

## What's In the Proposed Fiscal Year 2018 Budget for PreK-12 Education?

Although an increase of over \$100 million for DC Public Schools (DCPS) and Public Charter Schools (PCS) may sound impressive, it falls far short of what schools need to prepare all PreK-12 students for success, and it fails to keep pace with rising costs of living. Most of the new money is needed just for increasing enrollment.

A closer look at the proposed fiscal year (FY) 2018 budget shows that it was a missed opportunity to move funding closer to what is needed to provide an adequate education for all students, and to make investments to support low-income students and students of color. Per-student funding in 2018 will be lower than in 2009, adjusting for inflation, and well below levels recommended by expert studies and working groups.

This limited funding means it is likely that a problem that has emerged in DCPS school funding will continue. Almost half of DCPS funds intended to provide supplemental services for “at-risk” students is instead being used to fund basic staff positions across all schools.

### Per-Pupil Funding Is Lower Than Pre-Recession Level and Adequacy Standard

In DC, school funding starts with a base amount per student, which is then adjusted depending on the student’s grade and characteristics. Schools receive additional resources for students who are English language learners, special education students, or at risk of academic failure.

Increasing the base amount is the best way to give all schools the greatest flexibility to meet increasing need. The proposed FY 2018 budget increases the base amount by only 1.5 percent, to \$9,827 from \$9,682.

This increase is less than inflation and part of a trend of modest increases since FY 2010. The base rate was raised either 4 percent or 5 percent every year from FY 2007 through FY 2009 (*Table 1*, pg. 8). But for the budgets set *after* the Great Recession, the rate was increased 2 percent in five years, and not at all in three budgets. That means that for nearly a decade increases to school funding have not even kept pace with the rising cost of living (*Figure 1*).

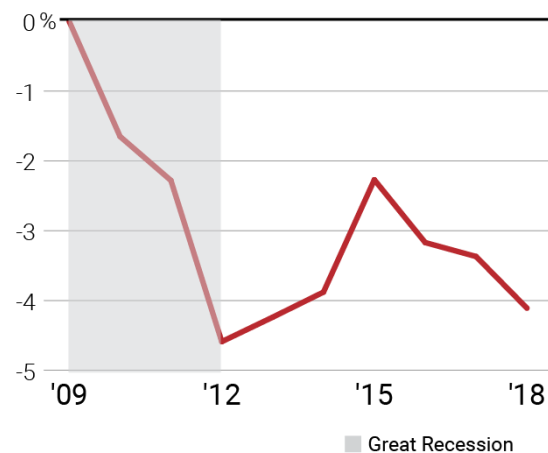
Consequently, schools and teachers do not even have resources on par with what they had nine years ago to invest in the success of their students.

The proposed per-pupil funding level is also well below what it actually costs to meet high quality standards and ensure *all* students succeed based on the 2014 DC Education Adequacy Study

FIGURE 1.

### The Amount of Funding Per Student Still Below Pre-Recession Level

Percent change since 2009, adjusted for inflation



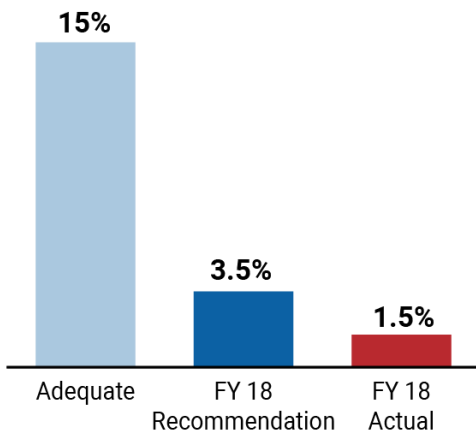
Note: All figures adjusted for inflation.  
Source: Fiscal Year 2009-18 Budget & Financial Plans.

commissioned by the District government.<sup>1</sup> That data-driven analysis found that a real investment in PreK-12 students requires a base rate of \$11,125 per-pupil in fiscal year 2018 inflation adjusted dollars, rather than the proposed \$9,827 level.

In order to make meaningful progress towards closing the gap between what we invest and what’s needed, a mayoral-created working group<sup>2</sup> recommended a 3.5 percent increase in per-pupil funding in the fiscal year 2018 budget. The proposed increase of 1.5 percent is less than half of that (*Figure 2*).

FIGURE 2.

**Per-Pupil Increase Less Than Half the Recommended Amount for FY 2018**



Source: Cost of Student Achievement: Report of the DC Education Adequacy Study, OSSE’s Report on the Uniform Per Student Funding Formula January 2017, Fiscal Year 2018 Budget & Financial Plans

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**SUMMARY**

- The proposed FY 2018 budget modestly, and insufficiently, increases the base per-pupil funding amount by 1.5 percent, to \$9,827 per student.
- Most of the \$108 million in new funding for schools is needed just for enrollment growth—about \$83 million. Enrollment is projected to rise in both DC Public Schools (DCPS) and Public Charter Schools (PCS), by 4 and 7 percent respectively. Most of the growth in students and funding is in public charter schools.
- DCPS is using nearly half of the dedicated ‘at-risk funding’ to pay for core functions instead of supporting new, targeted resources like afterschool programs and evening credit recovery.
- Funding for expanded learning in out-of-school time programs would be kept flat at only \$4.9 million. Funding has declined 63 percent since 2010, reducing opportunities for youth, and especially at-risk youth, to a fraction of the true need.
- DCPS will invest \$6.2 million of the limited, new dollars in ensuring every high school has a college and career coordinator, increasing extra-curricular options in middle school, and improving Opportunity Academies for over-age, under-credited youth. Mayor Bowser also began the Reign initiative to empower young women of color as leaders.
- The non-residential facilities allotment, which is used to help public charter schools with facilities costs, will increase by 2.2 percent, up to \$3,193 per student in FY 2018.
- The FY 2018-2023 capital budget outlines \$237 million for planned capital projects in DC Public Schools.
- Overall, DC spends 25 percent of the general fund, or about \$2.2 billion, on education.

### Most of the New Money for Schools Needed Just to Keep Pace with Enrollment

In the proposed budget, an estimated \$83 million of the \$108 million in new dollars for schools is needed just to meet rising enrollment in DCPS and public charter schools.

Increasing public school enrollment is good for District families, our economy, and our future. Student enrollment in DCPS and public charter schools has been steadily increasing for eight years, with an estimated 94,603 total students projected to enroll next year. Overall school funding has also increased for eight years, because schools receive funding on a per-pupil basis, to reflect the larger number of teachers and textbooks needed.

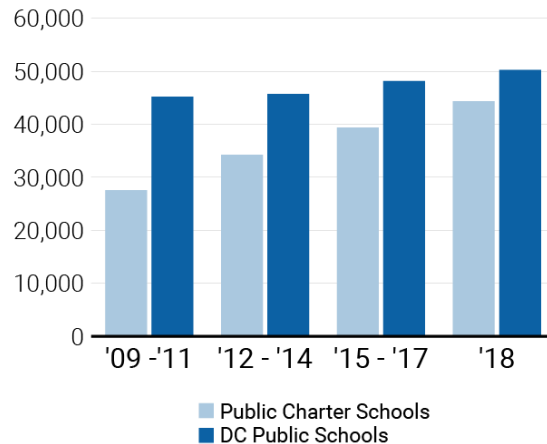
Most of the growing enrollment is in public charter schools (*Figure 3*). Public charter school enrollment will rise by 7 percent next year, whereas DC Public Schools will increase by 4 percent. There are 2,870 new students projected to attend public charters and 1,732 new students to join DCPS. Correspondingly, the budgets of Public Charter Schools and the Public Charter School Board grew substantially, by 9 percent and 11 percent respectively (*Table 2*, pg. 9).

That said, enrollment increases are not consistent across the city. Enrollment growth in DCPS schools west of the Anacostia River is growing three times more than schools east of the river, despite the fact that half of the city’s students live east of the river. Enrollment changes can have destabilizing effects for communities, funding, and programs. DC Public Schools east of the river will only increase by 445 students, compared to the west’s 1,297 students (*Figure 4*). The District needs to invest more in DCPS schools east of the river to improve quality, attract families and ensure long-term viability.

FIGURE 3.

### DCPS and PCS Enrollment Rising to Over 90,000 Students Total

Public school enrollment by sector

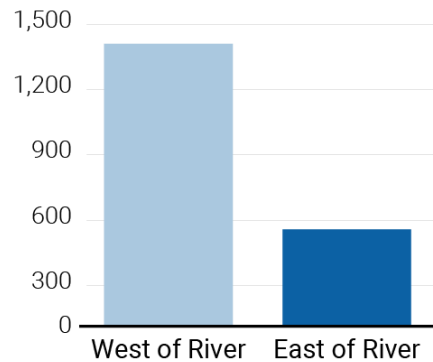


Source: 2009 - 17 School Enrollment Audit, Fiscal Year 2018 Budget & Financial Plans.

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FIGURE 4.

### DCPS Enrollment Growth West of the River Three Times More Than East of the River



Note: Does not include Inspiring Youth Program.  
Source: 2017 School Enrollment Audit, Fiscal Year 2018 Budget & Financial Plans.

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### Limited School Funding Can Lead to Misuse of Money for ‘At-Risk’ Students

Both DCPS schools and public charter schools receive an additional \$2,152 per student for low-income students and other students at-risk of falling behind academically. ‘At-risk funds’ are supposed to help schools provide *new* resources and expand important services for the most vulnerable students.

But DCPS is using nearly half of the dedicated ‘at-risk funding’ to pay for core functions instead of supporting additional, targeted resources like afterschool programs and evening credit recovery (Figure 5).<sup>3</sup> Many Public Charter Schools have had to use the new funds to replace lost summer school funds.

Schools must be adequately funded so that basic needs are met, without having to tap at-risk funds. The failure to maintain base per-student funding, noted earlier, contributes to the inability to fully use at-risk funds for supplemental services. In this way, the inadequate school funding limits the ability of schools to close the large achievement gap between low-income students and higher-income students.

There is \$93.8 million in the FY 2018 budget for both DCPS and public charters to serve at-risk youth. It is likely that the problematic funding of core positions with at-risk money will continue.

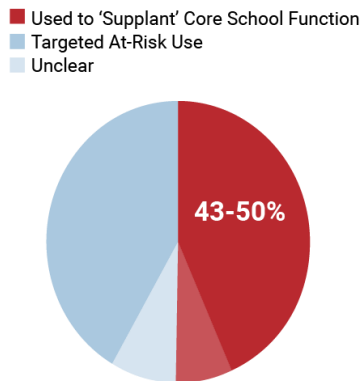
Although attempts have been made to make school budgets more transparent in recent years, tracking the allocation of funds remains difficult, and particularly so for at-risk funds. In addition, while school leaders and Local School Advisory Teams are expected to play a role in shaping their school’s budget each year, the lack of transparency over at-risk funds does not allow them to engage in meaningful discussions over how to use these funds to improve student outcomes. Given the importance of at-risk funds, parents, school leaders, and the general public should have clearer guidance and more flexibility in determining the best use of at-risk funds at their school.

### Why At-Risk Funding Matters in DC

An estimated 43,579 students DC students qualify for at-risk funding in 2018 because they are a foster care student, experiencing homelessness, overage for their grade, or their family receives TANF or SNAP (Figure 6).

FIGURE 5.

#### Almost Half of DCPS ‘At-Risk’ Funds Used Incorrectly on Core Services in Fiscal Year 2018

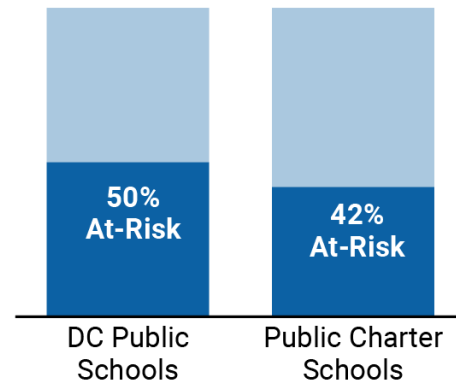


Source: Analysis of DCPS’ initial budget allocations for FY 2018 by Mary Levy, April 2017

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FIGURE 6.

#### About Half of DC Students Qualify For At-Risk Funding in 2018



Source: Fiscal Year 2018 Budget & Financial Plans.

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FIGURE 7.

This means that about *half* of DC students are at risk of falling behind academically, most growing up in families struggling to make ends meet.

At-risk dollars are important because they are a way to direct resources towards closing both economic and racial disparities in student outcomes. The District is marked by substantial income inequality and by geographical separation of low-income and high income students. Both of these affect the ability of schools and students to succeed.

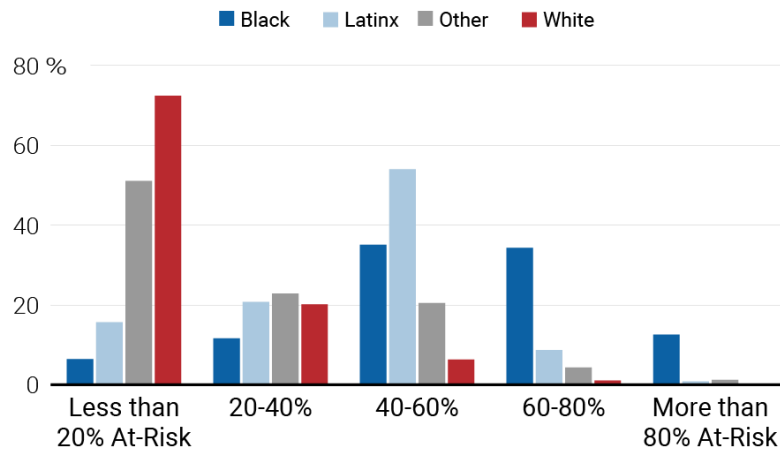
Notably, most black and latinx students attend schools where at least 40 percent of students are at risk, while the majority of white students are in schools where fewer than 20 percent of students are at-risk of falling behind academically (Figure 7).

Economic and racial injustice are distinct and yet intertwined, compounding in ways that leave poor black and latinx students paying the price. There are deep and persistent achievement gaps between students of relative wealth and economically disadvantaged students. There are also deep and persistent achievement gaps between white students and students of color (Figure 8).

Addressing these inequities requires targeted resources. The at-risk funding supplement is intended to give schools a powerful tool to do that. Schools should be able to leverage this money to serve the specific needs of at-risk

### The Majority of White Students Attend DC Schools with Less Than 20 Percent At-Risk Enrollment

DCPS and PCS school enrollment by race and at-risk percentage



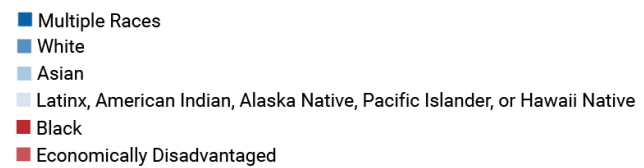
Source: 21st Century Fund analysis of 2016 My School DC data

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FIGURE 8.

### At-Risk Money Needed to Help Address Big Achievement Gaps in DC Schools

Percentage of High School Students Scoring at Level 4 or Higher on English Language Arts in 2015



Note: 2014 - 15 PARCC Scores  
Source: 2017 Every Student Succeeds Act (ESSA) State Plan

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students. Its importance is underscored by the recent report that illustrates how the parents of wealthier DC students compensate for inadequate school funding by raising significant sums of money for their child’s school.<sup>4</sup>

### Investments Made & Missed in Critical Out-of-School Time Programs

Achievement gaps arise, in part, through opportunity gaps. Every parent wants the best for their child, but not all parents have the means to pay for enriching after-school activities. Expanded learning programs that occur outside of a traditional school day allow experiential learners to thrive, exposing students to arts, athletics, technology and applied science, with demonstrated payoffs in classroom performance.<sup>5</sup>

Mayor Bowser and DCPS announced that some of the limited new money for DCPS schools will increase extracurricular options in middle schools, with the goal of providing every student with at least one option. Specifically, a portion of \$6.2 million investment will be used for this purpose, with the rest dedicated to staffing every high school with a College & Career Coordinator and continued investment in Opportunity Academies for over-age, under-credited students.

The expansion of out-of-school-time programs within DCPS is a good priority. However, it does not make up for the lost after-school slots for students of all ages due to the steep decline in grants for community based organizations. Using FY 2010 as a yardstick, there were once 9,665 youth who had the opportunity to grow from these programs.<sup>6</sup> In FY 2017, the programs had dwindled to a quarter of that (2,465 slots) because funding had been slashed by 63 percent (*Figure 9*). In FY 2017 there were the fewest after-school slots in the schools with the highest at-risk enrollment.<sup>7</sup>

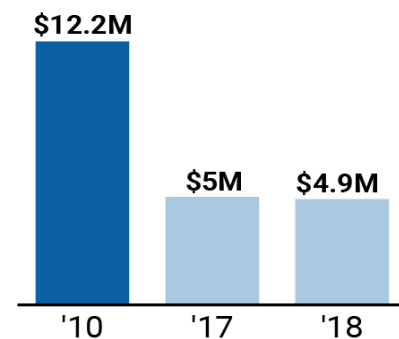
The FY 2018 budget keeps funding for expanded learning at the FY 2017 level. This means that

access to after-school programming will continue to be limited for low-income students.

The FY 2018 budget should have at least restored funding back to FY 2010 levels in order to help move the District towards a system of expanded learning to scale with the needs of a city responsible for the education of 43,579 at-risk students.

FIGURE 9.

### Funding for Expanded Learning Flat, and Less Than Half FY 2010 Total



Note: All figures adjusted for inflation.  
Source: Fiscal Year 2010-18 Budget & Financial Plans.

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### The Challenges of Modernizing and Maintaining School Facilities

Building and maintaining safe facilities for learning is a big driver of costs in education budgets. For both DCPS and public charters, the Uniform Per Student Funding Formula covers utilities, custodial, routine maintenance and minor repairs. But the long-term costs of major modernizations, new construction, and acquisition of land or buildings is managed very differently, with each sector facing its own challenges.



Public charter school operators are responsible for leasing or purchasing facilities, as well as improving them. DC government gives charters a facilities allotment per student on top of their instructional budgets to help manage these costs (Figure 10). The non-residential facilities allotment for public charter schools will increase 2.2 percent to \$3,193 per student in the FY 2018 budget. Overall, the District will pay \$144 million for charter school facilities. Charter schools are not required to use their facilities allotment on facilities costs.

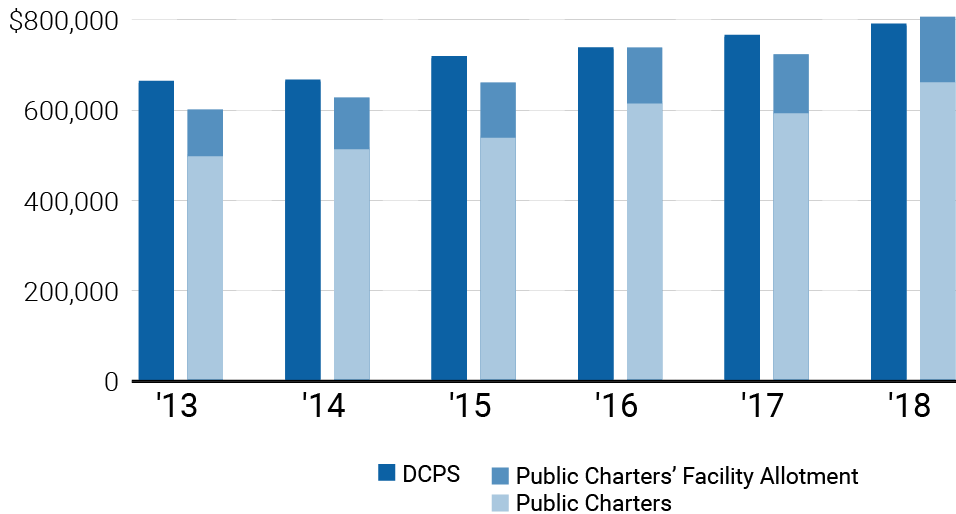
elementary schools, \$17 million for middle schools, \$76 million for high schools and \$14 million for swing space (Table 3, pg.9).

DCPS capital renewals, like the replacements of new roofs, and systems-wide technology upgrades are managed by the Department of General Services (DGS). The operating budget for school maintenance within DGS decreased by 6.6 percent, after adjusting for inflation.

DC Public School buildings are owned and controlled by the District. The school capital budget is largely financed with borrowing through general obligation municipal bonds. The FY 2018-23 budget outlines \$237 million for planned DC Public Schools capital projects. This includes \$82 million for the renovation of

FIGURE 10.

### Local Funding for DCPS and Public Charters is Now Almost Even



Note: All figures adjusted for inflation.  
Source: Fiscal Year 2013 - 18 Budget & Financial Plans.

TABLE 1.

**Annual Percentage Change in the Uniform Per Student Funding Formula**

Fiscal Year	UPSFF	Percent Change	UPSFF Adjusted for Inflation	Percent Change Each Year	Percent Change Since '09*
'07	\$8,002	4%	\$9,735	1.6%	-
'08	8,322	4	9,694	-0.4	-
'09	8,770	5	10,248	5.7	-
'10	8,770	0	10,079	-1.7	-1.7%
'11	8,945	2	10,014	-0.6	-2.3
'12	8,945	0	9,778	-2.4	-4.6
'13	9,124	2	9,814	0.4	-4.2
'14	9,306	2	9,850	0.4	-3.9
'15	9,492	2	10,016	1.7	-2.3
'16	9,492	0	9,924	-0.9	-3.2
'17	9,682	2	9,903	-0.2	-3.4
'18	9,827	1.5	9,827	-0.8	-4.1

Note: \*Shown in Figure 1. Figures are adjusted for inflation or not as indicated in the headings.

Source: Fiscal Year 2007-18 Budget and Financial Plans.



TABLE 2.

**Local Funding for Public Education Agencies, FY 2015 – FY 2018**

<i>(In millions)</i>	FY 2015 Actual	FY 2016 Actual	FY 2017 Approved	FY 2018 Proposed	Change, FY 17-18
DC Public Charter School Board	\$0	\$0	\$8	\$9	11%
DC Public Charter Schools	698	772	740	806	9%
DC Public Library	60	58	61	59	-4%
DC Public Schools	755	768	780	787	1%
DC State Board of Education	1	1	2	2	1%
Deputy Mayor for Education	3	3	4	4	6%
Non-Public Tuition	78	69	76	72	-5%
Office of the State Superintendent of Education	151	138	155	166	7%
Office of Youth Outcomes and Grants*	3	5	5	5	-2%
Public Education Facilities Maintenance**	37	40	28	26	-7%
Special Education Transportation	91	90	96	94	-3%
Teachers' Retirement System	42	46	58	59	2%
University of the District of Columbia Subsidy	78	75	78	77	-2%
<b>Total</b>	<b>\$1,992</b>	<b>\$2,061</b>	<b>\$2,091</b>	<b>\$2,166</b>	<b>4%</b>

Note: Figures are in millions and are adjusted for inflation.

\*Office of Youth Outcomes and Grants was moved from the Children and Youth Investment Collaborative into the Deputy Mayor's Office in FY 18

\*\*Listed under Dept. of General Services budget chapter

Source: Fiscal Year 2015-18 Budget and Financial Plans.

TABLE 3.

**FY 2017 Funding Schedule for School Modernization**

School	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	6-Year Total
Coolidge HS	75	74	0	0	0	0	149
Banneker HS	1	10	88	35	0	0	134
Eliot-Hine MS	5	49	30	0	0	0	84
West ES	0	1	6	33	42	0	82
Jefferson MS	0	3	26	50	0	0	78
Raymond ES	0	0	0	3	25	39	66
Elementary/Middle School Modernization Capital Labor	8	9	8	10	12	8	53
Smothers ES	0	0	0	3	20	26	49
Francis Stevens ES	0	0	0	0	3	42	45
Houston ES	3	24	16	0	0	0	43
CW Harris ES	2	23	16	0	0	0	42
Aiton ES	0	0	0	1	3	37	40
Dorothy Heights ES	0	0	0	0	4	31	35
School Within a School at Annie M. Goding ES	0	0	0	0	3	26	29
Eaton ES	0	0	0	0	3	26	29
Roof Repairs	5	3	6	6	3	4	28
Garfield ES	0	0	0	0	3	24	27
Bancroft ES	26	0	0	0	0	0	26
General Misc.	6	4	3	5	4	4	25
Swing Space	14	5	0	0	2	0	21
Major Repairs	3	2	3	5	5	3	21
Boiler Repair	4	4	2	3	2	3	18
Kimball ES	17	0	0	0	0	0	17
McFarland MS	17	0	0	0	0	0	17
High School Labor	4	5	6	2	0	0	15
Maury ES	15	0	0	0	0	0	15
Orr ES	15	0	0	0	0	0	15

Window Replacement	3	1	2	5	5	0	14
Stabilization Capital Labor	2	2	2	2	3	2	13
ADA Compliance	3	2	2	2	0	3	11
DCPS IT Infrastructure Upgrade	1	2	3	1	1	3	11
Life Safety	1	1	2	2	2	2	9
Hyde-Addison ES	4	0	0	0	0	0	4
Browne EC	0	0	0	0	0	4	4
DCPS	3	0	0	0	0	0	3
Early Action Pre-K Initiatives	1	1	0	1	2	0	3
Cap. Hill Montessori at Logan ES	0	0	0	0	0	3	3
Athletic Facilities	2	0	0	0	0	1	3
Technology Modernization	1	0	0	0	0	0	1
<b>Total</b>	<b>237</b>	<b>224</b>	<b>220</b>	<b>167</b>	<b>145</b>	<b>288</b>	<b>1,281</b>

Source: Fiscal Year 2018 – 2023 Capital Improvements Plan.

<sup>1</sup> Deputy Mayor for Education, “Cost of Student Achievement: Report of the DC Education Adequacy Study”, December 2013 [https://osse.dc.gov/sites/default/files/dc/sites/osse/release\\_content/attachments/DC\\_Adequacy\\_Study\\_Full\\_Report.pdf](https://osse.dc.gov/sites/default/files/dc/sites/osse/release_content/attachments/DC_Adequacy_Study_Full_Report.pdf)

<sup>2</sup> OSSE, “OSSE’s Report on the Uniform Per Student Funding Formula”, January 2017, [https://osse.dc.gov/sites/default/files/dc/sites/osse/release\\_content/attachments/OSSE%20Report%20on%20UPSFF%20to%20Council%20Jan%202017.pdf](https://osse.dc.gov/sites/default/files/dc/sites/osse/release_content/attachments/OSSE%20Report%20on%20UPSFF%20to%20Council%20Jan%202017.pdf)

<sup>3</sup> Analysis by Mary Levy, April 2016. For more information on calculations and definitions, see <http://www.dcfpi.org/analysis-of-fy-2017-dc-public-schools-at-risk-funds>

<sup>4</sup> Brown, Catherine, Scott Sargrad and Meg Benner, "Hidden Money: The Outsized Role of Parent Contributions in School Finance", April 2017.

<sup>5</sup> DCA YA, “#ExpandLearning DC”, June 2016.

<sup>6</sup> The year after the Wallace Foundation withdrew support.

<sup>7</sup> “DCA YA, “#ExpandLearning DC”, June 2016.