

**Testimony of Marlana Wallace, Policy Analyst  
At the Public Hearing on the Budget  
DC Public Schools  
November 14, 2017**

Chancellor Wilson, thank you for the opportunity to submit testimony. My name is Marlana Wallace and I am a Policy Analyst at the DC Fiscal Policy Institute. DCFPI is a non-profit organization that promotes opportunity and widespread prosperity for all residents of the District of Columbia through thoughtful policy solutions.

DCFPI deeply believes that the District should invest enough resources “to ensure *all* students enter school ready to learn and leave school with the tools and skills the need to succeed in life,” as laid out in DC’s 2013 Adequacy Study.<sup>1</sup> We applaud the Chancellor’s intention to ensure the budget of DC Public Schools (DCPS) reflects and supports the priorities of the strategic plan.<sup>2</sup>

In keeping with this logic, we have outlined five recommended budget policy changes for the fiscal year 2019 DCPS budget, tied to the five strategic priorities.

- 1) **Promote Equity:** DCPS should leverage one of the most powerful budget tools available to increase the *equitable* distribution of resources, by ensuring all ‘at-risk’ funding is used as intended for targeted supports for qualifying students (this will require increased funding). DCPS also should consider re-naming the ‘at-risk’ funding weight.
- 2) **Empower Our People:** DCPS should ensure the Comprehensive Staffing Model accounts for planning periods, and publish a report early in the year (ideally by November) and mid-year after audit results are done, with actual class size data at the school level to *empower* teachers and families to identify staffing issues, compare with the standards outlined in the Comprehensive Staffing Model, and advocate for needed changes, prior to the DC Council’s Performance Oversight hearing.
- 3) **Ensure Excellent Schools:** DCPS should urge the Council and the Mayor to build an automatic adjustment for rising cost of living into the Uniform Per Student Funding Formula, to ensure that *excellent schools* are not forced to make cuts because of reduced purchasing power. To truly understand what it costs to support excellent schools, the District should also update the 2013 Adequacy Study, and reassemble the biennial technical working group to review the UPSFF in 2018.
- 4) **Educate the Whole Child:** DCPS should take immediate steps to improve the transparency and readability of the Initial School Budget Allocation Worksheets, by supplementing the existing breakdown of required positions and principal discretionary spending with a table that clearly connects ‘at-risk’ revenue with specific expenditures (see Appendix A). The resources required to *educate the whole child* and attend to social and emotional needs will vary by student and by school. ‘At-risk’ funding is a way to direct targeted social and emotional supports to low-income students who are facing higher barriers and coping with more trauma than their higher-income peers, and so it is essential that families, advocates and LSATs understand exactly how ‘at-risk’ funding is being spent at their school.
- 5) **Engage Families:** There must be a strong public process with meaningful opportunities for *family and community engagement* throughout the more minor budgeting changes planned for fiscal year 2019 and the major changes planned for fiscal year 2020. We are concerned that the decision to stop using a Comprehensive Staffing Model has been made without an opportunity to give input beforehand, such as in a public hearing and without a thorough explanation of the model’s shortcomings or the relative benefits and downsides of the alternatives considered. We second the recommendation of S.H.A.P.P.E. to assemble a standing budget advisory committee—comprising a diverse group of school leaders, community advocates, and parents—to inform decisions to change the funding method.

## Promote Equity: No Misuse of ‘At-risk’ Dollars

An estimated 43,579 DC students qualified for ‘at-risk’ funding in 2018 because they are in foster care, experiencing homelessness, overage for their grade, or their family receives TANF or SNAP. This means that about *half* of DC students are at risk of falling behind academically or growing up in families who are struggling to make ends meet.

‘At-risk’ dollars are important because they direct resources towards closing both economic and racial disparities in student outcomes. Economic and racial injustice are distinct and yet intertwined. The District is marked by substantial income inequality and by geographical separation of low-income and high-income students. Both of these affect the ability of schools and students to succeed. There are deep and persistent achievement gaps between students of relative wealth and economically disadvantaged students. There are also deep and persistent achievement gaps between white students and students of color, particularly for Black and Latinx students (*Figure 1*).

Addressing these inequities requires targeted resources. The ‘at-risk’ funding supplement is intended to give schools a powerful tool to increase equity. Schools should be able to leverage this money to provide *new* resources and expand important services to meet the specific needs of ‘at-risk’ students.

But how ‘at-risk’ funds are being allocated at the school level remains unclear, and there is evidence to suggest that the money is not being spent entirely as intended. In particular, some ‘at-risk’ funds are being spent on core services and positions that are promised at every school.

In a 2017 study of eight elementary schools, the District Auditor found that at least four of the schools used ‘at-risk’ funds to comply with basic staffing standards.<sup>4</sup> Based on the proposed FY 2018 budget, DCPS was planning to use nearly half of the dedicated “at-risk’ funding’ to pay for core functions instead of supporting additional, targeted resources like afterschool programs and evening credit recovery (*Figure 2*).

The approved budget for FY 2018 ultimately increased funding by three percent, and DCPS released a report this past September detailing the changes that increase would support. We appreciate this report, and the information it provides on overall investments of ‘at-risk’ funding, as well as the appendix with school specific positions.<sup>5</sup> But despite this report, we remain concerned that a substantial share of ‘at-risk’ funding is supplanting rather than supplementing the funding of core staff positions. For example, it is difficult to ascertain whether the arts teachers paid for with ‘at-risk’ funding were truly supplemental in keeping with the law, or should have been funded through base funding, as core positions based on the staffing requirements of the Comprehensive Staffing Model.<sup>6</sup>

DCFPI challenges the District’s leaders and DCPS to ensure that no ‘at-risk’ dollars for fiscal year 2019 supplant other funds to which the school is entitled in order to pay for core positions or services. Given that this has occurred in previous budgets, we expect that to meet this challenge will require DC Government to increase school funding beyond what is needed to keep up with enrollment and the rising cost of living. Schools should be funded adequately so that basic needs are met, without having to tap ‘at-risk’ funds.

In addition, ‘at-risk’ funds should be used to both improve the achievement of students who are struggling academically *and* on services that demonstrably improve the achievement of low-income students. The definition of ‘at-risk’ includes students who are both low-income and students who are academically behind grade level. Although these populations are certainly overlapping, not all low-income students are struggling academically, and not all students who are struggling academically are low-income. The inclusion of low-income measures in the definition of

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### QUOTE

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“Using funds ear-marked for a sub-group of students to benefit an entire group of students defeats the purpose of supplemental funding, if schools need to use those supplemental funds to be a compliant, it’s a sign that the model may not be fully funded.”<sup>3</sup>

-Kathy Patterson,  
Office of the District of Columbia Auditor

‘at-risk’ underscores the need to think beyond PARCC scores and strictly academic supports. For low-income students increased funding for Community Schools with wrap-around services, Restorative Justice Models in schools, and better mental health services may be particularly important.<sup>7</sup>

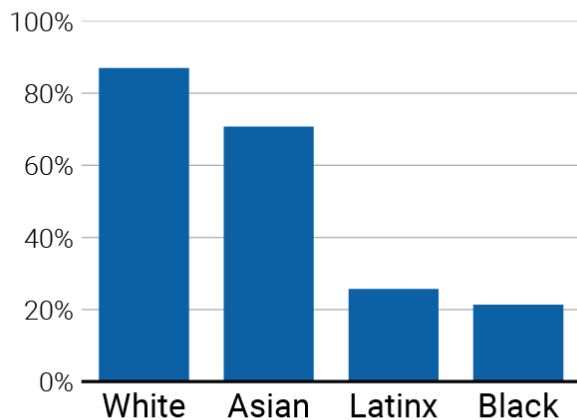
Beyond ensuring that ‘at-risk’ funds are fully supplemental to core school funding, DCFPI also encourages DCPS to consider re-naming this supplement. ‘At-risk’ funds are designed to promote equity: to ensure that low-income students get the same kinds of enriching opportunities and services as their higher-income peers, and to ensure that students who are struggling academically get the targeted supports they need to succeed in the classroom. The name ‘at-risk’ funding reflects its purpose to help students who are academically struggling, but does not communicate the full intent of this local investment to also address economic resource inequities. It is also a deficit-based name that does not speak to the strengths and potential of qualifying students and their families.<sup>8</sup>

To remedy this, DCFPI recommends that the Mayor, the DC Council, and DCPS engage in a community-based re-naming process to choose a new name for the weight that clearly communicates its full purpose to families, school leaders and education advocates.

FIGURE 1.

### Opportunity & Achievement Gaps in DC Schools Point to Racial Inequity

Share of high school students scoring at Level 4 or higher on English Language Arts in 2016.



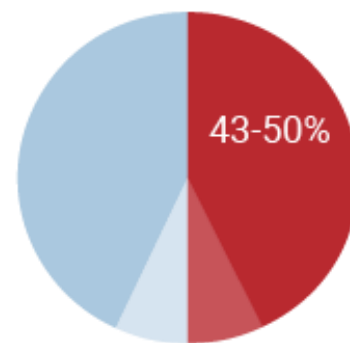
Note: Score refers to 2016-17 PARCC Scores.  
Source: Office of the State Superintendent of Education.

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FIGURE 2.

### Almost Half of DCPS ‘At-Risk’ Funds Used Incorrectly on Core Services in Fiscal Year 2018

Legend:  
■ Used to ‘Supplant’ Core School Function  
■ Targeted At-Risk Use  
■ Unclear



Source: Analysis of DCPS’ initial budget allocations for FY 2018 by Mary Levy, April 2017

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### Empower Our People: Release Actual Data on Class Sizes

One of the goals of implementing the Comprehensive Staffing Model was to ensure that all students had the same academic opportunities, as well as help enforce academic rigor and consistency across DCPS schools. The Comprehensive Staffing Model is used to determine the number of core teachers that a school needs by using selected teacher-student ratios by grade and each school’s projected student enrollment.

While the Comprehensive Staffing Model thus factors class size into budget development, it is not necessarily tied to how schools actually allocate teachers. Beyond that, DCPS does not provide data to families and teachers on actual teacher allocation and class size by school.

Class size makes a big difference to teachers in terms of satisfaction and job efficacy. It also helps families understand the daily life of their students.

DCFPI recommends that DCPS release actual class size data by teacher and by school early in the year, ideally by November, as well as mid-year after audit results are done and no later than DC Council's Performance Oversight hearings. Doing so would help families understand how the Comprehensive Staffing Model shapes the classrooms of their students, as well as empower them to advocate for mid-year adjustments as needed.

Releasing actual class size data would also help clarify for advocates whether the Comprehensive Staffing Model accounts for planning periods. If it does not, that effectively means teachers are educating larger classrooms than are listed in the model. If planning periods are not built into the model, then each teacher's class will have to be a little larger to accommodate the students who otherwise would have been taught by the teacher engaged in planning.

### **Ensure Excellent Schools: Build Rising Cost of Living into the UPSFF and Update Cost Modeling**

DCFPI's analysis of the proposed FY 2018 budget found that increases to school funding have not kept pace with the rising cost of living since the Great Recession.<sup>9</sup> The Council Budget Office also found that there has been little rationale for the level of school funding increases in recent years, noting that "after [fiscal year 2008] there appears to be little relationship between the average rate of inflation and the increase to the UPSFF...[and] between the increase to the UPSFF and enrollment."<sup>10</sup> The recent report by the DC Auditor revealed that the "DCPS budgets for elementary schools did not keep pace with inflation between FY 2015 and FY 2017, which means that many schools lost purchasing power when making staffing decisions. In seven of the eight schools studied, the initial budget was less on a per-student basis in FY 17 than FY 18."<sup>11</sup> All these reports point to a big issue.

To prevent this from happening in the future, DCFPI recommends that the Mayor, DC Council and DCPS work together to build an automatic cost of living increase into the Uniform Per Student Funding Formula, using the Consumer Price Index.

DCFPI also recommends the Mayor, DC Council and DCPS commission an update of the 2013 Adequacy Study, which was originally published to estimate what it would truly cost to give every student in the District the tools they need to succeed in life. When the study was published in 2013, it recommended "DC government should undertake a rigorous assessment of the adequacy of education funding through the UPSFF every five years."<sup>12</sup> As it will soon be 2018, it is time to revisit and improve upon the cost-model.

It is also time to reassemble the bi-annual review of the UPSFF and recommend necessary changes, as required under the Fair Student Funding and School Based Budgeting Amendment Act of 2013. *"Beginning January 30, 2016, the Mayor shall submit to the Council a report every 2 years that reviews the Formula and includes recommendations for revisions to the Formula based upon a study of actual costs of education in the District of Columbia, research in education and education finance, and public comment...The Office of the State Superintendent for Education shall be responsible for the development of the report...and shall convene a working group, which shall be comprised of, at a minimum, representatives from DCPS, public charter schools, and the public, to solicit input and recommendations regarding revisions to the Formula."*<sup>13</sup> The Recommendations of the 2013 Adequacy Study also cite the need to reconvene the OSSE working group.<sup>14</sup>

DCFPI recommends that the Mayor and OSSE take immediate steps to assemble a working group, as was done in 2016.<sup>15</sup>

## Educate the Whole Child: Greater Transparency of ‘At-Risk’ Dollars at the School Level

Although important progress has been made by DCPS to make school budgets more transparent in recent years, tracking the allocation of funds remains difficult, and particularly so for ‘at-risk’ funds. The resources required to educate the whole child and attend to social and emotional needs will vary by student and by school. ‘At-risk’ funding is a way to direct targeted social and emotional supports to low-income students who are facing higher barriers and coping with more trauma than their higher-income peers, and so it is essential that families, advocates, and Local School Advisory Teams (LSAT) understand exactly how ‘at-risk’ funding is being spent at their school. While school leaders and LSATs are expected to play a role in shaping their school’s budget each year, the lack of transparency does not allow them to engage in meaningful discussions over how best to use ‘at-risk’ funds to improve student outcomes at their school.

Below is the original bill language outlining the intended process for the allocation of ‘at-risk’ funds:

*“Direct no less than 90% of the [‘at-risk’] funds allocated to DCPS to school-level budgets and distribute such funds to schools proportionally based upon the number of ‘at-risk’ students within each school’s projected student count. Funds...shall be available to the principal to use at the principal’s discretion, in consultation with the school’s local school advisory team, for the purpose of improving student achievement among ‘at-risk’ students; provided, that the principal submits to the Chancellor and makes publicly available a written plan explaining with particularity how the use of the funds will improve student achievement among ‘at-risk’ students before the use of any such funds. The Chancellor may review and amend the plan as submitted by a principal. If the Chancellor amends a plan as submitted by a principal, the Chancellor shall provide the principal with a written justification for the amendment.”<sup>16</sup>*

Currently, the Chancellor has more control. Although every school principal was given some ‘at-risk’ funds this year to use for discretionary spending, “DCPS centrally attributed *most* [emphasis added] of the initial ‘at-risk’ funds to specific positions and programs that are part of district-wide initiatives that address the academic achievement of ‘at-risk’ students” in the Initial School Budget Allocation Worksheets released in February.<sup>17</sup> This limits the amount of funding principals and LSATs can use at their discretion to fund their school-specific plan to address student achievement for students who qualify for ‘at-risk’ funding. In many cases, it seems principals and LSATs are unaware of how much ‘at-risk’ funding their school receives or do not understand what it can be used for.

Beyond that, the Initial School Budget Allocation Worksheets are not laid out in a way to make the level of ‘at-risk’ funds clear. The worksheets for this year show two columns of detailed information: Comprehensive Staffing Model Required Positions and Principal Discretionary Spending. However, the expenditures listed under “Principal Discretionary Spending” are not broken out by revenue source, such as ‘at-risk’ funds, which contributes to the perception that ‘at-risk’ funds are being used to fund required positions. Part of the confusion may stem from the fact that principals are required to use portions of their ‘at-risk’ funds for district-wide initiatives, so the required/discretionary split does not align with the intended separation of different local revenue streams: base funding, ELL funding, special education funding and ‘at-risk’ funding.

School budget profiles should include clear, transparent explanations for how much “at-risk’ funding’ each school is allocated, as well as how it’s being spent on both District-wide initiatives and on services selected by that school. DCPS should take immediate steps to improve the transparency and readability of the Initial School Budget Allocation Worksheets, by supplementing the existing breakdown of required positions and principal discretionary spending with a table that clearly connects revenue sources with specific expenditures (see Appendix A for an example). If it proves too difficult to do for all four local revenue sources, please begin with ‘at-risk’ funding.

We also recommend that DCPS offer a guide of ‘at-risk’ spending options that each principal and LSAT can choose from, with the opportunity to add or modify this list of evidence-based investments that improve the achievement and wellbeing of low-income and academically struggling students.

Increased budget transparency and these suggested process changes will facilitate greater decision-making of school leaders in future years to move schools towards a bottom-up approach as outlined in the original legislation, as well as a process that better connects written plans with the resources to implement them.

### **Engage Families: Meaningful Public Process for Fiscal Year 2020 Budget Changes**

There must be a strong public process with meaningful opportunities for family and community engagement throughout the more minor budgeting changes planned for fiscal year 2019 and the major changes planned for fiscal year 2020. We fully support the goal to increase equity in the school funding formula. But we are concerned that the decision to stop using a Comprehensive Staffing Model was made without an opportunity to give input beforehand, such as in a public hearing, and without a thorough explanation of the model's shortcomings or the relative benefits of the alternatives considered. In addition, the new proposed funding model will have its own shortcomings that should be made clear to DCPS stakeholders.

We second the recommendation of S.H.A.P.P.E. to assemble a standing budget advisory committee—comprising a diverse group of school leaders, community advocates, and parents—to inform decisions to change the funding method. This recommendation is supported by the need to reconvene an OSSE working group to address the UPSFF and the need to update the Cost of Student Achievement: Report of the DC Education Adequacy Study

We look forward to learning more about how the proposed Student Based Budgeting system for fiscal year 2020 will be adjusted to ensure small schools, schools with declining enrollment, and others do not suffer egregious budget cuts, as well as why those adjustments are preferable to the Comprehensive Staffing Model.

Thank you.



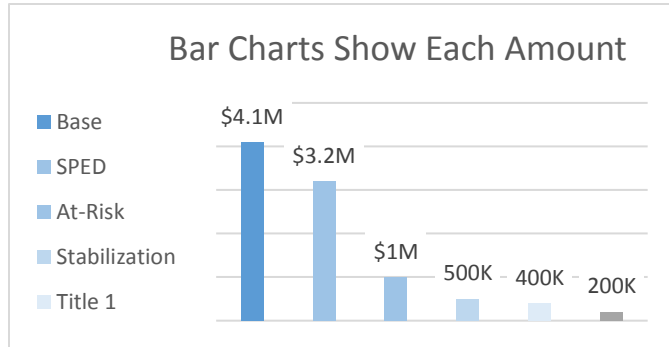
## APPENDIX A

### Example Initial School Budget Worksheet

#### Anacostia HS

Fiscal Year 2019 (FY19) Initial Allocation

\$X.XM total budget  
 -XXXXK from prior year  
 XXX total enrollment  
 -XXX change in enrollment  
 XX% 'at-risk' %  
 \$XXX total 'at-risk' funds



Position	# of Required Positions	Expenditure Type	Revenue Fund	Budget Amount
<b>School Leadership</b>				
Principal	1	Required	Base Local Funding	\$170,000
Assistant Principal	1	Required	Base Local Funding	\$140,000
Assistant Principal	1.4	Discretionary	At Risk Funding	\$193,398
<b>General Education</b>				
Total General Ed	25	Required	Base Local Funding	\$2,400,000
<b>Special Education</b>				
Aide	12	Required	SPED Local Funding	\$400,000
Special Education Teacher	21	Required	SPED Local Funding	
<b>English Language Learner</b>				
Teacher ELL	.5	Required	ELL Local Funding	\$5,000
Social Worker	4	Required	Base Local Funding	\$450,000
Social Worker	1	Districtwide 'at-risk' (Petition-able)	At Risk Funding	\$90,000
Behavioral Technician	3	Districtwide 'at-risk' (Petition-able)	At Risk Funding	\$135,000
<b>Schoolwide Instructional Support</b>				
Instructional Coach	1	Required	Federal Title 1	\$97,000

Etc.

Funding Source	Total
Local Base Funding	XM
At Risk Funding	XXXXK
Special Education Funding	XXXXK
English Language Learner	XXXXK
Federal Title 1	XXXXK

Expenditure Type	Total
Required	XM
Districtwide 'at-risk' (Petition-able)	XM
Discretionary	XXXXK

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- <sup>1</sup> Deputy Mayor for Education, “[Cost of Student Achievement: Report of the DC Education Adequacy Study](#)”, December 2013
- <sup>2</sup> DCPS, “[Every Student. Every School. Every Day: A Capital Commitment Strategic Plan, 2017 – 2022](#)”
- <sup>3</sup> Office of the District of Columbia Auditor, “Auditor: Schools Largely Comply with Comprehensive Staffing Model, But All Used “At-Risk” Funds to Meet Staffing Goals” [Press Release](#), October 2017, p.1
- <sup>4</sup> Office of the District of Columbia Auditor, “[Auditor: Schools Largely Comply with Comprehensive Staffing Model, But All Used “At-Risk” Funds to Meet Staffing Goals](#)”, October 2017
- <sup>5</sup> [DC Public Schools Report for the FY2018 Budget Support Act of 2017](#), August 2017
- <sup>6</sup> “Funds allocated pursuant to subsection (a)(3) of this section shall be supplemental to the school's gross budget and shall not supplant any Formula, federal, or other funds to which the school is entitled.” (“[Fair Student Funding and School Based Budgeting Amendment Act of 2013](#)”)
- <sup>7</sup> DCFPI, “[Unlocking Opportunities: Services That Help Poor Children Succeed in the Classroom](#)”, July 2014.
- <sup>8</sup> Pica-Smith, C., & Veloria, C. (2012). "At Risk Means a Minority Kid:" [Deconstructing Deficit Discourses in the Study of Risk in Education and Human Services](#). *Pedagogy and the Human Sciences*, 2 (1), 33-48.
- <sup>9</sup> DCFPI Budget Toolkit, Education, “[What’s in the Fiscal Year 2018 Budget for Education?](#)”
- <sup>10</sup> Committee of the Whole Report on the Bill 22-242
- <sup>11</sup> Office of the District of Columbia Auditor, “Auditor: Schools Largely Comply with Comprehensive Staffing Model, But All Used “At-Risk” Funds to Meet Staffing Goals” [Press Release](#), October 2017, p.2
- <sup>12</sup> Deputy Mayor for Education, “[Cost of Student Achievement: Report of the DC Education Adequacy Study](#)”, December 2013
- <sup>13</sup> [Fair Student Funding and School Based Budgeting Amendment Act of 2013](#)
- <sup>14</sup> “The Office of the State Superintendent of Education (OSSE) should reconvene the technical work group (TWG) to monitor the base and weights of the UPSFF and identify, study, and make recommendations on any issues that impact the effectiveness and efficiency of these mechanisms and any concerns that raise questions about their adequacy, equity, uniformity and transparency.” Deputy Mayor for Education, “[Cost of Student Achievement: Report of the DC Education Adequacy Study](#)”, December 2013, p. 150
- <sup>15</sup> OSSE, “[OSSE’s Report on the Uniform Per Student Funding Formula](#)”, January 2017
- <sup>16</sup> [Fair Student Funding and School Based Budgeting Amendment Act of 2013](#), p. 4
- <sup>17</sup> [DC Public Schools Report for the FY2018 Budget Support Act of 2017](#), August 2017, p. 9