeting Amendment Act of 2021 and the Schools Full Budgeting Amendment Act of 2021, which aim to create a more fair, transparent, and predictable school budgeting process for D.C. Public Schools. Through our work, the Washington Lawyers' Committee for Civil Rights and Urban Affairs seeks to reverse the effects of generations of systemic racial discrimination and poverty. We advocate for more effective and equitable investments in young people and for a more racially just education system in DC. In recent years, these goals have been frustrated by a school budget process that undermines school communities' ability to fund the staff and programs their students need, and we welcome the opportunity to create a better process in DC.

The DCPS budget process must support a robust public education system that addresses the inequalities that persist as a result of historic segregation, including allocating sufficient, targeted funding to meet the education needs of low-income students, students of color, and students with disabilities. School budgeting legislation must have this as its core. A fair budget process will establish stability for schools, account for inflation and rising costs, provides transparency and sufficient time for school communities to engage, and ensure that sufficient funding is targeted to address long-standing racial, economic, and disability disparities in education.

Year after year, individual DCPS schools have deep uncertainty until late in the budget approval process as to what their school budget for the next year will be. As the Chairman correctly recognized in introducing these Bills, the proposed Fiscal Year 2020 budgets left 31 schools with less funding, even though for many schools their enrollment hardly changed at all. For Fiscal Year 2022, almost four dozen schools were confronted with cuts. The schools most affected are DCPS neighborhood schools with very high percentages of students of color living in acute poverty. In 2020, eighteen of the twenty-two schools hardest hit by budget cuts were in Ward 7 and 8.

Although the Mayor eventually restored funding in each instance (after much advocacy from community members), the turmoil harmed school communities. These budget decisions have long lasting effects. Teachers and support staff are often placed in a tenuous position of not knowing if their job will exist for the next year, and choose jobs in other schools or districts, contributing to high rates of teacher turnover. As the quality of education necessarily declines with disinvestment, fewer families choose their neighborhood schools, and schools receive less money in the coming years under the Uniform Per Pupil Spending formula.

There are key pieces of each legislation that the Committee supports and that move us towards a more equitable school funding system, and we also raise concerns about potential consequences of the bills. We discuss how the bills may interact with the new DCPS proposed school budgeting system. Finally, we urge the Council to exercise caution so that school communities can evaluate how this proposed legislation will interact with DCPS' own proposed changes to school-based budgeting. Without real-world models on how schools would be impacted, it is hard to assess if these policy shifts move us towards a more equitable school system.

### **1) Proposed School Budgeting Legislation**

The Committee supports the intent behind these bills, and appreciates the Council's actions to address long-standing concerns regarding the stability of school budgets. However, Bill 24-571, the Schools Full Budgeting Act, is insufficient to accomplish its important stated goals. As drafted, the legislation fails to take into account inflation and annual salary increases, which in the next several years could be substantial.

Bill 24-570, the Schools First in Budgeting Amendment Act, comes closer to meeting the goal of a stable, transparent budget. We support many of its provisions, including:

- establishing stability for schools by building off of prior budgets while adjusting for inflation and increasing teacher salaries, which will create more fulsome funding and more predictability,
- allocating funds to the individual schools first before central administration and general school support and requiring additional funds if costs are transferred from central administration to individual schools, ensuring that there is enough money to fund basic needs,
- making school budget calculations a matter of public record, which increases transparency for school communities, and,
- requiring DCPS to make its calculated budgets available at least six weeks before the DC Council FY submission, which will allow school communities to participate.

We also support the Schools Full Budgeting Act provision that eliminates the vague "substantial instructional or programmatic change" exception in the current law that allows DCPS central administration to cut school budgets below their prior year funding.

However, both proposals require DCPS to make budget calculations based on actual, rather than average, salaries in personal services in each school's base. This may have unintended consequences, cutting the base budgets at schools with less experienced (and lower paid) staff and incentivizing schools to hire less experienced staff in the future.

We are also concerned that – perhaps unintentionally – the Schools First Act may overwrite important provisions regarding accountability for at-risk funds. In replacing section 38-2907.01(a) of the current DC Code, Bill 24-0570 eliminates the subsection 2907.01(a)(3) requirement that DCPS distribute at least 90% of at-risk funds to local schools AND that funds be distributed “to schools proportionally based upon the number of at-risk students within each school’s projected student count” and the corresponding requirement that at risk funds “be supplemental to the school’s gross budget and shall not supplant any Formula, federal, or other funds to which the school is entitled.” As discussed further below, these provisions are critical to addressing long-standing inequities in DC public schools and should be incorporated into any legislation regarding the DCPS budget.

More concerning, however, is that without more information, it is challenging to assess how the proposed legislation will actually change school budgets. The uncertainties about the actual effect of the Schools First Budgeting Bill and the Schools Full Budgeting Bill demonstrate the importance of building a model of how these proposed changes will affect the current school budgets of actual schools in the DCPS system. The Council should assess these real-world impacts before passing any legislation.

## **2) DCPS’s 2022-2023 School Based Budgeting Approach**

The Council also has asked for comments in this hearing about DCPS’s modified school based budgeting approach that it plans to use for School Year 2022-23 (FY 2023). Despite requests by the Committee and many other advocates that DCPS produce accurate demonstrations of how this new budgeting approach would affect actual school budgets, DCPS has not done so. Instead, DCPS demonstrated its new budget process on three hypothetical examples that do not realistically reflect any actual school’s budget. DCPS school communities deserve to see now how this new budget approach actually affects real School Year 2021-22 (FY 2023) school budgets. The Council should require DCPS to provide soon, at a bare minimum, many representative examples using several actual school budgets at each of the elementary, middle and high school levels.

DCPS’ presentations on the new budget model also fail to provide the kind of detailed information needed to assess whether individual schools are receiving their full At-Risk funding amounts and whether those amounts are being used for their intended purpose: supplementing programming, services and staffing for students falling into those At-Risk funding categories. As the Council knows, the Office of the DC Auditor and school budget advocates identify this as a recurring problem that unfairly shortchanges the students who

most need full funding.<sup>1</sup> Finally, neither of the proposed bills nor the revised DCPS budget model for SY 2022-23 will address a key fundamental school funding problem that DC must face. As the Deputy Mayor for Education repeatedly has warned over the past few years, DC is dissipating its substantial education dollars each year across an unnecessarily expanding number of schools, resulting in too many small, low-enrollment schools.<sup>2</sup> This means too many of our education dollars are funding more school buildings and administrative costs and not enough of our education dollars are addressing students' needs, particularly Black and Brown students attending school in historically disinvested areas.<sup>3</sup> At a minimum, DC needs to stop opening new charter schools and granting charter expansions, as well as stop creating new DCPS magnet schools, at the very least until a detailed Master Facilities Plan is developed that is enforceable and controls the growth of both sectors.<sup>4</sup> Fully funding and improving the schools

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<sup>1</sup> At Risk statute at D.C. Code § 38–2901(2A); Office of the DC Auditor 2019 Report, *DC Schools Shortchange At Risk Students*, June 26, 2019, at pgs. 3-4: <https://zd4l62ki6k620lqb52h9ldm1-wpengine.netdna-ssl.com/wp-content/uploads/2019/06/At-Risk.Funding.6.26.19-1.pdf>; See also Mary Levy, *March 9, 2021 Oversight Hearing for Education Agencies, Written Testimony before the Committee of the Whole of the District of Columbia Council*, at pg. 3, #1: “At-risk funds too often supplant rather than supplement other funds. . . . in the current year about 40% of at-risk funding in the school budgets supplanted base funds, in contravention of governing law. The level at which supplanting occurs varies enormously from school to school, and those whose funds are used this way have less, sometimes almost no extra resources dedicated to at-risk students.” <https://w6pspo.org/2021/03/09/mary-levy-testimony-oversight-hearing-for-education-agencies-march-9-2021/>

Further, the current At Risk weighted funding of 0.24 still is well short of the 0.37 weighting recommended by the Adequacy Study. The Finance Project, *Cost of Student Achievement: The Report of the DC Education Adequacy Study*, at Recommendations, pgs. 116-117:

<https://dme.dc.gov/sites/default/files/dc/sites/dme/publication/attachments/6%20RECOMMENDATIONS.pdf>

<sup>2</sup> Deputy Mayor for Education, *Memorandum to the PCSB regarding A Facilities Assessment of New Public Charter Applications*, May 15, 2019, at 4-5,

<https://dme.dc.gov/sites/default/files/dc/sites/dme/publication/attachments/School%20system%20capacity%20assessment%20new%20public%20charter%20applications%20FINAL%20051519.pdf> ; Deputy Mayor for Education, *Memorandum to the PCSB regarding 2020 Charter Application Need Analysis*, March 12, 2020 at 1-2.

<https://dme.dc.gov/sites/default/files/dc/sites/dme/publication/attachments/School%20system%20capacity%20assessment%20new%20public%20charter%20applications%20FINAL%20051519.pdf>.

<sup>3</sup> Office of the DC Auditor, “New Research Finds DC School Choice Results in Declining Resources for High Poverty Schools,” Press Release Jan. 9, 2020, <http://zd4l62ki6k620lqb52h9ldm1-wpengine.netdna-cdn.com/wp-content/uploads/2020/01/DC.My.School.Data.Enrollment.Study.Press.Release.1.9.20.pdf>; The Center for Research and Reform in Education, “Enrollment Projections in DC Public Schools: Controls Needed to Ensure Funding Equity,” A Report for the Office of the DC Auditor, Jan. 9, 2020, <http://dcauditor.org/report/enrollment-projections-in-d-c-public-schools-controls-needed-to-ensure-funding-equity/>.

<sup>4</sup> The DC Public Charter School Board disclosed in September 2021 that it would not entertain applications for new charter schools or charter expansions for the rest of 2021 and all of 2022 while it makes changes in its application and evaluation process. However, this is just a relatively short, self-imposed pause in what has been an otherwise extraordinary growth of the charter school sector over the past decade. As the DC PCSB stated:

The modified application cycle will be launched in 2023. In the service of this goal, DC PCSB will not be accepting applications for new local education agencies (LEAs) or grade expansion requests during the remainder of 2021 or



we already have, as well as filling in and strengthening the DCPS feeder patterns of neighborhood, by-right schools where needed, will move DC to a more equitably funded school system.

### **3) Conclusion & Next Steps**

Although we applaud the Council for taking steps to address a persistent problem of instability in school budgets, it is very difficult for any stakeholder to make a definitive statement regarding what may be the best approach among the Schools First Budgeting Bill, the Schools Full Budgeting Bill, and DCPS's new hybrid approach to budgeting without real-world models that demonstrate the impact of these policies.

The Council should require that DCPS demonstrate how its new budgeting approach will affect actual school budgets. When school communities have time to evaluate and give their data-informed comments on how to improve the DCPS methodology, then the Chairperson's competing school budget bills can be evaluated fairly using demonstrations of their effects on the actual school budgets for School Year 2022-23 (FY 2023). We encourage the Council to hold additional public hearings on the Schools First in Budgeting Amendment Act and the Schools Full Budgeting Amendment Act at that time.

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during 2022. DC PCSB will use this time to assess our current process and make updates in alignment with our Strategic Roadmap and the School Reform Act. DC PCSB will release revised charter application guidelines in Summer 2022 and looks forward to reviewing strong, innovative charter applications in 2023.

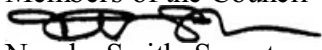
Further details available on the DC PCSB website:

<https://dcpcsb.org/board-re-envision-charter-application-and-grade-expansion-rubric-and-evaluation-process>

**COUNCIL OF THE DISTRICT OF COLUMBIA**  
**1350 Pennsylvania Avenue, N.W.**  
**Washington D.C. 20004**

Memorandum

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To : Members of the Council  
From :  Nyasha Smith, Secretary to the Council  
Date : Monday, December 20, 2021  
Subject : Referral of Proposed Legislation

Notice is given that the attached proposed legislation was introduced in the Office of the Secretary on Monday, December 20, 2021. Copies are available in Room 10, the Legislative Services Division.

TITLE: "Schools Full Budgeting Amendment Act of 2021", B24-0571

INTRODUCED BY: Chairman Mendelson

The Chairman is referring this legislation to Committee of the Whole.

Attachment  
cc: General Counsel  
Budget Director  
Legislative Services



OFFICE OF CHAIRMAN PHIL MENDELSON  
COUNCIL OF THE DISTRICT OF COLUMBIA

## **Statement of Introduction**

### **“Schools Full Budgeting Amendment Act”**

Today I am introducing two bills aimed at changing the way we budget for schools. It is time to end the annual budget crisis our schools – and parents – go through when the Chancellor releases proposed budgets, and budget cuts, for the next school year. For Fiscal Year 2020, the proposed budgets left 31 schools with less funds, even though for many their enrollment little or not at all. For the current Fiscal Year 2022, almost four dozen schools were confronted with cuts. Ultimately the Administration backed down but the turmoil was harmful. Parents were angry, and some teachers left in search of greater job stability.

Attached is the Schools Full Budgeting Amendment Act of 2021. This bill requires that each year local schools will get not less than 100% of their previous year’s UPSFF funds. It also eliminates the Chancellor’s ability to reduce a school’s budget on the basis of a “substantial instructional or programmatic change” – whatever that means.

The approach is simple, and it focuses on the UPSFF formula. Therefore this bill may better protect schools from reductions in the dollars they receive for at-risk students. However, this bill does not require any increases in what schools receive.

The Committee of the Whole will move quickly to hold a hearing on this bill, my second introduction, and DCPS’s new budgeting model. We want a robust discussion on how to improve budgeting for our schools, create certainty – and put an end to the annual budget turmoil.



Chairman Phil Mendelson

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A BILL

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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

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To ensure that each year’s annual budget for each local school within DCPS is no less than that school’s budget for the current school year.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Schools Full Budgeting Amendment Act of 2021”.

Sec. 2. Section 108a(a)(2) of the Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Act of 1998, effective February 22, 2014 (D.C. Law 20-87; D.C. Official Code § 38-2907.01(a)(2)) is amended to read as follows:

“(2) Provide each school with not less than 100% of its prior year allocation of Formula funds, excluding those Formula funds directed to a school pursuant to paragraph (3) of this section; provided, that a school may receive less than 100% of such funds if that school is eliminating one or more grade levels offered at the school or faces a budgetary reduction due to the closing or consolidation of one school into another; provided further, that this paragraph shall not apply if the total Formula allocation to DCPS, excluding those Formula funds generated pursuant to section 106a (D.C. Official Code § 38-2905.01, is reduced by more than 5% from its prior year allocation; and”.

36           Sec. 4. Fiscal impact statement.

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

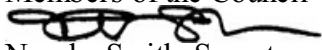
40           Sec. 5. Effective date.

41           This act shall take effect following approval by the Mayor (or in the event of veto by the  
42   mayor, action by the Council to override the veto), a 30-day period of Congressional review as  
43   provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December  
44   24, 1973, (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of  
45   Columbia Register.

**COUNCIL OF THE DISTRICT OF COLUMBIA**  
**1350 Pennsylvania Avenue, N.W.**  
**Washington D.C. 20004**

Memorandum

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To : Members of the Council  
From :  Nyasha Smith, Secretary to the Council  
Date : Monday, December 20, 2021  
Subject : Referral of Proposed Legislation

Notice is given that the attached proposed legislation was introduced in the Office of the Secretary on Monday, December 20, 2021. Copies are available in Room 10, the Legislative Services Division.

TITLE: "Schools First In Budgeting Amendment Act of 2021", B24-0570

INTRODUCED BY: Chairman Mendelson

The Chairman is referring this legislation to Committee of the Whole.

Attachment  
cc: General Counsel  
Budget Director  
Legislative Services



OFFICE OF CHAIRMAN PHIL MENDELSON  
COUNCIL OF THE DISTRICT OF COLUMBIA

## Statement of Introduction

### **“Schools First In Budgeting Amendment Act”**

Today I am introducing two bills aimed at changing the way we budget for schools. It is time to end the annual budget crisis our schools – and parents – go through when the Chancellor releases initial school budgets, and budget cuts, for the next school year. For Fiscal Year 2020, the initial school budgets left 31 schools with less funds, even though for many their enrollment shifted little or not at all. For the current Fiscal Year 2022, almost four dozen schools were confronted with cuts. Ultimately the Administration restored some school funding but the turmoil was harmful. Parents were angry, and some teachers left in search of greater job stability.

Attached is the Schools First In Budgeting Amendment Act of 2021. This bill puts our local DCPS schools first in the budgeting process. Leftover funds (which are substantial) would then be allocated between central administration and school support at the Chancellor’s discretion.

The primary purpose of this bill is to promote stability in our local schools. The approach is prescriptive, setting forth in the law a calculation to be followed. While at first blush this might seem overly detailed, the effect is to leave little room for interpretations that, year after year, some schools experience budget cuts. A collateral benefit is transparency: the calculation for each school will be a public record and every parent and stakeholder will see exactly how their school’s budget was set.

Most businesses set their annual budgets by building on their current year’s budget. That’s how DCPS, overall, is budgeted. Why should the schools themselves be budgeted differently? Why is it ok every year for principals to not really know what their next year’s budget will be? How do we build individual school communities when each year they are fighting cuts rather than building on this year’s strengths?

The Schools First In Budgeting Amendment Act of 2021 ensures that each local school is taken care of first and whatever is leftover is available to Central Administration. With this stability I am confident that over time schools will build on their base and expand their programming. We should also see that schools will be better able to individualize their services, such as counseling or extracurricular activities, that best fit their needs.

The Committee of the Whole will move quickly to hold a hearing on this bill, my second introduction, and DCPS’s new budgeting model. We want a robust discussion on how to improve budgeting for our schools, create certainty – and put an end to the annual budget turmoil.

  
Chairman Phil Mendelson

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A BILL

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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

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To revise the method for school budgeting for the District of Columbia Public Schools by budgeting the local schools first based on each school’s previous year’s budget, with the remainder to be allocated between central administration and school support.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Schools First In Budgeting Amendment Act of 2021”.

Sec. 2. Section 108a of the Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Act of 1998, effective March 26, 1999 (D.C. Law 12-207; D.C. Official Code § 39-2907.01) is amended to read as follows:

“Sec. 108a. DCPS budget.

“(a) The annual operating budget for DCPS shall:

“(1) Be appropriated in three divisions: central administration; school support; and local schools.

“(2) “Central Administration,” within the meaning of this section, shall be all of the appropriated funds not allocated to Local Schools and School Support. No more than 3% of the gross budget for DCPS shall be allocated to central administration.



36                   “(3) “Local Schools” are the individual schools comprising the DCPS system, and  
37 the appropriation for each within the meaning of this section shall be the funds that are under the  
38 control and direction of the school’s principal.

39                   “(4) “School Support,” within the meaning of this section, are the appropriated  
40 funds held by Central Administration for direct support to the schools, such as security  
41 personnel,  
42 substitute teachers, and counselors.

43                   “(b) The annual budget for each local school shall be determined as follows:

44                   “(1) Begin with the actual budget of the current fiscal year as of January 1st;

45                   “(2) For School Year 2022-2023, adjust the personal services (PS) budget to  
46 reflect the actual salaries paid to personnel in the budget but do not deduct any funded vacancies;

47                   “(3) Increase the NPS budget by the rate equal to the increase in the CPI-U for  
48 Washington DC for the previous calendar year;

49                   “(4) Increase the PS budget by a rate which is the higher of the increase in the  
50 CPI-U, 2%, the projected increase in the overall UPSFF budget for DCPS, or the increase for  
51 teachers required in the Washington Teachers Union contract;

52                   “(5) Increase the NPS budget by an amount, if any, agreed to by the Chancellor;

53                   “(6) Increase the PS budget to increase personnel at the school, as agreed to by the  
54 Chancellor; provided, if the projected enrollment increases so as to require one or more  
55 additional classroom teachers then the Chancellor shall increase the number of personnel in  
56 accordance with the enrollment growth;

57                   “(7) Increase or reduce the PS budget to reflect fully the increase or reduction of  
58 special education or ELL faculty;

59                   “(8) The PS budget may be decreased if the projected enrollment declines;  
60 provided, that the decrease shall be made only on an FTE basis and shall not be made unless the  
61 enrollment decline is great enough on the grade level to eliminate a classroom or warrant  
62 elimination of a classroom teacher; and

63                   “(9) Increase the PS or NPS budget (as appropriate) to fund fully the cost of any  
64 additional costs the Chancellor may require the school to carry, such as the transfer of services to  
65 the school that were previously paid by School Support or Central Administration.

66                   “(10) Nothing in this subsection shall be construed to preclude a school from  
67 requesting additional funding.

68                   “(11) The budget (PS or NPS) may be increased additionally at the discretion of  
69 the Chancellor.

70                   “(c) The calculation prescribed by subsection (b) is a public record and shall be made  
71 available to the public no later than six weeks before the submission date for the fiscal year  
72 budget established by the Council.”.

73                   Sec. 4. Fiscal impact statement.

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

77                   Sec. 5. Effective date.

78                   This act shall take effect following approval by the Mayor (or in the event of veto by the  
79 mayor, action by the Council to override the veto), a 30-day period of Congressional review as  
80 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December  
81 24, 1973, (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of  
82 Columbia Register.



**Before the Committee on Recreation, Libraries, and Youth Affairs, Performance Oversight  
Hearing**

**Council of the District of Columbia**

**Written Testimony of Irfana Anwer, Esq.**

**Managing Pro Bono Attorney**

**Ayuda**

**January 20, 2022**

Ayuda<sup>1</sup> welcomes this opportunity to submit this written testimony for the performance oversight hearing before the Committee on Recreation, Libraries, and Youth Affairs regarding the Mayor’s Office on Latino Affairs. Ayuda has served more than 100,000 immigrants in the District and surrounding areas in its more-than-45-year history. In addition to social and language access services, Ayuda provides an array of legal services to D.C.’s immigrant residents: family law (focused on representing survivors of domestic violence, sexual assault, and stalking), immigration law, and consumer law (through our Project END focused on eradicating immigration legal services fraud).

Ayuda is grateful to the Mayor’s Office on Latino Affairs (“MOLA”) for the support that it has provided to us over the years. Over the last several years, Ayuda has received funding from the Immigrant Justice Legal Services grant, implemented through MOLA. With this funding, in the first quarter of the current fiscal year, Ayuda was able to host two remote pro bono

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<sup>1</sup> Ayuda provides legal, social, and language services to help vulnerable immigrants in our neighborhoods access justice and transform their lives. Since 1973, we have served more than 100,000 low-income immigrants throughout Washington DC, Maryland and Virginia. Ayuda’s expert and dedicated professionals help immigrants from anywhere in the world navigate the immigration and justice systems and access the social safety net. This comprehensive and welcoming approach breaks down barriers, helps those in need, and makes our communities stronger. Most relevant to today’s testimony, Ayuda provides expert legal services so that low-income immigrants can overcome barriers and access justice. Unaware of their rights and overwhelmed by a complex legal bureaucracy and language barriers, many immigrants require the aid of a professional to navigate the U.S. immigration system. Ayuda’s staff attorneys and pro bono program serve thousands of women, men, and children every year by helping them obtain visas, work authorization, legal status, and more.

immigration consultation clinics, providing free immigration consultations to D.C. residents. With this funding, we also actively handled 63 immigration matters, through our immigration attorneys, and our pro bono volunteer attorneys. The Immigrant Justice Legal Services Grant also funded 8 immigration consultation clinics during the last fiscal year (FY 2021). We anticipate the grant will fund an additional six immigration consultation clinics in what remains of this fiscal year.

Immigration consultations are a critical service for vulnerable low-income immigrants for many reasons, including the ever-present threat of immigration legal services fraud. Too many vulnerable immigrants are targeted by fraudulent individuals promising green cards or providing ineffective counsel in exchange for exorbitant fees. Ayuda has, for years, combatted these efforts through our Project END, which seeks to rectify and eliminate immigration legal services fraud, commonly known as *notario* fraud. By providing free, high-quality, low-barrier immigration consultations through clinics and at our offices we can reach individuals who might otherwise be at risk of victimization by fraudulent and/or exploitative actors. Ayuda's consultations, both in our office through MOLA funding and other funding sources and in our clinics, informed clients of their immigration options and allowed them to pursue representation in immigration cases that will enable them to achieve greater economic independence, secure financial and familial stability and security, and contribute more meaningfully to their community.

Over the last few years, we expanded upon our services funded by MOLA to include additional outreach to D.C. Latinx residents regarding changes to immigration law and policy that are at the forefront of our clients' concerns. Such as the public charge regulations that have had a profound chilling effect on immigrant residents seeking to access public benefits. We collaborated with Whitman Walker Health to share accurate and reliable information with community members so that they can make fully informed choices about accessing public benefits. Ayuda immigration attorneys attended several one touch enrollment events to advise immigrant community members about whether they might be affected by the proposed changes to the public charge regulations.

The kind of outreach, full information, and representation that MOLA has supported Ayuda in providing has never been worth more than it is right now. The needs of our immigrant community members have increased because of the possibilities under the new Administration as well as the devastating effects from the previous Administration. Many immigrants in D.C. have been waiting for a change in the Administration before they seek help with their immigration matters. We look forward to continued partnership with MOLA in the coming year, and strongly encourage the Council to support continued funding for legal services through MOLA at the same level it is funded this year if not higher. We anticipate that few of our cases funded by MOLA will conclude this fiscal year because of backlogs in the immigration system. We also anticipate continuing, and growing, interest in Ayuda's immigration consultation clinics in the future.



**Testimony by David Alpert**  
**President, Ward 2 Education Council**  
**B24-0570, Schools First in Budgeting Amendment Act**  
**B24-0571, Schools Full Budgeting Amendment Act**  
**January 20, 2022**

Good morning, Mr Chairman and members of the Council. My name is David Alpert, and I am president of the Ward 2 Education Council and a parent of a DCPS third grader and future kindergartener.

Thank you for your attention to this issue of school budgeting and for introducing these bills. The first question before us is: whether the council should legislate the formula for determining individual school budgets.

As a general supporter of executive discretion, in theory, I think budgets should be formed by DCPS with input from principals and parents. But the way schools cower in fear of sudden cuts even during flush times for this city does not work for our schools. Further, the process of rolling out a new budget model over the last year and beyond is so egregious in its secrecy and contempt for the council and for parents that the council must act.

I'd much prefer to work on issues collaboratively with city officials, as opposed to oppositionally. That was my strategy for transportation and planning advocacy in the past, and I found it to be an effective one. We want the same things - successful and equitable public education serving the children of DC.

I have been baffled, therefore, that DCPS leaders have said they have a new budget model that was, as one described it, "a cake that was baked" years ago, but delayed because of the pandemic. But DCPS leaders will not tell us what the cake looks like. When I pick up my daughter's birthday cake, I certainly want to see if the decorator spelled her name correctly, and not have to wait until the party begins.

Yet DCPS officials have refused to answer specific questions. They rebuffed repeated requests from the ward education councils and other advocates to provide a direct comparison between the current Comprehensive Staffing Model and the new model. Mr. Francois attended two ed council meetings and yet organizers still felt in the dark. And, worst of all, DCPS outright refused last week to provide that comparison, despite being requested in a letter signed by every single councilmember.

I've participated in many hearings where residents argued they hadn't been consulted. But in almost all of the transportation or planning hearings I attended, officials had made good faith efforts to be forthcoming with residents... or, perhaps, just had to move with haste and hadn't had time to talk to people. Here, DCPS officials seem to be insinuating that we'll hate their new model and so they won't tell us what it looks like until the last minute, at which point it will be much harder to influence it.

I'd like to love the new model. I hear it's about equity and I support that. If DCPS simply said they were planning to ramp up funding to schools with high at risk populations, for instance, I'd be enthusiastic - even if my child's school isn't one that would see more money. I'd want to ask to avoid cuts at other schools, but I would be glad to see us do more for our children furthest from opportunity.

But instead, we just see a mysterious calculation which seems to suggest some schools will win and some will lose based on enrollment, perhaps with small schools losing the most for no articulated reason, and other unanticipated changes.

Already, principals and LSATs face the prospect of staff cuts year after year, to classroom teachers, or aides, or inner core specials, or mental health professionals, and then often those cuts get reversed. But it's too late to retain good staff members who seek more stable school jobs.

Our city has had budget surpluses for years, thankfully. Through one of these bills or a hybrid, let's ensure that school communities don't have to live with a sword of Damocles constantly over them, at least not as long as the city budget is strong.

On the specifics of the legislation, I have a few particular comments about the Schools First in Budgeting Act.

First, I would suggest adding clarity about the definition of enrollment that would, as the act provides, "require one or more additional classroom teachers" or "warrant elimination of a classroom teacher." Without specifics of what triggers those provisions, DCPS might simply be able to trigger the provision when it wants to and never when it doesn't, while schools would lack the predictability this bill seeks to create.

Second, the law provides that the budget can be cut if enrollment drops so as to "eliminate a classroom or warrant elimination of a classroom teacher." My reading is that in such a case, DCPS could then cut the budget by any amount it wished, including cutting other services or programs. If this isn't what you meant, then it could read that in such a class only classroom teachers are cut, or limit other cuts in some way, such as proportionally. But, if left as is, then schools which see declining enrollment would be as vulnerable as they are now, because losing just one class worth would essentially exempt the school from all of the protections in the bill.

Finally, I recommend dropping the provision that would switch school budgets to use actual staff costs instead of average ones. A brand new 10-month teacher with a bachelor's made \$56,313 in FY 2019 and a 21-year veteran with a Ph.D. \$116,408 - more than double.<sup>1</sup> A principal facing budget cuts, or a new principal trying to turn around a struggling school, may well see it much more desirable to have two adults, even inexperienced ones, over a veteran teacher. DCPS does not have tenure or seniority preference, which affords flexibility, but the average cost

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<sup>1</sup> ET-15 FY 2019 Pay Schedule, <https://dcps.dc.gov/node/1294871>

accounting is therefore very valuable to ensure there's no incentive to replace veterans with twice as many newer teachers.

Such a switch is not necessary. School budgets will continue to flow through the city government as they have, even if the amounts are more narrowly prescribed. A school could simply continue to have a budget it uses for staffing and then the actual amount of money coming from the treasury isn't exactly identical.

I know that if any bill is passed, it will not happen in time to affect the coming year's budgets. I hope the council will, however, use its power in the regular budget process to ensure that schools don't lose staff or programs this year. If schools with the greatest learning loss can be further given extra resources, while other schools can maintain their current staffing levels and programs, that would be all the better.

I wish DCPS were having this dialogue and trying to craft a new budget framework that really is predictable, equitable, and transparent, so the council did not need to. But instead, they have chosen to rebuff parents and rebuff you as well while not apparently solving the problems we face. And so, the council should both make clear that refusing to answer questions is unacceptable, and further to set a better policy that actually achieves DCPS' stated goals.

Thank you.



**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**District of Columbia Public Schools (DCPS)**



Public Roundtable on

“Schools First in Budgeting Amendment Act of 2021”  
and  
“Schools Full Budgeting Amendment Act of 2021”

Testimony of  
Lewis D. Ferebee, Ed.D.  
Chancellor, District of Columbia Public Schools

Before the  
Committee of the Whole  
The Honorable Phil Mendelson, Chairperson

January 20, 2022  
Live via Zoom Video Conference Broadcast



Good afternoon, Chairman Mendelson, members of the Committee of the Whole, and staff. I am Dr. Lewis D. Ferebee, Chancellor of the District of Columbia Public Schools (DCPS). Thank you for the opportunity to speak before you today on the DCPS Fiscal Year 2023 (FY23) school budgets.

Today, I am eager to share more about our planned revisions to the school budget model and how it will support our key agency principles of transparency, equity, and stability. I am also prepared to discuss the two proposed bills regarding DCPS' school budgeting process.

### **Next Generation Budget Model**

First, we are proud that DCPS provides more funding per student to schools than our peer districts, but we recognize that our current operating budget model can be both difficult to understand and unpredictable for many schools. Over two years ago, we began our engagement efforts to listen to feedback from principals, parents/guardians, and the community to understand how to improve our budgeting practices. We enlisted independent budget experts to help us develop revisions that follow best practices and put the needs of our students first. Our process was rooted in deep engagement. Between August and December of 2021, DCPS has had fourteen formal touchpoints with stakeholders, including principal office hours, convenings of the DCPS Principal Budget Task Force, the DCPS Budget Policy Committee, the Chancellor's Parent Advisory Board, Local School Advisory Team (LSAT) office hours, a community townhall, a budget public hearing, and two engagement roundtables specifically for students in middle and high school.

Our goal at the outset was to develop revisions to our model that ensure resources are aligned to the individual needs of our students and allow schools to provide important programs and offerings even when enrollments shift. While each school will benefit differently, the planned revisions to our budget model increase clarity and flexibility to school leaders and their communities so they can best serve their students and families.

The proposed revisions are based on three factors: enrollment, targeted student need, and year-over-year stability. Funds would be distributed to a school based on its student and staff counts, the needs of special student populations, and the goal to ensure stability during year-over-year enrollment transitions. Schools of all enrollment sizes and demographics would receive funding aligned to their student enrollment and level of need.

DCPS is committed to providing every student with a high-quality education and the resources needed to be successful. The planned revisions will help ensure resources are allocated to best serve the individual needs of the diverse community of students we serve. While some funds are marked for specific needs, the planned revisions provide more flexibility to school leaders since they know best what our students need.



## **Proposed Budget Bills**

Council’s proposed legislation would have a detrimental impact on school leaders’ ability to budget effectively. DCPS principals and LSATS will receive initial school budgets in February. Legislation which makes substantial changes to the budgeting process could cause principals to be forced to re-create their school budgets after they’ve already completed a round of extensive budget development with their school communities, causing confusion and burdening schools with additional work at a time when schools are already working at full capacity to educate students and lead through the pandemic.

Further, the bills before us today would create significant challenges for our system’s ability to operate effectively. For example, DCPS is required by our agreement with Washington Teachers Union to budget on average salaries. This allows school leaders to make hiring decisions solely based on the quality of the candidates rather than a budget bottom line. Legislation which requires the agency to budget on actual salaries will lead to the unintended consequence of discriminating against long-tenured staff.

Moreover, the bills before us would commit DCPS to spending increases without addressing equity issues in past budgeting practices, hindering our ability to invest strategically and sustainably towards student success. Required annual increases, as outlined in the “Schools First in Budgeting Act,” would commit significant resources in perpetuity and would hamper DCPS’ ability to target resources toward student need.

I want to be clear that DCPS’ planned revisions will put the District on a stronger path to equity. We plan to ensure that funding for at-risk students is allocated directly to at-risk students as a grant allocation to schools. The planned revisions include additional student funding weights for students who are English Learners or who have special education needs, and two at-risk concentration weights to better support our school communities that serve the highest percentages of at-risk students. The Council’s proposed bills would maintain past budgeting practices which we must improve upon.

DCPS has been working diligently with our community on a new budget model for the past two years. We are excited to move forward this year with the support of parents, students, staff, and community stakeholders who have worked alongside us. We are committed to ensuring resources are aligned to the individual needs of our students while allowing schools to provide important programs and offerings, even when enrollments shift. We also plan to provide increased clarity to school leaders and their communities that helps guide how they can best serve their students and families.

In these unprecedented times, schools need stability and support. We have a plan to transition our schools to a clear and transparent model that ensures greater equity and financial sustainability for our schools and students. We have developed additional resources to support our school leaders and LSATs in their budget planning efforts during this transition. We firmly believe the planned revisions will get DCPS closer to our vision of equity and excellence for all. We respectfully ask the Council to partner with us in this important endeavor and milestone for our schools and families.



**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE DEPUTY MAYOR FOR EDUCATION**



Public Hearing

on

B24-0570, "Schools First In Budgeting Amendment Act of 2022"

Testimony of

Paul Kihn

Deputy Mayor for Education

Submitted to the

Council of the District of Columbia

Committee of the Whole

The Honorable Phil Mendelson, Chairman

September 16, 2022

## Introduction

Good afternoon Chairman Mendelson, members of the Committee of the Whole, staff, and members of the public. My name is Paul Kihn, and I am honored to serve as the Deputy Mayor for Education (DME) for the District of Columbia. Thank you for the opportunity to testify at today's public hearing on Bill 24-0570, the "Schools First In Budgeting Amendment Act of 2022."

My colleagues and I appreciate your commitment to ensuring all schools have the resources they need and all school communities experience budgeting stability from year to year. The Bowser Administration and the District of Columbia Public Schools (DCPS) share these goals and apply them in our approach to school funding.

While we share goals around adequate school funding and budget stability, we believe there are significant flaws with the legislative approach in the "Schools First in Budgeting" Act. This bill would create unsustainable costs for the District and have destabilizing, unintended consequences. We strongly oppose the bill as written and urge you to reconsider the approach.

The COVID-19 pandemic has left deep wounds across our District. While the recovery is far from over, we are proud of what we as a government have done to stabilize schools, invest in acceleration strategies, and drive towards greater equity during this challenging period. We are proud of the historic 5.9% increase Mayor Bowser made in the Uniform Per Student Funding Formula (UPSFF) in FY 23, well above the investments made by many peer districts, as well as the administration's investments in school support, including a special and sensible "pandemic recovery fund" in FY 23 and FY 24 to smooth our transition away from the unprecedented federal funding supplements during the pandemic.

As you will hear from the Chancellor, we are particularly proud of the revised DCPS school budget model, in place for the first time in SY 22-23, and developed over years with technical expertise from staff and outside partners. Through this model, we are directing more of our funds according to student need and thereby advancing equity; enabling greater principal autonomy; and stabilizing schools even through declining enrollment.

We welcome the opportunity to work with Council to continue to refine and strengthen the DCPS budget model in the coming years. However, we do not think this legislation is the right solution, and we believe it would have significant, negative consequences for the District and its residents for the following reasons.

**1. The bill is not fiscally responsible.** The first reason we oppose this legislation is that the bill as written is not fiscally responsible. This bill mandates that DCPS school budgets only increase from the FY 23 baseline, unless an enrollment decline justifies an FTE reduction, for example losing a full classroom of students. Otherwise, this bill locks in increasing budgets starting from a record, inflated funding level in FY 23 that incorporates one-time federal recovery funding. Federal recovery funds were intended to be short-term - to support residents and government agencies during this unprecedented set of pandemic circumstances. DC received over \$250 million in federal American Rescue Plan Act (ARPA) funds and nearly \$1 billion in Elementary and Secondary School Emergency Relief (ESSER) funds for education. DCPS alone received over \$300 million in COVID-19 recovery funds, and that's relative to an annual budget of roughly \$1 billion. We as a District government do not have the funding to replace these federal

funds with local dollars, and it would not be fiscally prudent to do so for the city's largest Local Educational Agency (LEA).

Even beyond the inclusion of federal funding, given that the District budget is finite, this legislative approach is just not sustainable. As you know, the uniform per student funding model that we currently use ensures that money follows the student – if some schools gain due to students changing schools, the District does not have to pay twice. Under the proposed legislation, the District *would* have to pay twice beyond a particular threshold. For example, if 30 students across two grade levels leave one DCPS school for others, that first school would not any lose money. In fact, the school budget would have to increase. Yet those 30 students have to be served – and paid for – in other schools. If each student brings with them approximately \$18,000, then that adds half a million dollars in the system just for those students' mobility. Multiply that scenario across multiple schools and students, year over year, and costs start to balloon. Carved into this approach is a misplaced assumption, disproven by cross-district benchmarking, that DCPS' centralized functions are "bloated," and funds can be repurposed from central services towards school budgets. In practice, over time, this approach will result in deep cuts to central office in services that directly benefit schools - from student support to curriculum and instruction - and, at a certain point, further cuts no longer become feasible.

When we consider the cross-sector lens, the bill's approach becomes even more untenable. Either we fund mandated increases for DCPS outside of the UPSFF, and ignore our charter school students, representing approximately half of our public school student body. Or, more likely, the increased costs for DCPS are passed on to the charter sector, and the fiscal impact doubles.

All of this means less money for other critical services for children, families, and other residents, including those within education, such as health, mental health, and after school programs, as well as citywide priorities, such as public safety and violence prevention, affordable housing, transportation, and human services. The true costs of this bill have not been fully acknowledged or quantified.

Finally, the bill as written raises legal questions that should be thoroughly explored, including around the impact of this legislation on the Executive's budget authority; around the District's anti-deficiency law, which places limitations on expenditures and obligated funding; and around any employment law considerations from including the Washington Teachers' Union (WTU) contract as part of the budget formulation.

**2. This uncertain, atypical time is not the right moment to codify significant structural changes to school funding.** The bill's funding approach is particularly unwise given the uncertainty around the enrollment and economic outlook at this time. For one, researchers predict potential enrollment declines based on declining births and birth rates over the next few years. A context of declining enrollment would exacerbate the sustainability concerns with this bill, which would move us away from funding schools based on the students enrolled in them. Moreover, many economists predict we may be headed for an economic downturn. This is important from a fiscal as well as an equity standpoint. Our values are important when we have resources to spend, but they are truly tested when we need to cut back. This bill would force DCPS to treat our schools equally, not equitably, and would limit our ability to ensure that students with the greatest needs are getting proportionally more, even when we have less money to work with.

We strongly recommend waiting until after FY 24, when we reach more of a steady state, to explore any significant structural changes to how we fund schools. This would be after federal recovery funds have been used for their intended purposes; when we have a better sense of our enrollment numbers; when the economic forecast is clearer; after we have completed the Council-legislated Adequacy Study; and after the DCPS budget model and the new at risk concentration weight added by Council have been in effect for at least a year. This is an uncertain time, and using this moment as a budget baseline would not be smart fiscal policy.

We have committed to ongoing recovery funds in FY 24, and we are happy to work with Council and the education policy experts testifying today to figure out what sustainable stability looks like in FY 25 and beyond. However, we believe that should be determined as carefully and thoughtfully and with as much planning, modeling, and evidence as possible.

**3. This bill would have a number of unintended, negative consequences.** This bill, focused solely on the largest of the city's 70 LEAs, would have a number of unintended consequences. Currently, the DCPS and charter sectors, which have roughly equal shares of students, are funded at the LEA level based on enrollment, with LEAs determining how best to allocate funds. If the LEA serving just over half of the public school students no longer has broad discretion over how it allocates funds to schools and which functions are centralized, that creates policy inequities across the system. Moreover, limiting DCPS' ability to target resources towards supporting schools and students with the greatest needs and towards innovative and evidence-based approaches will decrease its effectiveness as an LEA. In essence, this bill will force DCPS to prioritize "stability" (no school losing money) over equity and excellence. This is especially problematic at a time when we know our highest need students have experienced the greatest learning losses during COVID. In addition, the bill raises policy and practical considerations, such as how to calculate the legally mandated rate of increase for school budgets and how to meet timelines in the legislation that are not in sync with the District's budgeting process. Moreover, the bill would effectively require DCPS to create a new budget model, which would have destabilizing effects, especially given that school budget planning for FY 24 has already begun and will be well underway by the earliest date this bill could become law.

In summary, we strongly oppose this bill because it is fiscally imprudent and unsustainable and would have a number of unintended, destabilizing consequences. Furthermore, this bill reaches well beyond Council's oversight role into the specific process operations of a District agency and takes away a significant amount of the Executive's budget authority, given the large share of funding that goes to schools. The budget process for schools is one that involves technical expertise and time and is complex by necessity, to meet the varied needs of our city's schools and students. Rather than legislating a budget approach, we encourage Council to maintain its focus on oversight and use its appropriations authority to make decisions that advance its goals.

On behalf of the Executive, I strongly encourage you to reconsider this legislation. I thank you for your time, and I look forward to taking your questions.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
District of Columbia Public Schools (DCPS)**



Public Hearing on

**“Schools First in Budgeting Amendment Act of 2022”**

Testimony of  
**Dr. Lewis Ferebee**  
Chancellor

Before the  
Committee of the Whole  
The Honorable Phil Mendelson, Chairman





Good afternoon, Chairman Mendelson, members of the Council, and staff. I am Dr. Lewis Ferebee, Chancellor, for DC Public Schools (DCPS). Thank you for the opportunity to speak before you today on the Schools First in Budgeting Act of 2022.

### DCPS' School Budget Model

DCPS spent years developing our updated budget model in consultation with our school communities and school finance experts. The new budget model prioritizes equity, transparency, and sustainability. Among other things, this means that schools with greater needs *do* receive more -this is aligned to our agency's values. As one example, our updated model allocated over \$9.7M in funding via the model's at-risk concentration weights, benefiting the highest need schools in our system. Without these intentionally redistributive weights, those funds would have been spread more evenly throughout the system, with less funding targeted to those higher need schools.

I'd like to turn to specific improvements to the updated budget model, which is anchored in our three guiding principles of equity, transparency, and sustainability.

On the principle of equity, DCPS' new model doubles down on our commitment to equity by creating additional weights for students with higher needs and building in two at-risk concentration weights into the student-based budgeting component of the updated budget model. Further, the model delivers each school's share of their Uniform Per Student Funding Formula (UPSFF) at-risk funds as flexible grants, improving each school's ability to determine how to best utilize those funds to support their students who are at-risk. We are excited to continue to partner with the Council on the at-risk concentration weights replicated into the broader UPSFF this school year.

We have also achieved greater transparency with the [dcpsbudget.com](http://dcpsbudget.com) website as the main hub of school budget information. Among the features of the site, users can find school-specific budget profiles, which delineate funding streams and amounts, and articulate year over year shifts. Additionally, for the first time, DCPS posted for the public, flexible data files for both FY23 initial allocations and FY23 submitted budgets. We are excited to make this shift, which aligns with a request from school budget advocates.

I would now like to turn to the principle of sustainability. With sustainability in mind, DCPS has created a budget model that strikes an important balance: responding to each school's needs based on their unique population while accounting for year over year fluctuations in enrollment across our portfolio of schools.

Within the model itself, I want to be clear on what this looks like. Schools continue to be stabilized at a 95% level of their previous year's submitted local budget, regardless of enrollment shifts from year to year, as a baseline requirement, and in accordance with existing law. However, the updated budget model also features what we call a "safety net" calculation, which is designed to ensure that all schools are provided adequate resources to support a minimum set of core operational functions, regardless of what the model would otherwise generate based on the school's student projections. This balanced approach ensures stability while also allowing for funding to follow student need.



On top of the model's intrinsic stability features, the Mayor committed to holding all schools harmless in FY23, effectively raising the stabilization level from 95% to 100% for this school year. Additionally, the Mayor has delivered funding to schools via the Mayor's Recovery Fund, intended to maximize schools' buying power in the context of rising personnel costs and help address additional needs coming out of the pandemic. The Mayor's Recovery Fund will continue as an additional support for schools in FY24, with final allocations to be determined during the upcoming budget formulation cycle.

#### Chairman's Proposed Legislation

The proposed legislation as written is problematic for several reasons. The Council's proposed legislation stops our continued progress as an LEA to align resources with student need, creates a new baseline for allocations at an extraordinary point in time during a global pandemic, legislates process rather than outcomes, and does not allow for judicious stewardship of the city's resources.

As far as the proposed bill text is concerned, there are several areas that are simply unworkable. First, the bill creates a new cap on central administration and school support budget categories. This appears to be an arbitrary cap on services that are centrally budgeted, with the established threshold not based in any specific modeling of the centralized services that DCPS provides. These services play a critical role in efficiently supporting schools through economies of scale and mitigating agency and city risks through ensuring systemic oversight and compliance. Our central administration supports the administrative, operational, and instructional needs of students, teachers, and schools, from providing food and security services to curriculum development and support. We estimate that if this proposed bill were enacted in our FY23 budget, the budget for central administration would need to be reduced by approximately \$20 million. This proposed bill would significantly decrease, if not eliminate, a number of services to our schools at a time when we are already experiencing significant staffing and resource challenges. In fact, the caps on central office – combined with the costs central office would need to bear from the provisions requiring school budget increases and limiting adjustments based on student served – would reduce DCPS' effectiveness as an LEA; limit our ability to provide resources, support, and oversight to all of our schools; and restrict our ability to target resources to students with the greatest need.

Additionally, the proposed budget development process includes several components which are not aligned with current practices. First, this bill creates a new, misaligned January 1<sup>st</sup> analysis point-in-time for school budgets. DCPS begins its budget work well in advance of January, with key planning activities happening in the fall in coordination with the Mayor's broader budget formulation process. Further, DCPS' current planning cycle leverages principals' submitted budgets for the prior year, which are the budgets incorporated into the Mayor's overall budget submission to the DC Council each spring. This is a practice which reliably provides a firm foundation on which budgets can be built, providing a consistent, verifiable, point-in-time reference.

Second, this bill describes several potential methods to account for inflationary costs. While DCPS supports this intent, and in fact accounts for rising costs in the process of establishing



position costs, which make up the bulk of the budget model, we note that the options proposed are problematic. For example, the annual CPI-U as prescribed by the legislation for the prior calendar year is not available until well into the new year, which is misaligned with both the timeline of the city's annual budget development process and our shared desire to give school communities enough time to develop their budgets before the Mayor's proposal is submitted to the Council.

The bill prescribes the projected percentage increase of the UPSFF foundation level as another inflationary option, but this input is similarly not available at the time required for analysis and presents a circular logic concern by integrating a financing tool's increase as a potential core assumption of the projected costs it is meant to cover.

Finally, this bill appears to give OCFO sole authority to determine average position costs, rather than support the existing planning and data analysis process between OCFO and DCPS that exists today, which should be preserved.

In the proposed transparency component, this bill prohibits DCPS from publishing a school budget that does not mirror the city's budget book and would require referring to that documentation as something other than a "budget." As we've noted before, there are several reasons that these numbers may appear differently in the two sources, based on the formats required for each, and we are committed to ensuring a clear crosswalk with our OCFO partners. However, we also want to ensure that school leaders and communities can work with their allocations in ways that are practical and easy to understand and are not bound by technical accounting conventions. For example, interagency funds, such as Title I, sit with the Office of the State Superintendent of Education as a technical accounting convention, and are not technically part of the DCPS budget. Surely, however, we should not deny principals the ability to see and budget their Title I funds simply because of an accounting practice.

In closing, we share many of the same values for our school communities, centered on common principles like equity, transparency, and sustainability. I agree that schools need both stability and support and know that this support comes every day from both staff in buildings and staff at central office. DCPS' updated budget model works because it embodies the best balance of our guiding principles for all our schools. It is a balance anchored in national best practice and developed with the input of national subject matter experts. This budget bill would disrupt the progress that we have made, force DCPS to come up with a new approach to budgeting to incorporate all of the budgeting requirements in this bill, create practical challenges based on unworkable provisions and timelines, result in deep cuts to central services and supports that benefit schools, and overall create destabilization at a unique and challenging time as we work to recover from a global pandemic. We look forward to continuing the work with school communities, the Council, and all DCPS budget stakeholders to continuously improve our commitments to these principles each successive budget year.

We firmly believe that our updated budget model moves DCPS closer to our vision of equity and excellence for all. We respectfully ask that the Council not pass this bill, and instead work with us to build upon that vision together. Thank you for the opportunity to speak to you today. I would be happy to answer any questions.





## **BILL 24-0570**

# **RACIAL EQUITY IMPACT ASSESSMENT SCHOOLS FIRST IN BUDGETING AMENDMENT ACT OF 2022**

**TO:** The Honorable Phil Mendelson, Chairman, Council of the District of Columbia  
**FROM:** Namita Mody, Director, Council Office of Racial Equity  
**DATE:** November 28, 2022

### **COMMITTEE**

Committee of the Whole

### **BILL SUMMARY**

Bill 24-0570 requires District of Columbia Public Schools to budget for the local schools first using the bill's Schools First formula, and then to allocate the remaining funds between central administration, school support, and school wide needs.

### **CONCLUSIONS**

- Bill 24-0570's formula and public reporting requirements will likely improve budget predictability, transparency, and public accountability, benefiting Black students and other students of color in the District.
- Bill 24-0570's Schools First budgeting formula maintains the status quo of racial inequity in school budgeting.

### **FURTHER CONSIDERATIONS**

- The bill does not include a timeline to evaluate the impact and efficacy of the Schools First formula on DCPS schools, particularly the ones serving the highest numbers of Black students in DC.
- The bill does not require an impact evaluation of the Schools First formula.
- The bill does not address or track DCPS schools' use of "at-risk" funds to make up for inadequate funding in general education budgets.

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**Content Warning:** The document you are about to read is a Racial Equity Impact Assessment, a careful and organized examination of how Bill 24-0570 will affect different racial and ethnic groups. We hope that this assessment sparks a conversation that is brave, empathetic, thoughtful, and open-minded.

The following content touches on racism, poverty, income inequity, redlining, segregation, the categorization of students as "at-risk," homelessness, foster care, and educational inequities. Some or all of these issues may trigger a strong emotional response. We encourage you to use this knowledge in the way that is most helpful to you.

**Note:** This REIA is current as of the Committee Print on November 11, 2022.

## **BACKGROUND**

This Racial Equity Impact Assessment evaluates the impact of Bill 24-0570, which is primarily concerned with how the District of Columbia Public Schools budgets its local funds between schools and the central office (which houses the Chancellor, their staff, and offices focused on central functions like operations, data and technology, and legal).<sup>1</sup> To more easily explain the changes the bill makes to existing law, it is important to understand how the District of Columbia’s Public Schools (DCPS) currently budgets.

Currently, all publicly funded schools in the District receive a combination of local dollars, federal grants, and private funding. Most of the funding for the District of Columbia Public School (DCPS) system comes from local taxpayer dollars.

On an annual basis, the DC Mayor allocates revenue from the District’s local budget to fund the Uniform Per Student Funding Formula (UPSFF).<sup>2</sup> The UPSFF is a budgeting tool the DC Government uses to fund local education agencies (LEAs), including the District of Columbia Public Schools (DCPS) and the District of Columbia Public Charter Schools (DCPCS) systems.<sup>3</sup> The formula begins with a base level of funding to provide general education services for all students expected to enroll in District schools. Then, it adjusts funding levels for each student according to their grade level. The formula also includes additional funding amounts to help LEAs support specific subgroups of students like those enrolled in special education, English Learners (ELs), and those considered “at-risk” of academic failure due to poverty.<sup>4</sup>

DCPS utilizes the money it receives from the UPSFF to develop its annual operating budget, which includes dividing money between School Based Services and Personnel, School Support, and Central Administration (defined in Figure 1).<sup>5</sup>

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<sup>1</sup> “DCPS Offices.” DCPS. 2022.

<sup>2</sup> Noth, Alyssa. “Educational Equity Requires an Adequate School Budget.” *DC Fiscal Policy Institute* (blog), December 2, 2019.

<sup>3</sup> Ibid.

<sup>4</sup> We acknowledge the term “at-risk” is problematic for its implication that students can be defined and classified by their circumstances. As a technical term, it means students part of a family participating in SNAP or TANF, involved in the foster care system, experiencing homelessness, or over-age and under-credited. We use the technical term throughout this REIA as it is applied in the District’s school finance system, but will use it in quotes.

<sup>5</sup> “How the Central Office Budget is Developed.” District of Columbia Public Schools. 2022.

**FIGURE 1** Common Terms Related to School Budgeting

TERM	DEFINITION
DCPS Annual Operating Budget	The total funds DCPS receives from the District Government to allocate to local public schools in the District of Columbia. ( <a href="#">source</a> )
Local School Budget	The total funds a local public school receives to provide the full suite of educational and developmental services to students in DC. ( <a href="#">source</a> )
Uniform Per Student Funding Formula (UPSFF)	DC's method for allocating annual operating dollars to District of Columbia Public Schools (DCPS) and public charter schools (DCPCS). ( <a href="#">source</a> ) It includes a minimum amount of funding provided for each student and additional allocations of funding called <i>weights</i> to help specific populations of students succeed, including services for English Learners (EL), Special Education (SPED), Pre-K, and “at-risk” students. ( <a href="#">source</a> )
Comprehensive Staffing Model	A framework DCPS previously used to determine funding and staff allocations to schools based on projected student enrollment. ( <a href="#">source</a> )
CPI-U	The Consumer Price Index is a measure of the average changes in consumer prices over time. It is commonly used as an indicator of inflation. ( <a href="#">source</a> )
Personnel Budget	Funding to cover teacher and staffing needs. ( <a href="#">source</a> )
School Support	A suite of resources held by the DCPS central office and allocated to schools, like security personnel, substitute teachers, and counselors. ( <a href="#">source</a> )
Central Administration	The home of human resources, procurement, general counsel, financial administration, and a host of other offices to communicate District-wide policies, goals, and standards for student achievement in DC. ( <a href="#">source</a> )
Hold Harmless	A budget that is maintained at its current funding level. ( <a href="#">source</a> )
Projected Enrollment	The number of students projected to be enrolled at a specific school, both in aggregate and across specific student populations, at the time the Mayor’s budget is proposed. ( <a href="#">source</a> )

Using funds from the UPSFF, DCPS uses a budget model to develop school budgets and ensure staffing and other resources are aligned to the unique student needs of each school community.<sup>6</sup> DCPS’s new budget model, which was first applied in the SY2022-23, allocates most of its operating budget to individual schools based on their needs in three main categories:<sup>7</sup>

- 1) **Enrollment:** schools receive most of their funds to hire teachers and pay for general education resources based on their projected student enrollment
- 2) **Targeted Support:** schools receive funds to support “at-risk” students, English learners, and special education students
- 3) **Stability:** schools receive funds to help stabilize their budgets despite any major shifts in student enrollment. These funds are not guaranteed to every school and are given at the discretion of the DCPS Chancellor.

<sup>6</sup> Ibid.

<sup>7</sup> Ibid.

According to DCPS, their new school budget model is designed to ensure schools have funding proportionate to their general education and specialized support needs, and additional funding to help certain schools hold harmless, stabilize their budgets, and provide a safety net (if needed).<sup>8</sup>

The DC Code currently allows DCPS to allocate up to five percent of its gross budget to central administration and requires that each school receive at least 95 percent of its prior year allocation of UPSFF funds, excluding “at-risk” funds.<sup>9</sup> A school may receive less than 95 percent of its general education funds from the previous year if a school is:<sup>10</sup>

- eliminating one or more grade levels offered
- facing a budgetary reduction due to the closing or consolidation of one school into another
- undergoing a substantial instructional or programmatic change and the Chancellor justifies the greater than five percent reduction in the budget submission to the Council.

This guidance does not apply to DCPS if the agency’s annual operating budget (excluding “at-risk” funds) is reduced by more than five percent from the previous year.<sup>11</sup>

## **Summary of Schools First in Budgeting Act of 2022**

Beginning in Fiscal Year 2024, Bill 24-0570 modifies the District of Columbia Public Schools (DCPS) annual budgeting process by requiring DCPS to:

- ensure the funds within their annual operating budget are divided amongst four departments: Central Administration, Local Schools, School Support, and School Wide (defined in Figure 2 below)
- implement a new budgeting formula (Figure 3) that requires DCPS to:
  - begin its annual school budgeting process as of January 1 of the current fiscal year, with the budget of each school under the principal’s direction<sup>12</sup>
  - increase this budget amount according to whichever is the highest percentage increase between:
    - the 3-year average of the yearly change in the local consumer price index (inflation) in the Washington-Arlington-Alexandria area<sup>13</sup>
    - the projected increase in the Uniform Per Student Funding Formula (UPSFF) for the upcoming year, not including the additional weights that are added to the UPSFF each year, or
    - the collectively bargained salary increase of the Washington Teachers Union (WTU) contract for the upcoming year
  - increase each school’s budget to hire additional classroom teachers<sup>14</sup> or school support staff (not including School Wide positions budgeted through central office) based on projected increases in student enrollment

<sup>8</sup> “Welcome FY23 Budget Guide.” DCPS. 2022.

<sup>9</sup> DC Official Code “§ 38-2907.01. DCPS Budget.” 2022.

<sup>10</sup> Ibid.

<sup>11</sup> Ibid.

<sup>12</sup> This includes all fund types, excluding privately raised funds, ESSER funds, federal Investment in Schools funds, and District allocated at-risk concentration dollars.

<sup>13</sup> This references the Consumer Price Index for the Washington-Arlington-Alexandria Statistical Area for all urban consumers published by the Department of Labor, or any successor index, as of the close of the 12-month period ending on December 31.

<sup>14</sup> Under this bill, personnel budget will be funded based on the average salary for the personnel positions as determined by the District’s Chief Financial Officer, and applicable to all local schools. The bill requires the difference between average salary and actual salary shall be paid or absorbed by the School Wide budget allocation.

- increase each school’s budget to hire special education or English Learner (EL) personnel based on the required service levels of students in these populations
- increase each school’s budget to fully fund any additional costs that schools may carry, including costs previously held by other departments in DCPS’s annual operating budget.

**FIGURE 2** DCPS’s annual operating budget is divided into four categories. This bill primarily focuses on stabilizing DCPS budgeting practices for personnel in individual (or local) schools.

CENTRAL ADMINISTRATION	SCHOOL SUPPORT	LOCAL SCHOOLS	SCHOOL WIDE
The functions necessary for the governance of a school district, including general oversight and management of support services such as procurement, human resources, and financial administration (at most 5 percent of the gross DCPS operating budget). <sup>15</sup>	The programs, services, and staff providing support to schools such as curriculum development, instructional superintendents, teacher evaluations, and professional development.	The individual schools comprising the DCPS system, and the programs, services and employees financially supported with funds under the control and direction of the school’s principal.	The programs, services and employees that directly support schools and are budgeted centrally. These include food service, security, fixed costs, speech therapists, traveling EL services, and substitute teachers.

Source: The Schools First Amendment Act of 2022, Committee Print.

Following these steps, this bill gives the DCPS Chancellor the discretion to:

- incrementally decrease a school’s budget based on projected declines in:
  - student enrollment at the grade or subject level<sup>16</sup>
  - special education services
  - English learner services
- increase a school’s budget by the amount to be allocated to the school through the “at-risk” concentration supplement
- increase a school’s budget by any amount after completing the previous steps laid out in the formula.

Even with this formula, school leaders can request additional funding.

For ease, the formula is laid out as an equation in Figure 3 below.

<sup>15</sup> Council of the District of Columbia. “§ 38–2907.01. DCPS Budget.” D.C. Law Library.

<sup>16</sup> The decrease must be made using the average salary of general education full-time employees. A school’s budget should not be decreased unless student enrollment declines enough to eliminate a classroom, teacher, or school-based support staff.



**FIGURE 3** Bill 24-0570 proposes that DCPS use a formula for calculating personnel budgets at local schools.

OPERATION	ITEM	MANDATE
<b>HOLD HARMLESS</b>	Begin with the total amount of funds under the control and direction of the school principal as of January 1 <sup>17</sup>	<i>required</i>
<b>x 1.XX</b>	<p><i>whichever is highest:</i></p> <ul style="list-style-type: none"> <li>▪ The 3-year average of the yearly change in the local consumer price index (inflation) in the Washington-Arlington-Alexandria area</li> <li>▪ The projected increase in the Uniform Per Student Funding Formula (UPSFF) for the upcoming year, not including the additional weights that are added to the UPSFF each year</li> <li>▪ The collectively bargained salary increase of the Washington Teachers Union (WTU) contract for the upcoming year</li> </ul>	<i>required</i>
<b>+</b>	\$ needed to hire additional teachers or support staff based on anticipated student enrollment next year	<i>required</i>
<b>+</b>	\$ needed to hire special education or English Learner personnel based on student enrollment next year	<i>required</i>
<b>+</b>	\$ needed to fully fund any additional costs that schools may “carry”	<i>required</i>
<b>-</b>	\$ not needed based on anticipated declines in student enrollment, need for special education services, need for English Learner services	<i>Chancellor discretion</i>
<b>+</b>	\$ needed based on the “at-risk” concentration supplement allocated to the school	<i>required, as applicable</i>
<b>+</b>	any amount	<i>Chancellor discretion</i>
<b>+</b>	\$ additionally requested by school leaders	<i>Chancellor discretion</i>
<b>=</b>	total school personnel budget for the next year	

Finally, the bill establishes the following reporting requirements for the Mayor, DCPS, or the Chancellor:

- The calculation used to determine local school budgets must be published 42 days (or earlier) before the Mayor is required to submit the District’s proposed annual budget and financial plan for the upcoming fiscal year to the Council.

<sup>17</sup> This includes all fund types, but excludes privately raised funds, ESSER funds, federal Investment in Schools funds, and District allocated at-risk concentration dollars.

- DCPS must publish annual school budgets on their website and in the Mayor’s proposed budget books prepared by the District’s Chief Financial Officer.
- Any school budget created or calculated without using the formula laid out in the Schools First Act (i.e. school support or school wide budgets) must not contain the words Schools First in the title to increase transparency, prevent public confusion, and prevent discrepancy.
- The Chancellor must provide a detailed estimate of the amount of money required to operate the DCPS system for the upcoming year, including the Schools First budget for each school on the DCPS website.

## School Budgeting in the District Begins with Inadequacy

The purpose of school budgeting at the District level is to ensure that every public school receives enough resources so every child has access to a high-quality education—regardless of their circumstances.<sup>18</sup> Money plays a significant role in developing strong educational systems that have the potential to close gaps in student achievement and promote positive long-term outcomes.<sup>19</sup>

Unfortunately, the District of Columbia’s public school system is not funded adequately to cover the true cost of education for all DC students. According to the DC Fiscal Policy Institute, DC lawmakers have consistently approved education budgets that fall below the recommended school finance levels laid out in the *DC Adequacy Study*, conducted by The Finance Project for the District’s Deputy Mayor of Education.<sup>20,21</sup>

In 2014, researchers from The Finance Project concluded that it would cost about \$12,000 per pupil and adjusted for inflation each year—beginning in kindergarten through grade 5<sup>22</sup>—to provide a quality educational experience to every student in DC.<sup>23</sup> In 2019, school budget experts in the District estimated a cumulative \$740 million gap between the recommendations laid out in the Adequacy Study and the actual UPSFF over the past seven fiscal years.<sup>24</sup> Eight years since the latest adequacy study was conducted, the foundational level of the UPSFF is now a little over \$12,000 per student—but still much less than the originally projected amount after adjusting for inflation.<sup>25</sup>

Under these circumstances, school budgeting in the District begins with inadequacy and puts pressure on school leaders to work within major constraints to close gaps in achievement.

## Funding, School Enrollment, and Race

When developing local school budgets, DCPS considers many different factors including school size and enrollment, student need and staffing ratios, extracurricular programs, and the rate at which students utilize the school facility and its resources.<sup>26</sup> No school community has the same exact needs, and what may be considered sufficient funding for one school may not be enough for another.

<sup>18</sup> Baker, Bruce. “[How Money Matters for Schools](#).” Learning Policy Institute, December 13, 2017.

<sup>19</sup> Ibid.

<sup>20</sup> Noth, Alyssa. “[Educational Equity Requires an Adequate School Budget](#).” *DC Fiscal Policy Institute* (blog), December 2, 2019.

<sup>21</sup> Hayes, Cheryl D. “[Cost of Student Achievement: Report of the DC Education Adequacy Study](#),” December 20, 2013.

<sup>22</sup> The baseline funding levels for each student in DC’s public school system differs based on their grade level. The Education Finance team recommends that the proposed UPSFF base funding level should reflect a combined cost of \$10,557 per student for instructional purposes and \$1,071 per student for facility maintenance and operations, totaling \$11,628 for the K-5 grades.

<sup>23</sup> Hayes, Cheryl D. “[Cost of Student Achievement: Report of the DC Education Adequacy Study](#),” December 20, 2013.

<sup>24</sup> Noth, Alyssa. “[Educational Equity Requires an Adequate School Budget](#).” *DC Fiscal Policy Institute* (blog), December 2, 2019.

<sup>25</sup> O’Gorek, Elizabeth. “[How DC Schools Are Funded](#).” HillRag.” August 19, 2022.

<sup>26</sup> District of Columbia Public Schools. “[How Schools Are Funded](#),” DCPS Budgets. 2022.

In many parts of the city, DCPS schools are facing significant changes in enrollment.<sup>27</sup> This can occur when DCPCS schools outnumber DCPS schools despite no proportionate growth in DC’s school-age population, and when parents choose to enroll their children in these schools for their own personal reasons.<sup>28</sup>

Because DCPS school budgets are calculated on a per-student basis, major shifts in student enrollment at traditional public schools can significantly impact a public school’s budget, resulting in fewer classroom teachers and resources for the students who are still enrolled.

According to a study conducted by the DC Fiscal Policy Institute right before the 2022-23 school year, “more than half of DC’s traditional public schools were on track to start the year with fiscal year (FY) 2023 budgets that were lower than their FY 2022 budgets,” indicating a systemic problem within DC’s public education sector.<sup>29</sup>

According to the Office of the Deputy Mayor for Education (DME), DCPS will lose 1,000 students next year, 70 percent of them from schools in Wards 7 and 8.<sup>30</sup> 91 percent of the population in Wards 7 and 8 is African-American.<sup>31,32</sup>

Unfortunately, Black children living in Ward 7 and Ward 8 are more likely to experience poverty than children living in all other wards in the District. Income inequality in the District is a result of many local and federal government actions, including limiting Black people’s ability to increase their earnings, attain higher education, and generate wealth.<sup>33</sup> Today, Black families continue to be more likely to live in communities with limited food options, less public transit, and fewer high-paying employment opportunities due to historic disinvestment.<sup>34,35</sup> The average household income in Wards 7 and 8 is about one-fourth the average household income for white residents city-wide,<sup>36,37</sup> and roughly 40 percent of children under 18 are living in poverty.<sup>38</sup>

Students growing up in financially insecure living situations are more likely to struggle in school.<sup>39,40</sup> Due to the prevalence of these socioeconomic challenges experienced by Black people in the District, especially those living east of the Anacostia River, Black youth attending traditional public schools in Wards 7 and 8 without adequate school funding tend to face the greatest barriers to academic achievement in the District.

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<sup>27</sup> Coffin, Chelsea. “[Declining Births and Lower Demand: Charting the Future of Public School Enrollment in D.C.](#)” D.C. Policy Center, July 13, 2022.

<sup>28</sup> Huddleston, Qubilah, and Michael Johnson Jr. “[New DC Public Schools Budget Model Makes Progress Towards More Transparency and Flexibility, but Falls Short on Addressing Structural Funding Inadequacy and Inequity.](#)” *DC Fiscal Policy Institute* (blog), March 14, 2022.

<sup>29</sup> Huddleston, Qubilah and Michael Johnson Jr. “[New DC Public Schools Budget Model Makes Progress Towards More Transparency and Flexibility, but Falls Short on Addressing Structural Funding Inadequacy and Inequity.](#)” *DC Fiscal Policy Institute* (blog), March 14, 2022.

<sup>30</sup> O’Gorek, Elizabeth. “[How DC Schools Are Funded.](#)” HillRag, August 19, 2022.<sup>31</sup> “[Demographics: Ward 7 Population.](#)” DC Health Matters. March 2022.

<sup>31</sup> “[Demographics: Ward 7 Population.](#)” DC Health Matters. March 2022.

<sup>32</sup> “[Demographics: Ward 8 Population.](#)” DC Health Matters. March 2022.

<sup>33</sup> Elizondo, Camille Busette and Samantha. “[Economic Disparities in the Washington, D.C. Metro Region Provide Opportunities for Policy Action.](#)” *Brookings* (blog), April 27, 2022.

<sup>34</sup> Shoenfeld, Sarah. “[Mapping Segregation in D.C.](#)” D.C. Policy Center. April 23, 2019.

<sup>35</sup> Adjami, Nick. “[Source of Income Discrimination Perpetuates Racial Segregation in DC.](#)” Equal Rights Center. August 19, 2020.

<sup>36</sup> DC Health Matters. “[Demographics: Ward 7 Households/Income.](#)” March 2022.”

<sup>37</sup> DC Health Matters. “[Demographics: Ward 8 Households/Income.](#)” March 2022.”

<sup>38</sup> Annie E. Casey Foundation. “[Child Poverty by Ward.](#)” KIDS COUNT Data Center.” 2022.

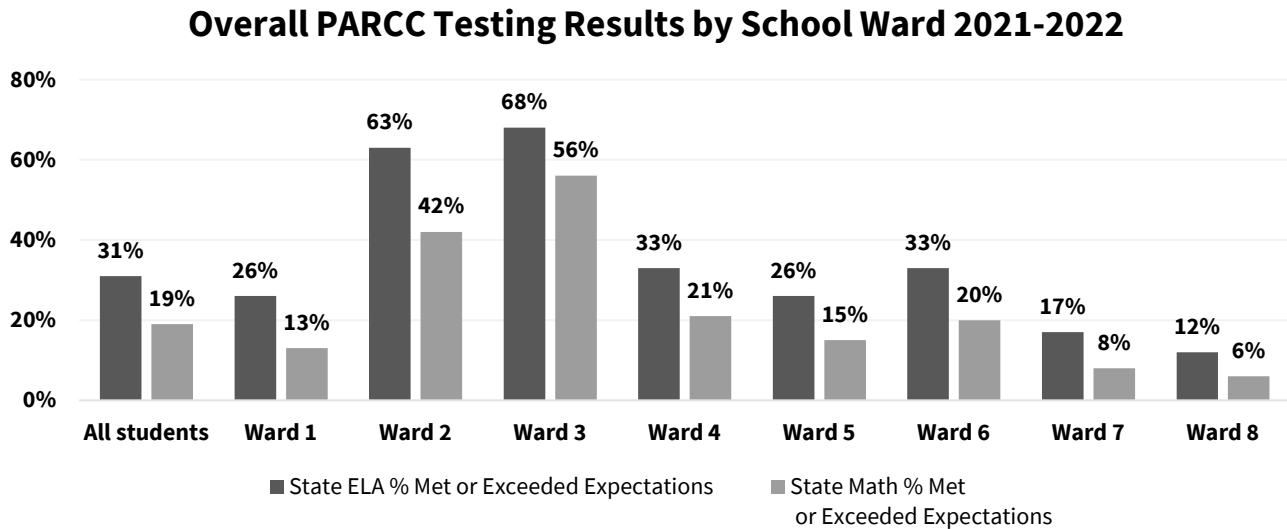
<sup>39</sup> Isaacs, Julia B. “[Starting School at a Disadvantage: The School Readiness of Poor Children.](#)” *Brookings* (blog), March 19, 2012.

<sup>40</sup> Ferguson, HB, S Bovaird, and MP Mueller. “[The Impact of Poverty on Educational Outcomes for Children.](#)” *Pediatrics & Child Health* 12, no. 8: 701-6. October 2017.

According to the Office of the State Superintendent of Education’s (OSSE’s) 2021-2022 Statewide Assessment Results, 12 percent of students in Ward 8 met or exceeded expectations in English Language Arts (ELA) and six percent met or exceeded expectations in math.<sup>41</sup> The results are only slightly higher in Ward 7, where 17 percent of students met or exceeded expectations in ELA and 8 percent did the same in math.<sup>42</sup> In almost every other part of the city, student test results on the statewide assessment were twice as high or more (Figure 4).<sup>43</sup>

**FIGURE 4** DC students attending public schools in Wards 7 and 8 meet or exceed expectations at far lower rates than students attending school in other parts of the city.

Source: Office of the State Superintendent of Education. “2021-22 District of Columbia Statewide Assessment Results Presentation.”



### DC Public Schools’ Budgeting Process Lacks Transparency

According to public testimony, the annual school budgeting process in the District has been characterized as a “crisis,” as it tends to be unpredictable and lacks the communication and transparency that school communities need to make sound decisions and plan ahead.<sup>44</sup> Each year, schools remain at risk of losing funding without a clear understanding of why and how these decisions are made. When schools lose funding, they are unable to retain the staff, services, and programming that help their students thrive.

School communities serving predominantly Black students from families earning lower incomes tend to be especially harmed by budget cuts as these students already face significant barriers in their paths to achieving academic success. DCPS's lack of transparency often makes it difficult for those school leaders to sustain progress and make the necessary investments to close gaps in student performance, retention, and graduation outcomes.<sup>45</sup>

<sup>41</sup> “2021-22 District of Columbia Statewide Assessment Results Presentation” Office of the State Superintendent. 2022.

<sup>42</sup> Ibid.

<sup>43</sup> Ibid.

<sup>44</sup> Huddleston, Qubilah. “Public Hearing Testimony on Schools First in Budgeting Amendment Act of 2022.” DCFPI. 2022

<sup>45</sup> Abamu, Jenny. D.C.’s Low-Income Neighborhood Schools Are Losing Money. Is The Budget or Enrollment to Blame? WAMU 88.5 Local News. 2019.

## Best Practices in School Budgeting Include Sustained Adequate Investment

Young people of color growing up in the District of Columbia deserve well-funded public schools that support their academic achievement and long-term healthy development. Since the pandemic, many states are increasingly focused on determining how to adequately and equitably fund school districts to ensure all children have access to the resources and supports they need to thrive.

Over a decade of research shows that money matters in schools.<sup>46</sup> Numerous studies have shown that sustained investments in quality resources matter to achieving positive student outcomes, especially when made available to Black students.<sup>47</sup> State by state comparisons show that when policymakers invest state and local revenue into public schools with a focus on achieving adequacy and equity, public school districts are more likely to see gains in college and career readiness.<sup>48</sup> Indeed, positive student outcomes are associated with higher spending, and these outcomes tend to be most significant for students from low-income families with access to fewer resources.<sup>49,50</sup>

## RACIAL EQUITY IMPACTS

**Bill 24-0570’s formula and public reporting requirements will likely improve budget predictability, transparency, and public accountability, benefiting Black students and other students of color in the District.** Specifically, the set of baseline metrics established in the formula will give parents, students, and school leaders a stronger indication of 1) where their school’s budget will begin during the annual school budgeting process and 2) the criteria that will be used to determine potential changes to the personnel budget.

This provision of the bill sets the District on the path to remedying the school budgeting process crisis, which education stakeholders have indicated often includes an annual state of confusion and frustration as the process fails to provide a reliable way of knowing where each school’s budget will land.<sup>51</sup> While the DCPS Chancellor indicated in his public testimony that community stakeholders are heavily engaged throughout the budgeting process, many advocates still suggest that final determinations are often made “behind closed doors.”<sup>52</sup>

DC parents, teachers, and school leaders are deeply familiar with the issues impacting Black students, and regularly present District leaders with updates on challenges facing Black students in public education hearings, roundtables, and ward-level education council meetings. However, many stakeholders have publicly indicated that DCPS’s current budgeting practices limit their ability to understand how decisions are made and why gaps persist in adequacy and equity for schools serving Black students, affecting their ability to advocate as effectively as possible.

The public reporting requirements outlined in the bill will likely provide education stakeholders with greater transparency into DCPS’s calculation of school budgets. Under this bill, families, school leaders, and other stakeholders will be able to reference each school’s “Schools First” budget on the DCPS website and the Mayor’s proposed budget books, making it easier to follow important budget documents each year.

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<sup>46</sup> Darling-Hammond, L. “[Investing for student success: Lessons from state school finance reforms.](#)” Learning Policy Institute. 2019.

<sup>47</sup> Ibid.

<sup>48</sup> Ibid.

<sup>49</sup> Jackson, Kirabo. “[The Benefits of Increased School Spending.](#)” Northwestern Institute for Policy Research. 2017

<sup>50</sup> Baker, Bruce. “[How Money Matters for Schools.](#)” Learning Policy Institute, December 13, 2017.

<sup>51</sup> “[Public Hearing Testimony on Schools First in Budgeting Amendment Act of 2022.](#)” Washington Lawyers’ Committee for Civil Rights and Urban Affairs. 2022.

<sup>52</sup> Huddleston, Qubilah. “[Public Hearing Testimony on Schools First in Budgeting Amendment Act of 2022.](#)” DCFPI. 2022.

Similarly, the guidance concerning the titling of the Schools First budget document(s) will increase clarity for the public throughout the annual budgeting process.

Lastly, the “42 day rule” creates an oversight mechanism for the Council to review Schools First budgets for compliance with the bill before the Mayor submits her proposed budget. This will likely increase public accountability by ensuring that each school receives its anticipated funding according to the formula.

Together, the public reporting requirements laid out in the bill will likely increase transparency and clarity, making it easier for invested parties to engage and advocate each year. Transparency and clarity are critical from a racial equity perspective, as the former Sunlight Foundation noted, “open data from city governments plays an important part in informing conversations about racial justice.”<sup>53</sup> The Century Foundation further elaborated on the point: “when it comes to equity, sunlight is absolutely essential: if you can’t see the problem in all its particulars, you can’t solve it.”<sup>54</sup>

**Bill 24-0570’s Schools First formula maintains the status quo of racial inequity in school budgeting.**

*CORE acknowledges the limitations of the Council’s legislative authority over public education funding in the District. It’s important to note that much of the DCPS budget is directed by the Mayor. However, our role and responsibility are to determine how this bill will affect Black, Indigenous, and other residents of color if it passes—regardless of constraints.*

While the bill addresses the need for predictability and transparency in the school budgeting process, structural issues remain. Schools will still face 1) historical inadequacy in their budgets and 2) enrollment-based funding strategies that fail to meet the needs of students dealing with the largest barriers to academic success.

First, District schools do not receive the level of resources needed to provide a high-quality education to every student of color regardless of their personal circumstance.<sup>55</sup> Each public school operates within its own unique context, shaped by the socio-economic factors impacting students and the communities in which they live. DC’s historic disinvestment in predominantly Black communities means that schools serving majority Black students in neighborhoods with the least available resources tend to experience the greatest obstacles to academic achievement.<sup>56,57,58,59,60</sup>

Adequate and racially equitable school funding in the District needs to be robust, strategic, and sustained to address the racial achievement gap.<sup>61</sup> Scholars and community members alike suggest that having an adequate school budget is not limited to having “enough” money—it is also about the school district making smart investments at every level of a school community to ensure that the diverse needs of all students are met.<sup>62,63</sup> This could include more strategically aligning resources to underserved schools to

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<sup>53</sup> Isama, Noel. “[How Opening City Data Can Support Racial Justice](#).” Sunlight Foundation. 2017.

<sup>54</sup> Kashen, Julie. “[The Fight for Equal Pay Requires Sunlight](#).” The Century Foundation. September 30, 2019.

<sup>55</sup> Noth, Alyssa. “[New Report: The Funding Roadmap for Educational Justice in DC](#).” *DC Fiscal Policy Institute* (blog), December 10, 2019.

<sup>56</sup> “[Closing America’s Education Funding Gaps](#),” The Century Foundation. 2020.

<sup>57</sup> Norris, Yanesia. “[Economic Characteristics across D.C., Students, and COVID-19](#).” D.C. Policy Center, 2021.

<sup>58</sup> Forney, Elizabeth. “[A Vision for an Equitable DC](#).” Urban Institute, 2016.

<sup>59</sup> Hayes, Cheryl D. “[Cost of Student Achievement: Report of the DC Education Adequacy Study](#),” The Finance Project. December 20, 2013.

<sup>60</sup> Roth, Erin and Will Perkins. “[D.C. Schools Shortchange At-Risk Students](#).” DC Auditor. 2019.

<sup>61</sup> Kirabo Jackson, Rucker Johnson, and Claudia Persico. “[The Effects of School Spending on Education and Economic Outcomes: Evidence from School Finance Reforms](#).” *The Quarterly Journal of Economics*. (2016)

<sup>62</sup> Baker, Bruce. “[How Money Matters for Schools](#).” Learning Policy Institute. 2018.

<sup>63</sup> Jablow, Valerie. “[Fixing DCPS School Budgets \(And DC Democracy\) NOW](#).” *Educationdc* (blog), April 24, 2021.

help them reduce their class sizes, hire more experienced teachers, deepen partnerships with community based organizations, and provide more comprehensive social, emotional, and behavioral health supports.<sup>64</sup>

Second, most of DCPS’s current funding—and the Schools First formula—are based on projected enrollment, despite enrollment being a flawed indicator of school need. The number of students in a school setting does not directly correlate to the level of resources needed to help those students succeed. Black students are most likely to be disadvantaged by the District’s emphasis on enrollment-based funding. Because money follows the student, Black neighborhood schools with declining enrollments lose funds—despite student need.

In 2019, a Johns Hopkins report commissioned by the DC Auditor found that schools serving large percentages of Black and “at-risk” students were experiencing the most notable enrollment declines over time.<sup>65,66</sup> In FY23, the Deputy Mayor for Education (DME) projected enrollment declines in every ward except Ward 5 and indicated the largest declines would occur in Ward 7 and 8 schools, where 91 percent of the population is African-American (Figure 5).<sup>67,68,69,70</sup>

**FIGURE 5** Schools in Wards 7 and 8 face the steepest enrollment declines.

WARD	TOTAL ENROLLMENT INCREASE/DECREASE (STUDENTS)	TOTAL ENROLLMENT (PERCENT CHANGE)	“AT-RISK” ENROLLMENT INCREASE/DECREASE (STUDENTS)	“AT-RISK” ENROLLMENT (PERCENT CHANGE)
Ward 1	-44	-0.80	-42	-1.60
Ward 2	-126	-3.50	-52	-6.00
Ward 3	-47	-0.60	45	-5.10
Ward 4	-124	-1.30	388	10.30
Ward 5	-130	2.80	366	14.70
Ward 6	57	-0.70	-4	-0.10
Ward 7	-309	-5.60	-188	-4.80
Ward 8	-388	-5.30	92	1.70

Source: DCFPI analysis of FY2022 and 2023 projected enrollment data from DCPS’s Budget Visualization tool

It is true that in the Schools First budget formula, the Chancellor has the discretion to raise an individual’s school budget by any amount. This provision could address the harmful effects of enrollment declines on

<sup>64</sup> Same, Michelle R, Nicole I Guarino, Max Pardo, Deaweh Benson, Kyle Fagan, and Jim Lindsay. “[Evidence-Supported Interventions Associated with Black Students’ Educational Outcomes](#),” 2018.

<sup>65</sup> Wolf, Rebecca. “[Enrollment Projections in D.C. Public Schools: Controls Needed to Ensure Funding Equity](#),” 2019.

<sup>66</sup> Public data on the demographics of “at-risk” students in the District is unavailable. However, our knowledge of DCPS’s student demographic data combined with evidence of the racial demographics of those participating in SNAP or TANF, involved in the foster care system, and experiencing homelessness, lead us to believe a substantial portion of DCPS’s “at-risk” population is Black.

<sup>67</sup> DC Health Matters. “[Demographics: Ward 7 Population](#).” March 2022.”

<sup>68</sup> DC Health Matters. “[Demographics: Ward 8 Population](#).” March 2022.”

<sup>69</sup> Huddleston, Qubilah and Michael Johnson Jr. “[New DC Public Schools Budget Model Makes Progress Towards More Transparency and Flexibility, but Falls Short on Addressing Structural Funding Inadequacy and Inequity](#).” *DC Fiscal Policy Institute* (blog), March 14, 2022.

<sup>70</sup> [The DC Policy Center](#) points to a declining birth-rate, family mobility, and student mobility among the primary contributing factors to declining enrollment.

funding allocations. However, relying on the Chancellor’s discretion leaves much up to chance and undermines the bill’s efforts around predictability and transparency.

Because the Schools First formula does not address the inadequate budget allocation to District schools nor protect high-need schools from the harmful impact of enrollment-based budget cuts, it maintains racial inequity and underinvestment for schools operating on the thinnest margins.

Creating stable and racially equitable school budgets requires a more comprehensive approach.

## **FURTHER CONSIDERATIONS**

**The bill does not include a timeline to evaluate the impact and efficacy of the Schools First formula on DCPS schools, particularly the ones serving the highest numbers of Black students in DC.** Public witnesses for this bill shared concerns that the bill comes at a time when several major changes are underway in the District. Specifically, DCPS is just one year into implementing their new student-based budgeting model and still evaluating how the framework is impacting schools. The Chancellor indicated several apprehensions about the bill’s impact on DCPS’ internal process, including concerns that the January 1<sup>st</sup> point-in-time analysis would set DCPS’ school budgeting timeline back as they “begin their budget work well in advance of January, with key planning activities happening in the fall in coordination with the Mayor’s broader budget formulation process.”<sup>71</sup>

In addition, many schools are facing declines in enrollment that have yet to be fully addressed by District leaders. Furthermore, many school budgets are facing a fiscal cliff in the District’s 2023-26 financial plan as one-time local and federal relief funds are set to expire soon.<sup>72</sup> Together, these circumstances could profoundly affect the stability concerns the bill seeks to address.

As such, stakeholders have recommended the bill sunset after a set period to allow community members and lawmakers the opportunity to review the bill’s impact on the sector.<sup>73</sup> Schools serving high populations of Black students from under-resourced communities stand to benefit greatly from the opportunity to discuss the bill’s impact on their students.

**The bill does not require an impact evaluation of the Schools First formula.** An evaluative report on the Schools First formula could help District leaders measure how well the revised budgetary method is meeting its goals for school communities serving Black and other students of color. Furthermore, regular public reporting comparing year-over-year changes to school budgets could help stakeholders assess racial equity in the application and impact of the Schools First formula in schools, especially those with high rates of mobile and “at-risk” students. Any substantial intervention to the District’s public education system should involve regular data collection and reporting to stakeholders.

**The bill does not address or track DCPS schools’ use of “at-risk” funds to make up for inadequate funding in general education budgets.** Should this bill pass, local schools will continue to need more robust funding at the District and school level to help meet the true cost of educating all students in the District’s school system. As a result, schools already using “at-risk” funds to cover gaps in their general

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<sup>71</sup> Ferebee, Lewis. “Public Hearing Testimony on Schools First in Budgeting Amendment Act of 2022.” DCPS. 2022.

<sup>72</sup> Local and federal money temporarily allocated to schools to help them stabilize their budgets and pay for increased expenses during COVID is not guaranteed in the District’s 2023-2026 financial plan. While the Mayor has committed pandemic and hold harmless funds to help schools stabilize, recurring investments in each school’s baseline budget will be needed to retain all full-time positions previously budgeted using temporary funds.

<sup>73</sup> Levy, Mary. “Public Hearing Testimony on Schools First in Budgeting Amendment Act of 2022.” 2022



education budget will continue to do so. This is a structural issue that undermines schools' ability to ensure the diverse needs of all students can be fully addressed.

Ward 7's State Board of Education representative Eboni-Rose Thompson pointed out the challenges that schools serving large populations of Black and "at-risk" students tend to face because of these structural budgeting issues. She delivered testimony to the DC Council earlier this year, sharing:

Beers Elementary in Ward 7 is using at-risk funds in FY23 to fund a music teacher, while [Hyde-Addison] Elementary in Ward 2 pays for music instruction from their base funding.<sup>74</sup> Thompson suggested, "if we've gotten the formula right, shouldn't Beers be able to cover a music teacher, and then because of additional funds, be able to add more staff and focus on intervention and support?"<sup>75</sup>

For important context, 56 percent of students at Beers are "at-risk," compared to 11.3 percent of students at Hyde-Addison.<sup>76</sup> According to a 2019 report by the DC Auditor,

DCPS schools with high concentrations of "at-risk" students often received reduced base funding, a violation of the D.C. Code. In contrast, schools with low concentrations of "at-risk" students often received base funds that either matched or exceeded their staffing formula requirements. [In addition,] [s]chools with more "at-risk" students received less base funding for related arts teachers and the majority of "at-risk" funds budgeted for these staff were misused.<sup>77</sup>

Additional oversight will be needed to monitor how "at-risk" dollars are used by schools. This information could help District leaders track large gaps between need and demand across various school communities.

## **ASSESSMENT LIMITATIONS**

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

### **We generally do not provide policy solutions or alternatives to address our racial equity concerns.**

While Council Period 24 Rules allow our office to make policy recommendations, we focus on our role as policy analysts—we are not elected policymakers or committee staff. In addition, and more importantly, racially equitable policymaking takes time. Because we only have ten days for our review, we would need more time to ensure comprehensive research and thorough community engagement inform our recommendations.

**Assessing legislation's potential racial equity impacts is a rigorous, analytical, and organized undertaking—but it is also an exercise 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.

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

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<sup>74</sup> O'Gorek, Elizabeth. "[How DC Schools Are Funded](#)." HillRag." August 19, 2022.

<sup>75</sup> Ibid.

<sup>76</sup> DCPS. "[FY23 Initial Allocations](#)." DCPS Budgets. 2022.

<sup>77</sup> Roth, Erin and Will Perkins. "[D.C. Schools Shortchange At-Risk Students](#)." Office of the District of Columbia Auditor. 2019.

**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.



OFFICE OF THE GENERAL COUNSEL

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**MEMORANDUM**

**TO: Chairman Phil Mendelson**

**FROM: Nicole L. Streeter, General Counsel *NLS***

**DATE: November 10, 2022**

**RE: Legal Sufficiency Determination for the Schools  
First in Budgeting Amendment Act of 2022, B24-570**

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The measure is legally and technically sufficient for Council consideration.

The proposed bill would require the District of Columbia Public Schools (“DCPS”) budget to be allocated among four departments, Central Administration, Local Schools, School Support, and School-Wide. It would require the Mayor to submit certain information related to the formulation and distribution of DCPS’s budget along with her annual budget submission to the Council. It would further require that the annual budgets for each DCPS school be formulated according to a specified sequence and the use of specified variables, and that the calculations for each individual school’s budget be made public no later than 42 days before the Mayor’s annual budget submission to the Council.

The measure would repeal section 104 of the Public Education Reform Amendment Act of 2007, effective June 12, 2007 (D.C. Law 17-9; D.C. Official Code § 38-173), sections 6 and 6a of the Board of Education Continuity and Transition Amendment Act of 2004, effective December 7, 2004, (D.C. Law 15-211; D.C. Official Code §§ 38-2831, 38-2832), and section 108a of the Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Amendment Act of 1998, effective November 13, 2021, (D.C. Law 12-207; D.C. Official Code § 38-2907.01).

I am available if you have any questions.

A BILL

24-570

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To revise the method for school budgeting for the District of Columbia Public Schools by budgeting the local schools first based on each school’s previous year’s budget, with the remainder to be allocated between central administration and system-wide school support.

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

**TITLE I. DCPS BUDGET**

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

Sec. 102. Definitions.

For the purposes of this title, the term:

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

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

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

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

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

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

50 (7) “Uniform Per Student Funding Formula” means the formula for funding  
51 DCPS and the District’s public charter schools established pursuant to the Uniform Per Student  
52 Funding Formula for Public Schools and Public Charter Schools Act of 1998, effective March  
53 26, 1999 (D.C. Law 12-207; D.C. Official Code § 38-2901, *et seq.*).

54 Sec. 103. DCPS’s annual budget.

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

56 (1) Central Administration;

57 (2) Local Schools;

58 (3) School Support; and

59 (4) School-Wide.

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

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

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

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

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

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

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

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

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

83 (A) At-risk students;

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

85 (C) Elementary ELL; and

86 (D) Secondary ELL; and

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

90 (A) Total projected enrollment for:

91 (i) Each grade level the school serves;

92 (ii) Students in an alternative program;

93 (iii) Students receiving special education services; and

94 (iv) Students in an adult education program.

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

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

97 (ii) Level 1: Special Education;

98 (iii) Level 2: Special Education;

99 (iv) Level 3: Special Education;

100 (v) Level 4: Special Education;

101 (vi) Special Education Level 1 Extended School year ("ESY");

102 (vii) Special Education Level 2 ESY;

103 (viii) Special Education Level 3 ESY;

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

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

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

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

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

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



127 (h) Beginning in fiscal year 2011, the Mayor shall submit to the Council quarterly  
128 financial reports for DCPS setting forth by organization Level 4 approved budget, revised  
129 budget, actual expenditures and funds obligated to date, and projected expenditures for the full  
130 fiscal year.

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

137 (j) For the purposes of this section:

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

141 (A) "Adult education";

142 (B) "Alternative program";

143 (C) "At-risk";

144 (B) "At-risk high school over-age supplement";

145 (C) "Elementary ELL";

146 (D) "Limited English Proficient/Non-English Proficient"; and

147 (D) "Secondary ELL".

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

- 151 (A) “At-risk high school over-age supplement”;
- 152 (B) “Level 1: Special Education”;
- 153 (C) “Level 2: Special Education”;
- 154 (D) “Level 3: Special Education”;
- 155 (E) “Level 4: Special Education”;
- 156 (F) “Limited English Proficient/Non-English Proficient”;
- 157 (G) “Special Education Level 1 Extended School year (“ESY”)”;
- 158 (H) “Special Education Level 2 ESY”;
- 159 (I) “Special Education Level 3 ESY”; and
- 160 (J) “Special Education Level 4 ESY”.

161 Sec. 104. Schools First budgets.

162 (a) In formulating the annual DCPS operating budget for submission to the Council, the  
163 annual budget for each DCPS school for the next fiscal year (“Schools First budget”) shall be  
164 determined according to the following sequence:

165 (1) Begin with the total amount of funds under the control and direction of the  
166 school’s principal for the current school year (obligated and unobligated) as of January 1 of the  
167 current fiscal year, excluding:

- 168 (A) Privately raised funds;

169 (B) Pandemic Supplement Funds as authorized by section 106b of the  
170 Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Act of  
171 1998, effective September 21, 2022 (D.C. Law 24-167; D.C. Official Code § 38-2905.02);

172 (C) Federal Elementary and Secondary School Emergency Relief funds;

173 (D) Federal Investment in Schools funds as authorized by section 1003 of  
174 the Elementary and Secondary Education Act of 1965, approved January 8, 2002 (115 Stat. 1442;  
175 20 U.S.C. § 6303)); and

176 (C) District at-risk concentration supplement funds authorized by section  
177 106a(c-2) of the Uniform Per Student Funding Formula for Public Schools and Public Charter  
178 Schools and Tax Conformity Clarification Amendment Act of 1998, effective September 21,  
179 2022 (D.C. Law 24-167; D.C. Official Code § 38-2905.01(c-2)).

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

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

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

186 (3) Increase the amount derived pursuant to paragraph (2) of this subsection to  
187 fully fund an increase in the number of general education personnel at the school by the greater  
188 of the amount agreed to by the Chancellor or the amount necessary to fully fund an increase in  
189 the number of personnel required by the school’s projected or actual enrollment increases (in one  
190 year, or over time), when such enrollment increases require one or more additional instructional

191 or school-based support personnel (require such as per the collective bargaining agreement with  
192 the teachers' labor union).

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

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

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

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

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

208 (C) After the decrease, the school will still comply with the class size  
209 maximums set forth in the operative collective bargaining agreement with the teachers' labor  
210 union.

211 (7) The amount derived pursuant to paragraph (6) of this subsection may be  
212 decreased, incrementally, to reflect a reduced need for special education or ELL personnel;

213 provided, that the funding for such faculty shall align fully with the required service levels for  
214 students.

215 (8) As applicable, increase the amount derived pursuant to paragraph (7) of this  
216 section by the amount to be allocated to the school through the at-risk concentration supplement  
217 provided pursuant to section 106a(c-2) of the Uniform Per Student Funding Formula for Public  
218 Schools and Public Charter Schools Act of 1998, effective September 21, 2022 (D.C. Law 24-  
219 167; D.C. Official Code § 38-2905.01(c-2)).

220 (9) After completing the calculations set forth in paragraphs (1) through (8) of this  
221 subsection, a school's annual budget may be increased by an amount, if any, agreed to by the  
222 Chancellor.

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

226 (c) For the purposes of deriving the Schools First budget described in subsection (a) of  
227 this section, personal services shall be funded based on the system-wide average salary for each  
228 personnel position, as determined by the District's Chief Financial Officer or in accordance with  
229 the collective bargaining agreement with the teachers' labor union. Any difference between the  
230 cost of a position's average salary and an employee's actual salary shall be charged and credited  
231 out of funds allocated to School-Wide.

232 (d)(1) The Schools First budget and the amounts derived from each of the calculations  
233 required pursuant to each paragraph of subsection (a) of this section shall be public record. The  
234 Chancellor shall publish the calculations and the Schools First budget for each DCPS school on  
235 the DCPS website no later than 42 calendar days before the date the Mayor is required to submit

236 to the Council the District’s proposed annual budget and financial plan for the next fiscal year.  
237 The Chief Financial Officer shall include the Schools First budget for each DCPS school in the  
238 budget books transmitted with the Mayor’s proposed budget and financial plan.

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

## 243 **TITLE II. CONFORMING AMENDMENTS**

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

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

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

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

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

## 254 **TITLE III. FISCAL IMPACT AND EFFECTIVE DATE**

255 Sec. 301. Fiscal impact statement.

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

259           Sec. 302. Effective date.

260           This act shall take effect following approval by the Mayor (or in the event of veto by the  
261 Mayor, action by the Council to override the veto), and shall remain in effect for no longer than  
262 90 days, as provided for emergency acts of the Council of the District of Columbia in section  
263 412(a) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 788;  
264 D.C. Official Code § 1-204.12(a)).

265