



Independent Research. Poverty Solutions. Better DC Government.

**Testimony of Alyssa Noth, Policy Analyst
At the Performance Oversight Hearing of
District of Columbia Public Schools
Committee of the Whole and Committee on Education
February 19, 2020**

Chairperson Mendelson, Grosso, and members of the committee, thank you for the opportunity to provide testimony. My name is Alyssa Noth, and I am a Policy Analyst at the DC Fiscal Policy Institute (DCFPI). DCFPI is a non-profit organization that promotes budget choices to address DC's racial and economic inequities through independent research and policy recommendations.

Today I will focus my testimony on the inadequacy of the education budget and DCPS's misleading school budgeting practices.

The Education Budget Should Be Tied to Rising Costs and Expert Recommendations

DCFPI applauds the Mayor's announcement to increase the Uniform Per Student Funding Formula (UPSFF) by four percent, one of the largest increases in recent years. This is a step in the right direction towards ensuring all DC students have the resources they need to thrive.

Nevertheless, under the Mayor's current proposal, the education budget is still below the recommended level in the 2013 DC Education Adequacy Study. DCFPI found a seven percent adequacy gap between the current fiscal year (FY) 2020 UPSFF base and expert recommendations, adjusted for inflation.¹ Closing this gap in two years, by FY 2022, would require at least a 3.5 percent increase each year, plus anticipated inflation. For FY 2021, standard inflation is expected to be 2.5 percent, necessitating a total increase of six percent this year to put DC on track to closing the adequacy gap in two years.

Yearly increases to the UPSFF should be predictable and based on actual needs. The District has a tool to estimate how much it would cost in the coming year to fund current programs and services—the Current Services Funding Level (CSFL) prepared every fall by the Chief Financial Officer (CFO). In recent years the CSFL has included nearly every part of the District budget except for DC public schools and public charter schools. This change obscures the level of funding needed to keep up with growing educational expenses from enrollment growth, inflation, and rising teacher expenses.

There is no reason DC shouldn't operate within a rational budget-setting process that gives all schools what they need, provides additional funds to address inequity, and increases from year to year to keep up with known costs. The DC Council and the Mayor should require the CFO to develop a CSFL for the education budget.

DCPS's Initial Fiscal Year 2021 School Budgets Are Misleading

The District cannot close the adequacy gap without accurately estimating year-to-year funding changes. Last year, the Mayor proposed a 2.2 percent increase in FY 2020, down from a year-over-year 3.9 percent increase in FY 2019. This body increased the Mayor's proposed FY 2020 UPSFF base from 2.2 to three percent in the Budget Support Act of 2019. The subtitle rightly required DCPS to use \$5.35 million of its FY 2020 UPSFF allocation to 31 schools whose budgets would have been significantly cut due to declining enrollment.² However, DCPS did not use these schools' updated final budgets as the starting point for building their FY 2021 budgets, based on DCFPI's analysis of school-level budgets for school year 2020-21.

As a result, some of the FY 2021 initial school budgets represent an artificially inflated year-over-year budget increase. A closer look reveals the budgets of Excel Academy, Ballou High, Hendley Elementary, Nalle Elementary School, and Raymond Education Campus will decrease next year, under the Mayor's budget proposal and Chancellor's allocation, even though DCPS claimed an increase in the narrative section of each of their budgets.

This body, DCPS, families, and advocates all want DC's public school students to attend well-resourced schools where all kids have what they need to meet academic achievement expectations. Transparent budget-setting is a key first step to getting this right. We urge DC Council to hold DCPS accountable for clear and consistent school budgets. At a minimum, actual DCPS school budgets should be updated with UPSFF and central office additions and publicly posted on the DCPS Data Center website.

Thank you, and I'm happy to answer any questions you may have.

¹ Alyssa Noth, "Educational Equity Requires an Adequate School Budget: Steps to Fund Educational Success in the District," DC Fiscal Policy Institute, December 2, 2019, <https://www.dcfpi.org/all/educational-equity-requires-an-adequate-school-budget/>

² D.C. Law 22-168. Fiscal Year 2020 Budget Support Act of 2019. "Funding for Public Schools and Public Charter Schools Increase Amendment Act of 2018"