

**TESTIMONY OF SOUMYA BHAT, EDUCATION FINANCE AND POLICY ANALYST
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**At the Oversight Hearing on
The Proposed Fiscal Year 2014 Budget of the District of Columbia Public Schools
Before the DC Council Committee on Education
April 17, 2013**

Chairman Catania and members of the Committee on Education, 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 focus on the following issues related to the proposed fiscal year (FY) 2014 budget of the District of Columbia Public Schools (DCPS):

- **DCPS' changing definition of "small schools"**
- **Need for proven investments in struggling schools**
- **Continued focus on budget transparency**

DCPS' Changing Definition of "Small Schools"

For the second year in a row, the enrollment level used by DCPS to define a "small school" will increase, this year from 300 to 400 students. Two years ago, small schools were limited to those with enrollment under 250. The new definition means most of the DCPS school system, 56 schools (not counting alternative schools or special education centers), will be considered small schools next year. The majority of these schools (39) are elementary schools.

This means 30 schools with 300-400 students projected for next year will receive reduced staffing associated with smaller schools. Notably, elementary schools of 300-400 students that were funded for a full-time art, music, and PE teacher in the current year's budget will only see 0.75 allocations for these positions, plus a newly required world language teacher, next year.

This change also affects librarian staffing. In FY 2014, all schools will have access to a librarian, but schools serving between 300 and 400 students, that received funding this year for a full-time librarian, will get funding only for a half-time librarian next year. The same is true for schools with fewer than 300 students that got no librarian funding this year. This leaves 59 DCPS schools budgeted for a half-time librarian position next year. Of these 59 schools, 40 are elementary schools, 8 are education campuses, 5 are middle schools, 2 are high schools, 2 are special education centers,

and 2 are alternative schools. Looking at average costs, DCPS would need to invest about \$2.9 million more in the FY 2014 budget to bring all 59 schools up to a full-time librarian.

DCFPI feels this annual change in definition seems arbitrary for a policy with such a strong impact on the school system's resource allocations. In a school system where many schools face declining enrollment, a policy of widening the definition of small schools – and limiting resources to those schools – does not make sense.

Need for Proven Investments 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, there are still some questions as to how DCPS plans to invest in these schools to accomplish this goal.

Of particular concern is whether or not DCPS is consistent with their investments at the school level. It is evident that literacy and special education services, particularly for early intervention, are priorities for DCPS. But, there are other investments that may face cuts in FY 2014. For example, "Proving What's Possible" (PWP) funding, which provided \$10 million in grants to 59 schools to implement innovative programming this school year, will face reductions in FY 2014. Total PWP funding to schools will be \$6 million to continue grants from last year's competition, fund new reading specialists and assistant principals for literacy, and to support extended day programs. The reduction in funding means that only 51 schools will receive PWP funds for the next school year.

There also seems to be a lack of evaluation at DCPS to ensure that resources are going towards effective programs. For example, DCPS has not yet had time to evaluate the PWP programs currently in place (several of which are in schools to be closed this summer) and determine what is or is not successful in our lowest performing schools. DCPS should use evaluation data to either maintain or expand funding and replicate successful programs. In addition, they should communicate to residents how these investments are part of a larger, long-term strategy across the school system, whether that is for literacy or extended day programming or other models.

DCFPI is hopeful that the adequacy study commissioned by the Deputy Mayor for Education, currently underway, will help answer the question of whether or not we are putting the right amount of resources into our system and in the right places. Even if DCPS is able to tackle the issues of truancy and social promotion, there will still be a need to engage children and bring them up to grade level. Particularly, a funding weight within the Uniform Per Student Funding Formula for children who are both low-income and academically behind, as recommended by the Public Education Finance Reform Commission, would be worth consideration next year by the Mayor and Council, particularly after the adequacy study is completed. If such a weight is developed, DCPS will need to take steps to ensure that additional resources for these students are used to implement effective programming for our neediest students.

Continued Focus on Budget Transparency

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. This budget season, for the first time, DCPS posted an Excel file outlining the submitted budgets of schools in a format that is ready for data analysis. This was very helpful to budget analysts and advocates, but DCPS could take additional steps to make the budget process more transparent. DCFPI is pleased to see this is already a priority of the Committee on Education over the next year, and welcomes continued conversations on how best to convey information to the larger public in a meaningful way.

- **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 its 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. DCFPI urges DCPS and the CFO to work together to create a more accurate budget for public consumption.
- **Release DCPS Budget Guide Earlier.** While having one clear, accurate budget for DCPS is the eventual goal for full transparency, in the meantime, DCPS' budget guide could be released earlier during budget season and include historical comparisons. This document includes information on the distribution of DCPS funding by funding type (central, school support, and school), school type, revenue source, and administrative office. We recommend that the budget guide for the next school-year and beyond include comparisons to at least the current year and, ideally, one or more prior years. (The budget guide should not be confused with their budget development guide, which helps explain each year how funds are allocated to individual schools under the comprehensive staffing model.)
- **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. DCPS discussed having a longer time period for the FY 2014 budget process, which may have meant more time for certain principals to review their allocations, but no changes seem to be made to the LSAT timeline. DCFPI thinks it should be extended to at least a month to allow enough time to understand and modify the budget as necessary.

Chairman Catania and members of the Council, we at DCFPI urge you to take these recommendations under consideration prior to final approval of the FY 2014 DCPS budget. Thank you again for the opportunity to offer input. I am happy to answer any questions.