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WHAT'S IN THE FY 2015 BUDGET FOR EDUCATION?

The fiscal year (FY) 2015 budget includes \$1.9 billion in local funds for education and related services for children in pre-kindergarten through high school. This analysis covers education spending for: DC Public Schools, Public Charter Schools, the Office of the State Superintendent of Education, the Office of Public Facilities Modernization, Non-Public Tuition and Special Education Transportation. Overall, the public education budget cluster will see a 6 percent increase in local funding over FY 2014, after adjusting for inflation (unless otherwise noted, all figures in this analysis are adjusted for inflation to equal FY 2015 dollars).

The FY 2015 budget includes a number of changes that will provide an increase in local per pupil funding for DC Public Schools (DCPS) and Public Charter Schools. Like in fiscal year 2014, the local per-pupil funding formula received a two percent increase — in effect an inflation adjustment. In addition, both school sectors are projecting an increase in student enrollment from the previous year. Other changes to the school funding formula for FY 2015 reflect recommendations made by a mayoral-commissioned study to more adequately fund public education, with the addition of a new weight for at-risk students, and increased local resources for adult, alternative, English language learner, and special education students. The budget also includes an inflation adjustment in the facilities allotment for public charter schools, from \$3,000 per student in FY 2014 to \$3,072 for FY 2015.

SUMMARY OF THE FY 2015 BUDGET

- Increases base per-pupil funding by two percent for both DC Public Schools and Public Charter Schools.
- Projects a 3 percent enrollment increase in DCPS and a 4 percent increase in public charter school enrollment.
- Adds a new at-risk student weight through the school funding formula that adds \$81 million in funding for 36,000 students across both sectors. Summer school will also be funded by this weight. DCPS will use new funds to extend the school day at up to 52 schools, provide added supports at middle schools, and to implement other initiatives. Extended school days must be approved by teachers at each affected school, and so far this has happened at only a few schools.
- Increases weights in funding formula for adult, alternative, English language learner, and special education students.
- Increases public charter school facilities allotment for inflation, from \$3,000 to \$3,072 per pupil.
- Includes \$9 million for the Office of the State Superintendent to build its child care quality rating and improvement system and to raise reimbursement rates for new subsidized child care slots.
- Adds \$200,000 to the Office of the State Superintendent to boost staff capacity to better identify and serve homeless students.

Within the Office of the State Superintendent of Education, the budget includes new investments in early childhood programs in FY 2015. The budget adds \$4 million to build DC's early childhood

Table 1				
Local Funding for Education, FY 2013 - FY2015*				
	FY 2013 Actual (in millions)	FY 2014 Budget (in millions)	FY 2015 Budget (in millions)	Change, FY 2014 to FY 2015
DC Public Schools	\$683	\$671	\$710	6%
DC Public Charter Schools	\$622	\$618	\$675	9%
DC Public Library	\$43	\$55	\$57	4%
Deputy Mayor for Education	\$2	\$2	\$7	272%
Office of the State Superintendent of Education	\$116	\$133	\$144	8%
Office of Public Education Facilities Modernization	\$44	\$46	\$32	-31%
Non-Public Tuition	\$87	\$81	\$74	-9%
Public Charter School Board	\$1	\$4	\$7	57%
Special Education Transportation	\$93	\$88	\$94	6%

*Source: Approved FY 2015 Budget; all figures are adjusted for inflation to equal 2015 dollars. Not all agencies within the public education budget cluster are listed.

Quality Rating and Improvement System (QRIS), which sets reimbursement rates for child care providers who meet requirements corresponding with rating levels of quality. Another \$5.2 million is included to support additional child care slots for infants and toddlers.

Analysis of the 2015 Education Budget

Both DC Public Schools and Public Charter Schools will see more local funding next year. (See **Figure 1.**) The approved FY 2015 budget increases the basic per-pupil funding level — the Uniform Per Student Funding Formula or UPSFF — for DC Public Schools and Public Charter schools (PCS) by two percent, from \$9,306 to \$9,492 per student, and also adds targeted funding in a number of areas.

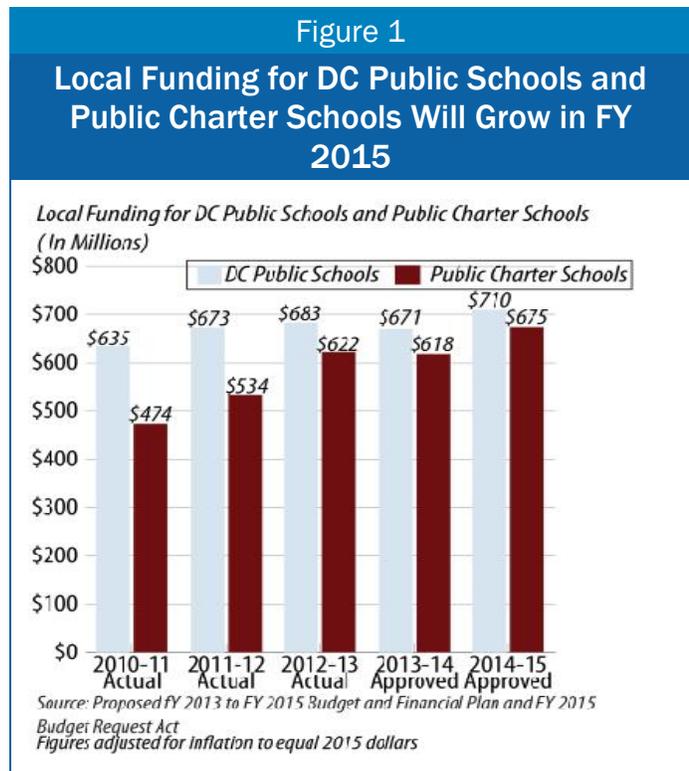
DC Public Schools: The general fund budget for the DC Public Schools is \$710 million, a 6 percent increase from FY 2014. The increase reflects the two percent per pupil increase to the funding formula and an expected DCPS enrollment increase of 3 percent, from 46,360 students (audited number) in FY 2014 to 47,592 students projected for FY 2015. In addition, the budget includes a new at-risk student weight added to the per-pupil school funding formula and increases the existing per-pupil weights for adult, alternative, English language learner, and special education students. The additional at-risk funding will be used to fund several new initiatives at DCPS such as extending the school day at the lowest performing schools and enhancing curriculum and staffing for middle grades. The Council added more at-risk resources to school budgets during the budget process, but it is not yet clear how individual schools will choose to spend that money.

DCPS schools will also see savings due to an adjustment in how much is budgeted for the cost of staff for FY 2015. The budget for DCPS staff medical benefits was adjusted downward to better reflect actual expenditures. The savings helped free up funds for some of the initiatives in the DCPS budget.

The FY 2015 budget also makes several changes to individual school budgets, including:

- **Increased allocation to local schools.** Total funding allocated by DCPS directly to local school budgets will increase from \$358 million in 2013-14 to \$409 million in 2014-15, a 14 percent increase.¹ Most of the increase is seen in the middle and elementary grades.

- **Additional Resources for Middle Grades.** The FY 2015 budget includes a number of investments for schools serving students in grades six through eight, which includes Pre-k — 8th grade education campuses and middle schools. All middle grades will be required to offer algebra, a foreign language, art, music, and physical education. These schools will see additional teaching staff, funding for field trips, and funding for at least one guidance counselor and additional staff position to focus on the social and emotional supports of students.



- **Option for Extended School Day for 52 Schools.** Approximately \$5.7 million was allocated to a select group of DCPS schools to lengthen the school day to 4:15 p.m., four days a week. The 52 schools offered this option include the 40 lowest performing elementary schools and all middle grades. However, the funding was contingent upon approval of teachers based on terms specified in the Washington Teachers Union contract. As of July 2014, only two schools have agreed to accept the funds and will be extending the school day for students in the fall. It is not clear how the remaining funding allocated for extended day will be used to support schools.
- **Enhanced Special Education Staffing.** Overall funding for special education will decrease in FY 2015 when compared to FY 2014 as a result of more accurate student enrollment projections. (In the past, DCPS has underestimated their special education enrollment.) Despite the funding decline, schools will see 30 additional special education teachers, using some of the new at-risk funds. With the enhanced staffing, DCPS plans to improve the student-teacher ratios for schools serving students in more inclusive settings.
- **New "Proving What's Possible" Student Satisfaction Grant Program.** DCPS has outlined the goal that 90 percent of its students say they like their school by the 2016-17 school year.

¹ Initial analysis provided by Mary Levy. Figures exclude special education, ELL, federal funds and special education, adult, and alternative schools. The final figure includes the additional \$3.6 million identified by the Council during the budget process to supplement schools with high numbers of at-risk students as being a direct school allocation.

DCPS allocated \$4.8 million in awards that will go to every school for FY 2015 in an effort to boost student satisfaction ratings. This funding can go towards field trips, enrichment activities, student recognition events, and anti-bullying programs, with specific uses decided by each school.

The FY 2015 budget also adds a new at-risk weight to the school funding formula following the recommendation of a mayoral-commissioned study that recommended additional funding for students living in poverty. The new weight defines "at-risk" students as those who fall under any of the following categories: is homeless, living in foster care, an over-age high school student, eligible for Temporary Assistance for Needy Families (TANF) or the Supplemental Nutrition Assistance Program (SNAP). In FY 2015, there are an estimated 21,407 at-risk kids that will be enrolled in DC Public Schools.

The new at-risk weight proposes to add \$51 million to the DCPS budget. However, this amount also includes summer school spending, which was budgeted at \$17 million for the current year but generally has totaled around \$4 million in recent years. When the summer school funds are factored in, it likely means that closer to \$34 million in new funds will be added to the DCPS budget.

The new funding for at-risk students will be used for a number of selected initiatives. The funds will not be allocated to individual schools for them to spend, despite recent legislation adopted by the DC Council to have each school plan for the use of its at-risk funds. Instead, DCPS proposed the following uses seen in **Table 2**. However, as mentioned previously, some of the funding amounts may change. For example, teachers at many schools have not opted to extend their school day. It is unclear at this point how DCPS will allocate those unused resources; this analysis will be updated as more information becomes available.

DCPS Initiative for FY 2015	At-Risk Funds Allocated (\$ in millions)	Percentage of At-Risk Funds Allocated
Proving What's Possible Student Satisfaction Awards	\$4.9	11%
Extended school day for 40 lowest performing elementary schools and all middle grades	\$5.6	13%
Social and emotional supports for middle grades	\$4.7	10%
New Teachers at Middle Grades	\$7.9	18%
Field Trips for Middle Grades	\$0.9	2%
Literacy Supports	\$2.4	5%
Middle Grades Enrichment Activities	\$1.9	4%
Attendance and Truancy Initiatives	\$0.3	1%
New special education staff	\$5.6	13%
School stabilization funds to ensure no schools would lose more than 5% of their FY 14 budget	\$2.4	5%
Other initiatives	\$7.9	18%
Total	\$44.5 million	100%

Source: DCPS Submission to Council Committee on Education, 2014.

Many of these initiatives could help make significant improvements in schools with high poverty rates and a large number of at-risk students. For example, guidance counselors and additional staff for social and emotional supports and additional instructional time for students through a longer school day are worthwhile investments. At the same time, some of these initiatives are not tied to at-risk students; “Proving What’s Possible” funds, for example, will go to all schools.

During Council budget mark-ups, \$3.6 million in savings was shifted to schools with a large number of at-risk students that did not get a notable amount of “at-risk” funding in the mayor’s proposed budget. About 35 schools² will get additional at-risk funding as a result; all of these schools received \$100,000 in additional funds, with the exception of Anacostia High School, which received an additional \$236,500 because it has a substantial number of special education students.

The use of at-risk funds for the initiatives listed above was not reflected in official DCPS documents released with the proposed budget. The budgets for individual schools do not list the number of students deemed at-risk and do not identify how much at-risk funding they will receive. This makes it difficult for parents and other stakeholders to assess whether their school will receive a fair share of the new educational resources being provided next school year.

DC Public Charter Schools: The FY 2015 general fund budget for charter schools is \$675 million, a 9 percent increase in funds from 2014. Charter schools are expecting a 4 percent increase in projected enrollment, from 37,410 in FY 2014 to 39,076 students in FY 2015.

The budget also increases base per-pupil funding for students in DC Public Charter Schools by 2 percent, to \$9,492, with additional resources for at-risk students and other enhancements through the school funding formula, as seen for DCPS schools. An estimated 15,657 at-risk students will be served by charter schools in the 2014-2015 school year, resulting in \$33 million in additional funding from the new supplemental weight, although these funds also will have to cover summer school costs, which totaled \$18 million in FY 2014. This means that the new at-risk funding will add roughly \$15 million to charter schools. There are no restrictions or requirements that charter schools use their new funding specifically to serve at-risk students. The Council identified \$1.4 million more in local funds to help charter schools impacted by the elimination of the summer school weight in the school funding formula.

The budget increases local funding for charter school facility expenses from \$3,000 per pupil to \$3,072 per pupil as an adjustment for inflation. Based on projected enrollment, this change will result in \$2.8 million more facility funds for public charter schools in FY 2015.

DC Public Charter School Board: The Public Charter School Board (PCSB) will see a 57 percent increase in local funding from FY 2014, with a budget of \$6.7 million. The increase is mainly due to the increased administrative fee paid to PCSB by individual public charter schools. The fee will increase from 0.5 percent of the funds a charter school receives under the school funding formula to 1 percent. The Budget Support Act — legislation that accompanies the budget — also includes a new admissions preference that will give priority in the charter school lottery process for children of full-time employees at charter schools who are DC residents, as long as these students do not make up more than 10 percent of the school’s student enrollment.

² For list of 35 schools, see page 25 of FY 2015 Committee on Education Budget Report. http://dccouncil.us/files/performance_oversight/Committee_on_Education.pdf.

Deputy Mayor for Education: The Deputy Mayor for Education’s (DME) office will see a 272 percent increase in local funds, with a budget of \$6.9 million. About \$1.5 million of this amount will support staff positions for the ‘My School DC’ common lottery. The majority of the increase, though, comes from the Council to give grant-making authority to DME to issue two operational grants for specific purposes - one for a language immersion public charter school serving middle- and high-school students and another to develop an athletic field and a community meeting space on the grounds of a public charter school providing a classical education for grades 5-12. The Council also transferred the Youth Re-Engagement Center out of the DME to the Office of the State Superintendent for Education, resulting in a \$473,000 decrease to the DME budget.

Office of Public Education Facilities Modernization (within Department of General Services): The 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 FY 2012, OPEFM was dissolved as a separate agency, and its functions were absorbed into the new Department of General Services (DGS). The FY 2015 DGS budget for management of public school facilities is \$32 million, a decrease of 31 percent, or \$14 million, when compared to FY 2014. This funding reduction should not impact services, however, and is a result of correctly assigning DGS staff positions whose main job is with the Department of Parks and Recreation to that agency’s budget.

The capital budget for DCPS — which is separate from the operating budget being discussed in this analysis — is \$434 million and includes general repairs, special education classrooms, and major renovations for 12 schools.

Office of the State Superintendent of Education: The Office of the State Superintendent of Education (OSSE) was created by the DC Public Education Reform Act of 2007. OSSE manages education functions typically operated at the state level in other jurisdictions, such as running child care subsidy and nutrition services, verifying student enrollment counts, and managing the statewide longitudinal education data system known as SLED. The FY 2015 general fund budget for OSSE is \$144 million, an increase of 8 percent, or \$11 million, from FY 2014.

The budget includes increased investments for the agency’s Office of Early Childhood Education, including an additional \$4 million to build the city’s early childhood Quality Rating and Improvement System (QRIS). The District is currently in the process of revising its QRIS, under which providers who meet certain requirements are given rating levels of quality (bronze, silver, gold). The rating system is voluntary – child care providers do not have to participate – but each center’s rating level determines the reimbursement rate it will receive for children in the city’s child care subsidy program.

The budget also adds \$5.2 million to the child care subsidy program for 200 additional child care slots that were created in FY 2014 but not fully funded. A significant barrier for community-based organizations and family home providers seeking to offer high-quality child care for infants and toddlers is the extremely low reimbursement rates available to them. Without adequate reimbursement, providers often struggle to keep up with rising costs and to continue providing quality child care. DC child care reimbursement rates were increased by 15 percent in FY 2014 for

providers serving infants and toddlers, but the rates still do not match the current cost of providing child care in the District. For more information, see the most recent [market rate survey](#).³

Funding for adult and family education and career and technical education will see an increase under the FY 2015 budget. In FY 2014, an agreement was created between OSSE and the Department for Employment Services for OSSE to provide basic adult education services with \$4 million of job training funds from DOES. This same agreement is not officially in place for FY 2015, but it is likely to occur. The OSSE budget also provides \$880,000 for additional career and technical education academies, and through Council actions, an additional \$340,000 was identified to support identification and documentation of learning disabilities for 200 adult learners. This can help improve outcomes for adult learners requiring special accommodations for their GED exams.

Many of the other apparent funding reductions listed in OSSE's budget are due to budget shifts within the agency rather than actual cuts in services. For example, funds for Community Learning appear to see a \$10 million cut, but those dollars were moved to the Teaching and Learning line item within the Office of Elementary and Secondary Education (ELSEC). The OSSE budget also includes a shift of \$4 million from ELSEC to the newly created Office of Wellness and Nutrition Services to fund the Healthy Schools Act, which provides financial incentives to DCPS and public charter schools that provide healthy meals to students. Another shift is \$8 million in IDEA Part C funds from the Office of Special Education to the Office of Early Childhood Education's Professional Development Assistance line item; these funds are intended to identify and provide early intervention services to infants and toddlers.

The Council found savings in tuition payments to private schools serving DC students with special needs and used that to provide \$200,000 for additional staff support for the McKinney-Vento services for homeless students. Another \$1 million in funding was found to sustain the Community Schools grant program that started as a pilot last year. The Council also shifted \$473,000 from the Deputy Mayor for Education's budget to OSSE to transfer the Youth Re-Engagement Center program to this agency. The Department of Employment Services will also provide \$350,000 in in-kind resources for this program. The re-engagement center will provide a centralized location for disconnected youth looking to further their education or find employment.

While not a part of the OSSE budget, OSSE also manages the following special education programs:

- **Non-Public Tuition.** This includes expenses for special education students who receive services from private providers, as well as expenses for students who are under the care of the Child and Family Services Administration and the Department of Behavioral Health who attend schools outside of the District. The fiscal year 2015 budget includes \$74 million for non-public tuition payments, a 9 percent decline from the FY 2014 budget of \$81 million. This decline is a result of fewer special education students being served in private placements and more returning to the public school system.

³ Available at:

http://osse.dc.gov/sites/default/files/dc/sites/osse/publication/attachments/FY2010_Rpt_Market_Rate_Study_102910Final.pdf.

- **Special Education Transportation.** The District provides transportation services for students with special needs. The fiscal year 2015 general fund budget is \$94 million, a 6 percent increase from FY 2014 and includes 1,510 full-time equivalent employees. Part of the funding increase is due to an increase in projected Medicaid reimbursement, with some of the new resources being allocated toward fleet management and upgrades to the routing system, such as GPS.

State Board of Education: Starting in FY 2014, the DC State Board of Education (SBOE) became its own public agency and no longer resides within the OSSE budget. The FY 2015 budget for the SBOE is \$1.2 million, a 31 percent increase over the current year's funding. The funding increase includes staffing for two new offices - three positions for the Office of the Ombudsman and two positions for the Office of the Student Advocate. These independent offices are responsible for helping students and parents access education resources and resolve problems as they engage with DCPS and public charter schools.

DC Public Library: Funding for the DC Public Library system is \$57 million, an increase of 4 percent, or \$2 million, from FY 2014. The proposed budget reflects additional funding to support mobile library services for incarcerated individuals.