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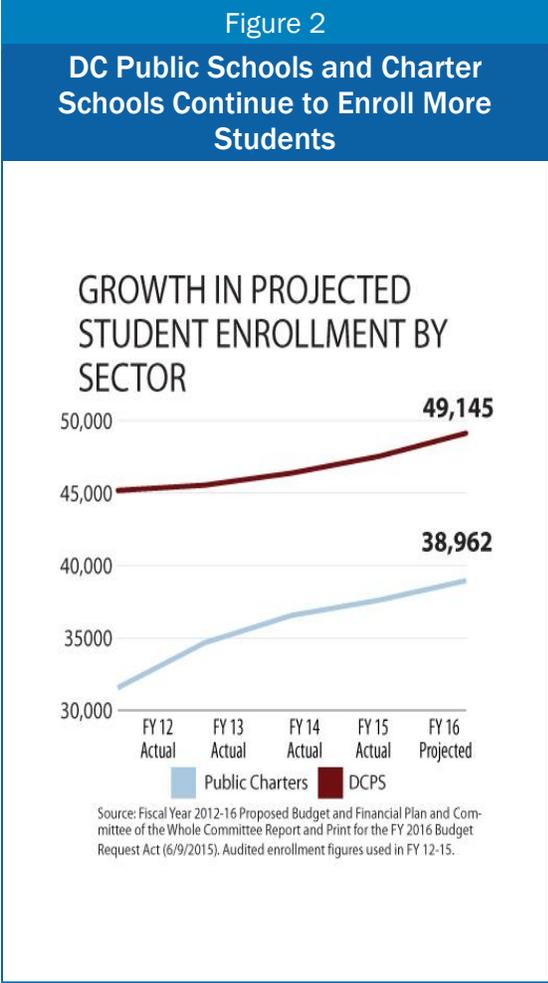
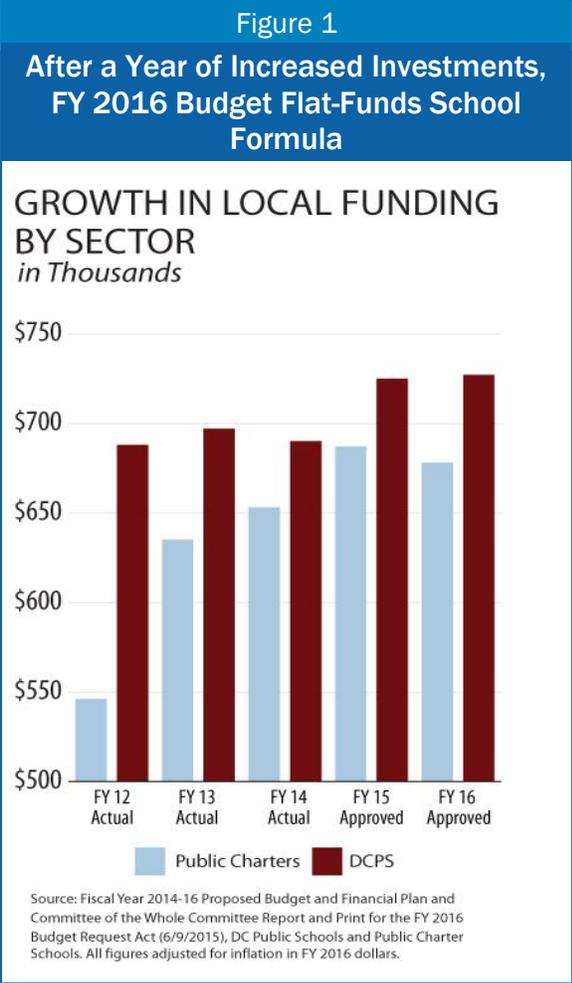
June 22, 2015

WHAT'S IN THE FINAL FY 2016 BUDGET FOR EDUCATION?

SUMMARY OF THE FINAL FY 2016 BUDGET

- The budget includes no changes to the main local funding source for DC Public Schools and Public Charter Schools, the Uniform Per Student Funding Formula. The base funding for general education students will remain at \$9,492 per student, and funding for additional needs, such as “at-risk” students, will also stay flat. After adjusting for inflation, this is a cut in funding to schools.
- DCPS will see an increase in funding tied to a projected 3 percent enrollment increase, and public charter schools will get funding for a 1 percent enrollment increase, adding up to over 88,000 students in both school systems.
- DC Public Schools’ at-risk funding will flow to schools proportionally – based on each school’s at-risk student population – meaning that each school will get its fair share of this funding. In the current school year, DCPS did not allocate “at-risk” funding this way. Schools will use funds for a variety of allowable purposes, including staffing, technology, and related arts programming.
- The DCPS budget includes reduced support for afterschool programming and an expansion of the “extended day” program, which adds an extra hour of instructional time to the school day.
- The budget increases funding for public charter schools’ facilities by \$2 million.
- The OSSE budget provides additional funding to expand the Community Schools program to two more sites. This model uses schools as central hubs for students and the larger community to access services such as physical and mental health care, afterschool programs, adult education, or early childhood supports provided by community-based partners.
- The OSSE budget includes \$1.6 million to create a new program targeted at third grade reading success.
- The budget supports the “Books from Birth” program, which will mail age-appropriate books monthly from birth to age five to all registered children.

The fiscal year (FY) 2016 budget maintains core funding for education for the 2015-2016 school year but does not allow for notable enhancements. Unlike last year, when education funding per pupil was increased substantially for DC Public Schools and DC public charter schools, the FY 2016 budget won’t give schools much of a boost. Schools will see more local funding next year, but only to meet the needs of the almost 3,000 more students expected to enroll (see **Figure 1** and **Figure 2**). The core school funding formula will remain flat-funded.



The budget includes \$1.9 billion in local funds for education and related services for children in pre-kindergarten through high school. Overall, the key agencies in the [public education budget cluster](#) will see a 0.1 percent decrease in local funding compared to FY 2015, after adjusting for inflation (See **Table 1**. Unless otherwise noted, all figures in this analysis are adjusted for inflation to equal FY 2016 dollars).

The city’s education budget includes the following local agencies:

- DC Public Schools
- DC Public Charter Schools
- Office of the State Superintendent of Education
- Deputy Mayor for Education
- DC Public Charter School Board
- DC Public Library
- Teachers’ Retirement System

- Commission on the Arts and Humanities
- University of the District of Columbia Subsidy Account
- State Board of Education

Table 1
Local Funding for Education, FY 2014 – FY 2016*

	FY 2014 Actual (in millions)	FY 2015 Budget (in millions)	FY 2016 Budget (in millions)	Change, FY 2015 to FY 2016
DC Public Schools	\$690	\$725	\$727	<1%
DC Public Charter Schools	\$653	\$687	\$678	-1%
DC Public Library	\$56	\$58	\$56	-4%
Deputy Mayor for Education	\$2	\$3	\$3	20%
Office of the State Superintendent of Education	\$133	\$139	\$138	-1%
Office of Public Education Facilities Modernization	\$47	\$33	\$32	-3%
Non-Public Tuition	\$81	\$76	\$74	-2%
Public Charter School Board	\$1	\$7	\$8	16%
Special Education Transportation	\$90	\$93	\$94	1%

*Source: Final FY 2016 Budget; all figures are adjusted for inflation to equal 2016 dollars. Not all agencies within the public education budget cluster are listed.

DC Public Schools: Funding Will Not Keep Up With Inflation, But Changes in Allocation of At-Risk Funds Will Mean More Resources for High-Poverty Schools

The budget for DC Public Schools is \$727 million, a less than 1 percent increase from FY 2015, after adjusting for inflation. The funding increase is lower than the expected DCPS enrollment increase of 3 percent, from 47,500 students in FY 2015 to 49,145 students projected for FY 2016. This reflects the fact that the Uniform Per-Student Funding Formula (UPSFF) used to generate the local funding for DCPS and charter schools will remain flat-funded, without even an adjustment for inflation.

As a result, DCPS will have less to spend per pupil than in FY 2015, in inflation-adjusted terms. Despite the flat-funded formula, DCPS worked to maintain money going directly to individual schools. The FY 2016 budget also makes significant reductions to DCPS central operations. For example, the central office staff managing DCPS afterschool programs will see a significant reduction of \$1 million and over 20 staff positions.

Funding for At-Risk Students: The FY 2016 budget ensures that resources intended to serve “at-risk” students will go next year to the schools the at-risk students attend, unlike in this school year. For school year 2014-15, the school funding formula was changed to create a new “at-risk” category. This followed a mayoral-commissioned study that recommended additional funding for students living in poverty. “At-risk” students are defined as those who meet any of the following criteria: homeless, living in foster care, over-age high school student, eligible for Temporary Assistance for Needy Families (TANF) or the Supplemental Nutrition Assistance Program (SNAP).

In FY 2016, there will be an estimated 24,000 at-risk kids enrolled in DC Public Schools, an 11 percent increase from the prior year. As a result, DCPS will receive a total of \$49 million in supplemental “at-risk” funding in the FY 2016 budget to help meet the needs of these students, including the cost of providing summer school.

In 2014-15, funding for at-risk students was not allocated by DCPS to schools according to the number of at-risk students in each school. Instead DCPS used the additional funds for a number of pre-planned initiatives determined by the Chancellor. Some of the uses were not well aligned with the needs of at-risk students.

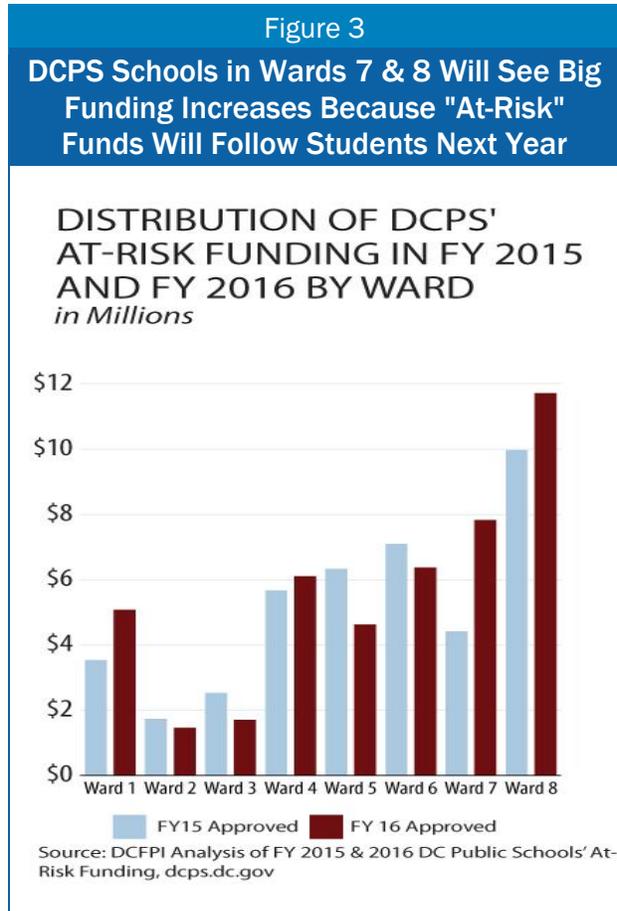
In response to public criticism, DCPS committed to allocating the at-risk funds to follow the student in 2015-16, meaning schools with large concentrations of low-income students will receive their fair share of these resources. Schools in Wards 1, 4, 7, and 8 will see more at-risk funding next year as a result of proper distribution (see **Figure 3**).

The DC Council adopted emergency legislation in 2015 to allow the DCPS Chancellor to have more control over how the at-risk funding was used, in contrast with a 2013 law that allowed each school to decide how to use these funds. DCPS gave each school a list of choices of how to use their at-risk dollars, including additional staff or supplies in certain areas.

A review of school budget allocations from DCPS shows that much of the funding will go towards extending the school day, for programming and supplies for art, music, and world language classes, and for middle and high school staffing. Like last year, some schools will use funds to promote “student satisfaction,” for activities such as field trips and mentoring programs. Some at-risk funds are also being used to provide staffing for specialized populations, such as special education students and English Language Learners.

Figure 4 provides a DC Fiscal Policy Institute analysis of how DCPS schools were allocated at-risk funding next year. (Note: The total is listed as \$45 million, rather than the full \$49 million in at-risk funds received by DCPS, because DCPS will use \$4 million of at-risk funds for centralized services to support low-income students.) The Council also required DCPS to submit an annual report of how at-risk funds will be spent.

Afterschool Programs: The DCPS budget includes an expansion of the “extended school day” program, a strategy that DCPS has piloted in recent years. A significant portion of DCPS’ at-risk

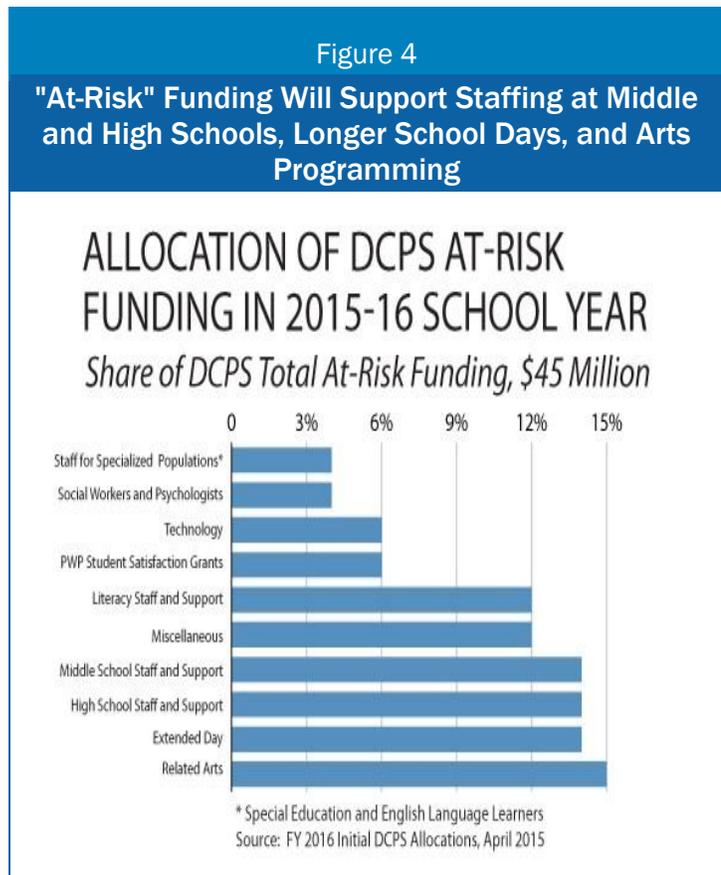


funding (\$6 million) will pay to add an hour of instructional time to the school day, until 4:15 p.m. About 25 schools opted for an extended school day in the 2014-15 school year, and this option will be extended to 65 schools next year. However, individual schools must decide to adopt an extended day and those decisions are still in flux. So it is not yet clear how many schools will agree to extend the day or how this strategy will affect the availability of afterschool programming next year.

Afterschool, or expanded learning, programs are different from extended school day. These programs involve community-based organizations that offer activities for children until 6:00 p.m. They can build on instruction that occurs during school and provide enrichment that schools are not able to provide in the regular school day. While principals will be allowed to offer both extended day and afterschool, the DCPS budget also includes reduced support for afterschool programming. The afterschool budget will see a reduction of \$800,000. According to DCPS' oversight responses, at least 20 schools will be losing their afterschool funds next school year.

The central office staff that supports DCPS' afterschool programming will lose over 20 staff positions. These reductions do not affect staffing in schools, but could impact the coordination and delivery of afterschool programs, since many schools rely on central office staff to coordinate the partnerships between schools and community-based providers to offer recreational and academic programs outside of the school day.

School Facilities: The FY 2016 capital budget for DCPS is \$348 million and includes general repairs and major renovations for 18 schools. In addition, four DCPS schools will be opened: Brookland Middle School, Burdick Elementary School, River Terrace Special Education Center (a consolidation of Sharpe Health and Mamie D. Lee Schools), and Van Ness Elementary School. A detailed schedule of all DCPS schools in line for modernization can be found in the [Final Education Committee Report](#).



DC Public Charter Schools: No Increase in Funding

The FY 2016 general fund budget for charter schools is \$678 million, a slight decrease from 2015, adjusting for inflation, despite a 4 percent projected enrollment increase, from 37,600 in FY 2015 to 38,962 in FY 2016. As noted above, the budget flat-funded the base per-pupil funding for students in DC Public Charter Schools, as it did for DCPS schools. This means that even though more students entered the system, when inflation is taken into account, funding for public charter school budgets will stay relatively flat.

Funding for At-Risk Students: An estimated 17,000 at-risk students will be served by charter schools in the 2015-2016 school year, a 10 percent increase from the current school year, resulting in a total of \$36 million in at-risk funding across charter schools. There are no restrictions on use of these funds or requirements that charter schools use at-risk funding specifically to serve at-risk students. The Budget Support Act requires an annual report on how at-risk funding will be used at charter schools, due to the Council in October 2015.

School Facilities: The budget increased local funding for charter school facility expenses by \$2 million, representing an increasing of 2 percent.

DC Public Charter School Board

The Public Charter School Board (PCSB) will see a 16 percent increase in local funding from FY 2015, with a budget of \$8 million.¹ The funding increase is mainly due to an increased administrative fee paid by individual public charter schools to PCSB. Last year, the fee was increased from 0.5 percent of the funds a charter school receives under the school funding formula to 1 percent.

Office of the State Superintendent of Education

The FY 2016 budget provides new funding to expand Community Schools, implement a program to improve nutritional standards at early childhood centers and homes, and invest in a new literacy program for students up through 3rd grade.

The FY 2016 general fund budget for OSSE is \$137 million, a decrease of 2 percent from FY 2015. OSSE was created by the DC Public Education Reform Act of 2007 to manage 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.

Some key changes within this agency include:

¹ According to the PCSB, the FY 2016 figures in the budget book are incorrect and based on old enrollment projections that overestimated the number of students projected to enroll in charters for the 2015-16 school year. The correct amounts were used in the DCFPI analysis.

- **Expansion of Community Schools Model:** Right now, [six DC grantees](#) have funding to develop a “Community School,” and the FY 2016 budget includes \$400,000 for two additional grantees, including one serving a significant homeless student population. The model uses the school setting as a community hub for social services and enriched learning opportunities for students and families. An additional \$66,000 was identified to support program evaluation of the Community Schools pilot.
- **Expired Federal Funding for the Statewide Longitudinal Education Data System (SLED):** SLED is OSSE’s tracking system for enrollment data and student demographics across the city’s education programs. The \$1.3 million in federal funding for the system is set to expire at the end of FY 2015, but no local funding was identified in the FY 2016 budget to maintain the program. During oversight hearings, OSSE committed to identifying internal funds to continue supporting the personnel and operation of the data system.
- **Restoration of Healthy Tots Nutrition Program for Young Children:** The budget provides \$3 million for the new Healthy Tots program, which is intended to improve the nutritional quality of meals and snacks at early education sites. Funding for Healthy Tots had been included in the budget for FY 2015, but that was eliminated in response to the city’s financial challenges. The FY 2016 budget thus allows this program to go into effect for the first time.
- **Launch of Early Literacy Grant Program:** The FY 2016 budget includes \$1.6 million to support an evidence-based program focused on third grade reading success. It will provide grants to private or nonprofit organizations to provide early literacy intervention services on a daily basis for students in Pre-K through 3rd grade.

DC Public Library

The DC Public Library (DCPL), encompassing a central library and 25 neighborhood libraries in its system, will be funded with \$56 million in local funds in FY 2016. The budget includes \$451,000 for the “Books from Birth” program, which will connect families to library resources, and mail an age-appropriate book to all registered children from birth to age five on a monthly basis.