

Updated May 14, 2010

## WHAT'S IN THE FY 2010 BUDGET FOR EDUCATION?

Since the Mayoral takeover of DC's public school system in 2007, the education budget has undergone significant changes. Numerous functions have been transferred from DC Public Schools (DCPS) to the Office of the State Superintendent of Education (OSSE) and the Office of Public Education Facilities Modernization (OPEFM). Non-public tuition and special education transportation expenses are detailed in separate budget chapters.

### Summary of Mayor's Proposed Funding Level

The FY 2011 budget includes additional spending for education, in the form of a 2 percent increase in the per-pupil funding formula for DC Public Schools and Public Charter schools, as well as increases in local funding to replace expiring federal stimulus funding for both. The general fund budget for the DC Public Schools (DCPS) will increase by 1 percent, from an inflation-adjusted \$562 million in FY 2010 to \$568 million in FY 2011, although total funding for DCPS would decline due a reduction in federal funds. The DCPS local spending increases are partially supported by a \$12 million cut to personnel in DCPS that could include salary and staff reductions and employee furloughs.

The proposed budget for DC charter schools increases by seven percent, largely due to expected enrollment increases and the increase in per-pupil funding.

The budgets for special education tuition and transportation also are proposed to increase, while local funds for the Office of Public Education Facilities Modernization (OPEFM) and the Office of the State Superintendent of Education (OSSE) will decrease.

### Council Committee Mark-Up

The Committee of the Whole voted on the proposed FY 2011 education budget on May 11. The committee adopted several changes to the education budget, including restoring \$3.5 million to the child care subsidy budget and \$965,000 to adult education providers. The Mayor's budget proposal

#### KEY FINDINGS

##### MAYOR'S BUDGET PROPOSAL

- Increases per-pupil funding formula by 2 percent.
- Projects a modest increase in DCPS enrollment and an increase in charter school enrollment.
- Increases funding for private tuition and transportation for special education students.
- Reduces funding for child care and adult education.

##### COUNCIL MARK-UP, MAY 11

- Restores \$3.5 million of a proposed \$4 million cut to child care and \$965,000 to adult education.
- Reduces funding for new ICSIC pilot programs by \$1.2 million.
- Increases charter school facility allotment from \$2,800 to \$3,000.
- Transfers \$350,000 from DCPS to DC Auditor for evaluation of public school reform.

included a \$4 million cut in child care and a \$2.3 million cut in adult education. These increases were funded through a combination of cutting Interagency Collaboration and Services Integration Commission (ICSIC) pilot programs in the Office of the Deputy Mayor for Education, eliminating nine vacant positions from OSSE, and transferring funds from the District's tax increment financing and debt service accounts.

The committee also voted to increase the charter school facility allotment from \$2,800 to \$3,000 to conform to the minimum facility allotment recommended by the charter school facility task force that the committee created as part of the FY 2010 budget. Finally, the committee directed the transfer of \$350,000 annually from DCPS to the DC Auditor for an evaluation of public school reform and \$250,000 from DCPS to the DC Auditor for an audit of FY 2010 DCPS budget and spending. The committee did not make any recommendations related to the proposed funding plan for the new teacher contract.

### Analysis

Table 1 shows a breakdown of local funding for education and how funding has changed from FY 2010 to FY 2011. Figure 1 shows the local funding for DC Public Schools and DC Public Charter Schools from FY 2005 through the FY 2011 proposed budget. (The apparent decline in DCPS funding in FY 2009 reflects the fact that several functions were shifted out of DCPS that year.)

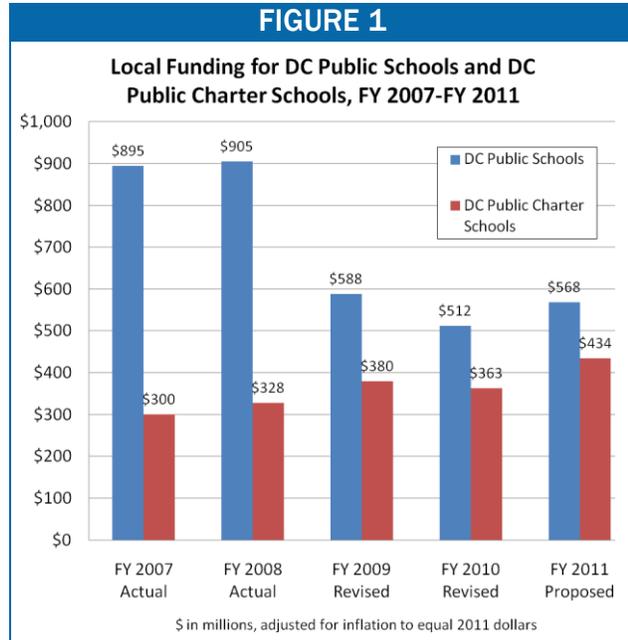
TABLE 1 LOCAL FUNDING FOR EDUCATION, FY 2010-FY 2011 (ADJUSTED FOR INFLATION TO EQUAL 2011 DOLLARS)				
	FY 2010 Approved Budget (in millions)	FY 2011 Proposed Budget (in millions)	FY 2011 Council Mark-Up (in millions)	Change from FY 2010 to Mark-Up
DC Public Schools	\$522	\$568	\$568	9%
DC Public Charter Schools	\$379	\$434	\$440	16%
Office of Public Education Facilities Modernization	\$33	\$28	\$28	-15%
Office of the State Superintendent of Education	\$124	\$117	\$120	-3%
Non-Public Tuition	\$151	\$180	\$180	19%
Special Education Transportation	\$79	\$89	\$89	14%

Source: Mayor's Proposed FY 2011 Budget, general fund total for each agency for FY 2010 and FY 2011

### **DC Public Schools:**

The proposed FY 2011 general fund budget request for DCPS is \$568 million (Figure 1). This is \$6 million (or 1 percent) higher than the FY 2010 approved general fund budget of \$562 million, adjusted for inflation. The general fund budget request also includes a \$12 million decrease in funding for personnel, which the budget narrative says could include salary and staff reductions and employee furloughs.

- The per-pupil funding level in the proposed budget increases by 2 percent to \$8,945 in FY 2011 from \$8,770 in FY 2010.
- DCPS enrollment is expected to increase slightly, from 45,054 students in FY 2010 to 45,881 students in FY 2011. Charter school enrollment is expected to increase from 28,209 students in FY 2010 to 29,695 students in FY 2011.
- A new teacher contract between DCPS and the Washington Teachers Union was announced after the FY 2011 proposed budget was released. It is not clear at this time how the contract will be financed, and the Office of the Chief Financial Officer has yet to certify the contract's financing.



While local funding for DCPS is proposed to increase from FY 2010 to FY 2011, gross funding (local and federal funding combined) is not. Gross funding for DCPS will decrease by 3 percent in the Mayor's proposed budget. This suggests that the increase in local funding will not be enough to completely replace the loss of federal stimulus funds. The decrease in gross funding also may be related to the decision to hold funding for local schools constant from FY 2010 to FY 2011. Flat funding for local schools means that individual schools may actually see decreases in staff and other resources due to increases in costs for existing staff. For a listing of individual schools' budgets, see the DCPS budget website: <http://dcps.dc.gov/DCPS/About+DCPS/Budget+and+Finance/Preliminary+School+Allocations+for+FY11>.

**DC Public Charter Schools:**

The FY 2011 general fund budget request for charter schools is \$434 million, which is a 7 percent increase over the FY 2010 funding level of \$404 million, after adjusting for inflation. The increase in funding for charter schools is largely a result of the increase in the per-pupil funding formula and the projected increase in enrollment for charter schools in the District. Public charter schools also receive a per-pupil allotment to cover facility expenses, and the proposed FY 2011 facility allotment is the same as the FY 2010 allotment. In its committee mark-up, the Committee of the Whole recommended that the facility allotment be increased from \$2,800 to \$3,000 per pupil.

**Office of Public Education Facilities Modernization:**

OPEFM was created by the DC Public Education Reform Act of 2007 to manage the construction, modernization, and maintenance of DCPS facilities. In the Mayor's FY 2011 budget, OPEFM's general fund budget decreases from \$32 million and 269 FTEs in FY 2010 to \$29 million and 248 FTEs in FY 2011. The agency will eliminate 13 vacant positions, five existing finance and management positions, and will reduce funding for preventative maintenance on energy systems.

OPEFM also will lose \$1.4 million in lease revenues earned on school properties; in FY 2011, these funds will be transferred to the Department of Real Estate Services' budget.

### **Office of the State Superintendent of Education:**

The Office of the State Superintendent of Education was created by the DC Public Education Reform Act of 2007. OSSE manages functions typically operated at the state level in other jurisdictions, such as managing nutrition services, verifying student enrollment counts, and making recommendations about the uniform per student funding formula. Beginning in FY 2009, OSSE assumed responsibility for managing the District's special education functions, although the functions are budgeted separately.

The FY 2011 general fund budget request for OSSE is \$117 million, a six percent decrease from the FY 2010 approved budget of \$124 million, after adjusting for inflation. The decrease is largely due to reducing the Child Care Subsidy Program's local funds budget by \$1.5 million, eliminating 25.5 positions, and cutting \$2.3 million in Adult and Family Education grants and college scholarships for low-income DC residents.

While not a part of the OSSE budget, OSSE manages DC's special education programs.

- **Non-Public Tuition:** This budget chapter tracks expenses for special education students who receive services from private providers as well as students who are under the care of the Child and Family Services Administration and the Department of Mental Health who attend schools outside of the District. The FY 2011 budget request includes \$180 million for non-public tuition payments, a 19 percent increase over the FY 2010 level of \$151 million, after adjusting for inflation.
- **Special Education Transportation:** The District provides transportation services for approximately 4,000 special needs students. The FY 2011 general fund budget request includes \$89 million and 1,667 FTEs for special education transportation. This is a 14 percent increase over the FY 2010 funding level of \$79 million, adjusted for inflation.

In its mark-up, the Committee of the Whole, recommended a \$3.4 increase in the OSSE budget to restore part of a \$4 million proposed cut to the Child Care Subsidy Program's budget.

### **Stimulus Funding**

In FY 2011, most of the stimulus funding that the District received to support education will expire. DCPS will lose \$39 million in state fiscal stabilization funds, \$23 million in Title I stimulus funding, and \$11.8 million in IDEA funds. Title I provides funding for academic support for low-income students, while IDEA (Individuals with Disabilities Education Act) funding supports educational services for students with disabilities. Public charter schools will lose \$24 million in stimulus funds.

Local funding will be used to replace much of the expiring stimulus funding. DCPS will receive an increase of \$39 million and charter schools will receive an additional \$25 million in local funding to make up for the loss of stimulus funding.

## Performance Measures

The budget for each government agency includes a number of performance measures tied to specific agency objectives. In addition, each agency develops a performance plan each year, and it completes a “performance accountability report” at the end of the year. The performance measures are intended to provide an indication of how well the agencies are using funds to meet their goals. Unfortunately, the quality of performance measures in the District’s uneven. In many cases, performance measures are unclear or cover aspects of an agency’s functions that do not seem tied to the agency’s core functions.<sup>1</sup>

While the District’s education agencies have a number of performance measures they can use to measure their progress, the quality of these measures across agencies varies greatly. For example, in DCPS, the Office of the Chief Academic Officer has 18 performance measures for two of its three objectives (and none for its second objective), and some its measures make more sense than others. On the positive side, there are four performance measures covering the percent of elementary and secondary students who are proficient in reading and math. (The measures could benefit from a definition of “proficient” and from a description of how many elementary and middle school students we are measuring.)

However, performance measure for the achievement gap in DCPS is another story. Here, the FY 2011 budget sets a target of 44 for the “black-white reading achievement gap” and a target of 45 for the “black-white math achievement gap.” This performance measure appears to reflect a difference in a testing score of some sort, but it is not clear and is not defined. Without more detailed information, this measure is meaningless. In addition, the Office of Family Engagement has three measures, but has not listed any targets for how they will measure success.

The OSSE budget’s performance measures, on the other hand, generally include more detail than the DCPS measures. For example, OSSE measures the “percentage of Pre-k programs that meet high-quality program requirements as defined by the 2007 Pre-k Enhancement and Expansion Amendment Act.” Knowing how OSSE plans to measure “high quality” is helpful.

The FY 2011 budget includes six performance measures that are tied to special education (e.g. the percent of special education youth graduating from high school with a regular diploma), but none specifically address challenges related to special education tuition or transportation. The separate chapters for non-public tuition and special education transportation also do not include any performance measures. Given the District’s long struggle to provide adequate special education services and the large amount of funds spent on private tuition and transportation, it is troubling that the budget does not include performance measures specifically addressing these two areas.

Performance accountability reports and performance plans for DC education agencies are available at [www.track.dc.gov](http://www.track.dc.gov).

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<sup>1</sup> The issues related to DC’s performance measurement are discussed further in a DCFPI 2009 report, [Ten Ways to Improve the Transparency of the DC Budget](#).