

**TESTIMONY OF SOUMYA BHAT, EDUCATION FINANCE AND POLICY ANALYST
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**At the Fiscal Year 2014 Budget Hearing for District of Columbia Public Schools:
December 19, 2012**

Chancellor Henderson, 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 is a non-profit organization that engages in research and public education on the fiscal and economic health of the District of Columbia, with an emphasis on policies that affect low- and moderate-income residents.

I am here today to ask DC Public Schools (DCPS) to strengthen its effort to improve the transparency of public education funding in the District of Columbia. A transparent education budget — one that provides accurate, clear, and timely information — is critical to empowering parents and other residents to hold elected and public officials accountable for the delivery of public services.

This past budget season, 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 ways that the DCPS budget process could be made more transparent and less confusing for residents: 1) demystify the budgeting process with more information; 2) allow adequate time for LSATs and school leaders to review school budgets; 3) work with the CFO to develop a common sense budget; and 4) explain how DCPS will invest in struggling schools.

Demystify the Budgeting Process With More Information

The process to fund DC schools can be difficult to understand and navigate, making it challenging for both parents and policymakers to get involved in school funding decisions. DCPS can avoid confusion by disseminating clear and current information for the way funds are allocated to individual schools. Specifically, information regarding funding sources, how the overall budgets are set, and what factors affect how funds are allocated to local schools should be easily accessible to the public well before final budgets are due back to DCPS. DCPS did not offer a briefing for the public after the fiscal year 2013 budget was released, leaving many DC residents confused about how dollars were being spent in education. We have found that these briefings can do a lot to clarify the major changes reflected in the budget and soothe concerns over proposed budget changes that may not be clear from the budget documents.

Allow Adequate Time for LSATs and School Leaders to Review School Budgets

The timeframe between when school leaders and Local School Advisory Teams are given initial school allocations from DCPS and when they must submit their final budgets is extremely short – typically less than one week. This is insufficient time for review, particularly for such an important step in the budgeting process. DCFPI thinks it should be extended to at least a month to allow enough time to understand and modify the budget as necessary.

Work with the CFO to Develop 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 documents do not reflect how DCPS is organized or how it spends funds. The figures in the budget book are vastly different from the DCPS Budget Guide, making it hard to know what really is happening with the DCPS budget. Each year, the proposed DCPS budget from the CFO also is 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 should include the *revised* current-year budget in addition to the proposed budget for the upcoming year. DCFPI urges DCPS and the CFO to work together to create a more accurate budget for public consumption.

It is worth noting that DCPS' own budget guide did not include any historical comparisons, perhaps because this year's was the first. We recommend that the budget guides for school-year 2013-2014 and beyond include comparisons to at least the current year and ideally one or more prior years.

Explain How DCPS Will Invest in Struggling Schools

The Chancellor's five-year plan includes several ambitious goals for DCPS to accomplish by 2017, from dramatically improving proficiency and graduation rates to raising enrollment and student satisfaction. One of these goals is to increase proficiency rates by 40 percentage points at the 40 lowest-performing schools. While there is a real need to support these schools, it is not yet clear how DCPS plans to invest in these schools over the next five years to accomplish this goal. In particular, DCFPI has several questions regarding the *Proving What's Possible* grant competition offered to these 40 schools this year. Will schools be able to compete again for these grants next summer? What happens to the funds for schools that received money this year but may be closed next year? Will the programs implemented this year continue at some level? DCPS needs to clearly outline what investments we can expect to see in fiscal year 2014 for the schools that are in need of extra support.

Chancellor Henderson, we at DCFPI urge you to take these recommendations under consideration and improve fiscal transparency for DCPS in fiscal year 2014. Thank you again for the opportunity to offer input. I am happy to answer any questions.