

**TESTIMONY OF SOUMYA BHAT, EDUCATION FINANCE AND POLICY ANALYST
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**At the Public Oversight Roundtable on
Public Education in the District of Columbia:
What Priorities Should the Council Address During the Remainder of Council Period 19
July 13, 2012**

Chairman Mendelson and members of the Committee, thank you for the opportunity to speak today. My name is Soumya Bhat, and I am the Education Finance and Policy Analyst at the DC Fiscal Policy Institute. DCFPI engages in research and public education on the fiscal and economic health of the District of Columbia, with a particular emphasis on policies that affect low- and moderate-income residents.

I am here today to ask the Council to renew its commitment to improving the transparency of public education funding in the District of Columbia and to provide some suggestions on how to do this. A transparent education budget — one that provides accurate, clear, and timely information — is critical to allowing the DC Council to fulfill its agency oversight functions, and to empowering parents and other residents to hold public officials accountable for the delivery of public services.

This past budget season, DC Public Schools (DCPS) released a new budget guide that included valuable information in a user-friendly format on the distribution of DCPS funding by funding type (central, school support, and school), school type, revenue source, and administrative office. This was a big step in the right direction. But, DCFPI believes there are several other transparency issues with the DCPS budget that the Council could address: 1) continue to press for a common sense budget for DCPS, 2) get clear answers for the fiscal year 2013 special education budget, 3) better engage stakeholders in funding decisions, 4) reinstate a Council committee on education, and 5) launch a community stakeholder group to get their input on how to improve school budget transparency.

Continue to Press for a Common Sense Budget for DCPS: A major obstacle to transparency is the fact that the numbers in the Chief Financial Officer's (CFO) Budget Book do not seem to really reflect how DCPS is organized or how it spends funds. The figures in the budget book are vastly different from the DCPS Budget Guide, including the fact that the budget book suggests the DCPS budget for fiscal year 2013 is \$17 million more than what DCPS reports in its Budget Guide. Also, each year the proposed budget for the upcoming year is also hard to assess, because the budget figures for the current year reflect the initial approved budget and not any of the many revisions made by DCPS after the budget is adopted. This leads to inaccurate comparisons of how funding for particular divisions is changing from year to year. The budget document for DCPS — and for every DC agency for that matter — should include the *revised* current-year budget in addition to the proposed budget for the upcoming year. Notably, DCPS did not offer a budget briefing during the

FY 2013 budget season, leaving DC residents even more confused about how dollars were being spent in education.

Get Clear Answers for Special Education Budget: DCFPI and other partner organizations are concerned that the school year is less than two months away and the public does not yet have a clear answer on the actual special education funding and staff allocations for fiscal year 2013. This is particularly alarming when DCPS is expecting a 13 percent increase in special education enrollment as a result of the Mayor’s effort to reduce the number of non-public placements.

Once again, the Budget Book and DCPS Budget offer two different stories on the funding levels. The special education budget under DCPS in the Budget Book shows reductions from 2012 to 2013 of 222 full-time equivalent staff positions and a \$209,000 decrease in funds. According to DCPS, the problem stems because some staff positions that were shifted to central administration were still reported in the special education budget in fiscal year 2012 (social workers and dedicated aides). This apparent overstatement of staffing in 2012 makes it appear that funding and staffing will fall in fiscal year 2013. But this error accounts for only a portion of the apparent decline in staffing. Even correcting this error, it appears that DCPS will have 92 fewer special education positions for fiscal year 2013 instead of 222. DCPS maintains that they have adequate resources to handle the influx of students.

Better Engage Stakeholders in Funding Decisions: Too often, DC residents feel shut out of the important policy decisions that affect our schools. One example of this is the short timeframe (less than a week) that school leaders and Local School Advisory Teams are given between the time they receive initial school allocations from DCPS and when they must submit their final budgets for the next school year. And, in a fiscal year when DC schools are facing significant cuts to staffing, including school librarians and special education coordinators, DCPS released \$10 million in grants from general education funding without explaining where these funds came from. These “Proving What’s Possible” grants are certainly welcomed by the schools who won the awards, but if the funds were reallocated from ineffective programming, as DCPS officials say, the public deserves to know what specific programs were not effective and are losing funding.

Reinstate a Council Committee on Education: Despite education being one of the largest areas of the DC budget, the Council’s education committee currently resides within the Committee of the Whole. While assigning the responsibility of keeping our education system accountable to all council members sounds good in theory, in reality, the sporadic attendance by council members and staff at key budget oversight hearings covering \$1.6 billion in funding and hours of public testimony is concerning. Many education advocates have expressed the need for DC to return to the pre-2007 structure of having an education committee separate from the Committee of the Whole and DCFPI agrees. Not only will this realignment allow the Council to give the agencies that deal with education funding and policies the focused attention and oversight they deserve, it can also help the Council articulate a clear vision and convey to the public a sense that the Council makes education a true priority.

Launch Community Stakeholder Group to Improve Transparency: Earlier this year, the Public Education Finance Reform Commission (PEFRC), chaired by DCFPI’s executive director Ed Lazere, released its [final equity and recommendations report](#). The independent commission, established under 2010 legislation, was charged with examining the issue of “equity” of school

funding for DCPS and public charter schools, but also examined broader issues, including the “adequacy,” “affordability,” and “transparency” of DC’s education finance. One of the PEFRC’s final recommendations called for creation of a new panel, made up of parents, school officials, advocates, and local researchers, to review and advise DCPS and public charter schools on outreach and public information related to school funding and the allocation of public resources.¹ DCFPI encourages the Council to implement this recommendation to help improve transparency while utilizing community stakeholder input. We believe that active engagement of a group like this would address many of the issues I have raised.

Chairman Mendelson and members of the Council, we at DCFPI urge you to take these recommendations under consideration and enforce best practices of fiscal transparency for DC public education for the remainder of the Council Period and beyond. While this testimony did not go into transparency recommendations for the Office of the State Superintendent of Education or the Public Charter School Board, we also focus on these agencies at DCFPI and would welcome conversations on ways to improve their transparency as well.

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

¹ See page 34 of final PEFRC report: http://pefrc.org/wp-content/uploads/2012/02/pefrc_finalreport.pdf.