

## Greater Investments in Public Education Still Fail to Set a Roadmap for Transformation and Equity

By Qubilah Huddleston

Policymakers approved new investments to support students inside and outside the classroom. The budget increases the Uniform Per Student Funding Formula (UPSFF) by 3.7 percent and adds new supplemental funding weights for students who are low-income and English Learners (EL). The budget also includes additional investments in school-based mental health resources and academic recovery strategies such as high-dosage tutoring and out-of-school time programming. Policymakers were able to make such investments largely due to \$386 million in education recovery funds that DC received through the American Rescue Plan (ARP).

Still, the approved budget fails to set a roadmap for transforming DC's education system as city leaders take steps to recover from the setbacks of the pandemic. The pandemic has disproportionately harmed low-income and Black and brown children and families, threatening to deepen DC's already wide and persistent disparities in student learning. Many schools have not been allowed to use their federal dollars to hire additional staff, such as math and reading specialists, counselors, and social workers, to tackle the learning and social-emotional needs of low-income and Black and brown students. Some school buildings still do not have functional HVAC systems as students file back into classrooms after a year and a half of distance learning.<sup>1</sup> Schools in Wards 7 and 8 continue to await modernization while the city prepares to open up new schools in Ward 3 where wealthy, white residents have self-segregated.<sup>2</sup> Overall, detailed information about how the District is investing and monitoring the use and expected outcomes of these investments are sparse or buried in opaque budget documents. DC policymakers and top education officials need to work more closely with impacted communities to set a multi-year, long-term vision to eliminate inequities in student experiences and outcomes.

### DC Received \$386 Million in Federal Funds for Pandemic Recovery, But Public Details on How Officials are Spending Funds Are Vague

The ARP gave DC \$386 million in federal Elementary and Secondary School Emergency Relief (ESSER III) funds to help the city safely reopen schools and to make multi-year investments in academic and health supports for students. DC Public Schools (DCPS) received \$194.9 million and public charter local education

#### FISCAL YEAR 2022 APPROVED BUDGET SUMMARY: PREK-12 EDUCATION

- Leverages \$386 million in federal Elementary and Secondary School Emergency Relief funds from the American Rescue Plan.
- 3.7 percent increase to the Uniform Per Student Funding Formula, bringing the non-adjusted per-student base to \$11,730.
- \$22 million increase for alternative students, English learners, and students who are considered "at-risk."
- \$22 million to expand student access to Out-of-School-Time programs.
- \$11 million to add 83 more schools to the District's School-Based Mental Health program and to strengthen other student-focused behavioral health services.
- Funds a full-time librarian for every DC Public School.
- Phases out school resource officers from all public schools beginning summer 2022.

agencies (LEAs) received a total of \$152.8 million, meeting ARP’s requirement that 90 percent of education recovery dollars must go directly to LEAs.<sup>3</sup> The remaining ten percent, \$38.6 million, went to the Office of the State Superintendent of Education (OSSE) to fund state-level initiatives to address students’ educational needs.

DCPS directly allocated \$20.8 million ESSER III funds to schools in their fiscal year (FY) 2022 budgets based on schools’ enrollment and percentage of “at-risk” students. DCPS appears to have allowed schools to determine the best use of the funds to address their students’ unique needs.<sup>4</sup> DCPS has not yet shared information on how schools have invested their funds, and available information about the system’s overall ARP spending plan is vague. Similarly, there is limited public information on how and for what purposes public charter LEAs are allocating funds to individual schools.

ESSER III spending rules require DCPS and public charter LEAs to each reserve 20 percent of their funds to invest in evidence-based, academic recovery strategies, like high impact tutoring.<sup>5</sup> OSSE is required to reserve at least five percent of its funds for similar strategies. The budget requires OSSE to use ESSER III funds to establish a multi-year learning loss grant program, mandating that OSSE allocate at least \$10 million in grants in FY 2022.<sup>6</sup> OSSE may award these grants to DCPS, public charter LEAs, or community-based organizations.

The budget also invests ESSER III funds in other resources such as technology for students and educators, outdoor learning, Safe Passage — a program designed to help students get to and from school more safely — and work-based learning programs for middle and high school students in FY 2022 and beyond. The budget may also include flexible (non-ESSER) ARP funds to meet these and other student needs, but given the opaqueness of available documents, it is unclear to what extent this occurs.

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#### **ARP Rules Set Historic Precedent for School Funding Equity Amid Economic Downturns**

The ARP includes a maintenance of equity (MOEquity) provision meant to ensure that state and local education agencies receiving ESSER III funds do not make disproportionate state and local funding reductions for high-poverty districts and schools in FY 2022 and 2023. Following the Great Recession, many states slashed public investments in education due to plummeting revenues, hurting high-poverty districts and schools the most.<sup>7</sup> Thus, MOEquity establishes a historic precedent in explicitly requiring states and school districts to use fiscal recovery strategies that are not at the expense of low-income children’s educational futures.

DCPS and public charter LEAs must maintain equity for their top 25 percent highest-poverty schools. There are 44 schools for which MOEquity must be maintained, with 30 in DCPS and 14 in the public charter sector, according to OSSE.<sup>8</sup> The DC Council should ask DCPS and public charter LEAs to submit information for the 2022 performance oversight hearings that details whether they adhere to the MOEquity provision.

### **Budget Increases Per-Student Funding, Leverages Federal Dollars to Stabilize School Budgets**

The budget increases the UPSFF by 3.7 percent, raising the per-student base to \$11,730 from \$11,310. Adjusted for inflation, however, the new per-student base is just one percent higher than the FY 2021 level. The UPSFF is the District’s main tool for funding all DCPS and public charter school LEAs.<sup>9</sup> The local budget includes \$1.01 billion for DCPS, which is a half percent less than the system received in FY 2021,

adjusted for inflation. Public charter schools will receive \$1.01 billion, which is five percent more than charter schools received in FY 2021.

The budget also helps protect DCPS and select public charter schools against budget cuts that would otherwise occur due to projected enrollment declines fueled by the pandemic. By law, DCPS must not cut schools budgets by more than five percent, year-over-year. This year, however, the budget provides funding to hold all DCPS school budgets harmless so that none see a cut compared to their FY 2021 levels. Adult, early childhood, and residential public charter schools will receive \$10.2 million in local stabilization funding to support schools that had funding cuts of more than five percent in FY 2021. DCPS will receive a total of \$26.5 million in stabilization dollars. The budget uses \$12.5 million in local funding and \$14 million in ESSER III funding for this purpose.

The approved budget represents a marked improvement from DCPS’s initial proposed budgets released in February. Many DCPS schools were initially facing budget cuts when the Mayor announced her proposal. Because of these potential cuts, many schools were at risk of having to let go of key staff, namely librarians — reflecting an ongoing pattern that has disproportionately hurt schools in Wards 7 and 8. The approved budget reallocates \$3.3 million from the DCPS enrollment reserve to fund a full-time librarian at every school for school year 2021-22.

Even with annual UPSFF increases, the District is still failing to fund schools adequately. Policymakers are not funding the UPSFF at the level school finance experts recommended in the 2013 DC Adequacy Study (*Figure 1*). Further, given the ways the pandemic has increased the cost of safely educating students, the cost of adequately and equitably educating students in the District has likely increased. The District needs to improve school finance practices to update adequacy standards for current expenses and ensure that, at a minimum, annual increases to the funding formula keep up with those expenses.

School funding inequities also persist because of LEA-level budgeting practices. DCPS’s existing school budget allocation model inadequately protects the budgets of neighborhood schools, particularly those east of the Anacostia River, that continue to see their budgets shrink due to declining enrollment. DCPS budgeting officials should make sure that the new school funding model that will be established for FY 2023 not only provides more year-to-year budget stability, but also gives schools more flexibility to create innovative and community-informed learning opportunities for low-income students and students of color.

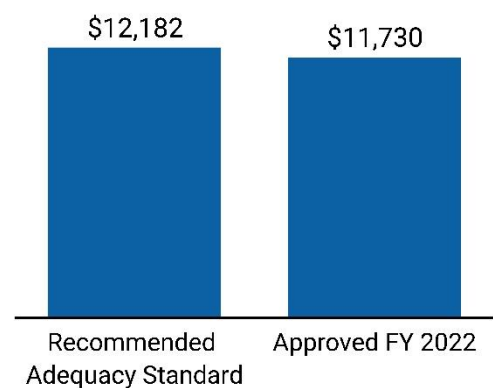
### Budget Adopts 2020-21 UPSFF Working Group’s Recommendations to Increase Funding for Students Furthest from Opportunity

The approved budget provides an additional \$22 million in supplemental funding for alternative students, students who are considered “at risk” of academic failure — the majority of whom are Black and Latinx — and ELs. The city adopted key recommendations from the 2020-21

FIGURE 1.

### Policymakers Fail to Close Adequacy Gap in Per-Student Spending

Uniform Per Student Funding Formula, by Fiscal Year



Note: Recommended Adequacy Standard has been adjusted for inflation. Source: Approved Fiscal Year 2021-2022 Budget and Financial Plans; DC 2013 Adequacy Study

UPSFF Working Group, which was tasked with making recommendations to OSSE on how the District can better ensure adequacy and equity in per-student funding and student outcomes.<sup>10</sup>

The budget establishes a new supplemental weight for over-age high school students who are the furthest behind among groups within the “at-risk” category (*Table 1*). Importantly, over-age high school students will receive both the new and standard “at-risk” weights, for a total weight of .30. The budget also makes changes to the EL weight, eliminating the single weight and replacing it with two separate weights for elementary and middle school students.<sup>11</sup>

The Deputy Mayor for Education (DME) projected that DCPS will lose five percent of its “at-risk” student population in FY 2022. Still, due to the weight improvements, DCPS will receive a total of \$66.9 million in “at-risk” funds, which is four percent more than DCPS’s total “at-risk” funding in FY 2021, adjusted for inflation. “At-risk” student enrollment at public charter schools is expected to grow by 11 percent, likely driven by the opening of several new schools. The charter sector will receive \$55 million in “at-risk” funding, which is 21 percent more than the sector received in FY 2021.

TABLE 1.

**Budget Increases UPSFF Supplemental Funding for Students Furthest from Opportunities**

Weight	FY 2021 Approved Weight (\$)	FY 2022 Approved Weight (\$)	Per Pupil Difference (\$)	Number of Students Benefitting in Both Sectors
<i>Alternative</i>	1.445 (\$16,791)	1.52 (\$17,830)	0.075 (\$1,038)	2,100
<i>“At-Risk”</i>				
All “At-Risk” Students	0.2256 (\$2,622)	0.24 (\$2,815)	0.01 (\$194)	42,466
Over-age High Schoolers	N/A	0.06 (\$704)	N/A	4,400
<i>English Learner</i>				
PreK 3-4, Elementary	0.49 (\$5,694)	0.50 (\$5,865)	0.01 (\$171)	7,932
Middle High	0.49 (\$5,694)	0.75 (\$8,798)	0.26 (\$3,104)	3,877

Note: FY 2021 values have been adjusted for inflation. To calculate the additional funding that DCPS and public charter schools receive on a per-student basis from the supplemental weights, the numerical value of the supplemental weight is multiplied to the UPSFF base value. For example, schools currently receive an additional \$2,622 per student who is deemed “at-risk,” reflecting the .2256 “at-risk” weight multiplied by the FY 2021 UPSFF base level of \$11,620. High school students who are over-age will receive both “at-risk” weights for a total of .30 in FY 2022. Alternative EL students, adult EL students, and EL students in grades 6 through 12 at a special education school will also receive the new secondary EL weight of .75.

The budget includes \$54.5 million in EL funding for DCPS. Notably, despite the DME projecting that DCPS’s EL population will decline by 11 percent, the budget still increases DCPS’s EL funding by six percent. This increase is largely driven by the new supplemental UPSFF weight that funds EL secondary students 53 percent higher than they were funded in FY 2021. The budget allocates \$26.1 million in EL funding for the public charter sector, which is 30 percent more than public charter schools received in FY

2021. The DME projects that the EL population in the charter sector will grow by seven percent in FY 2022.

### Unsound Allocation and Oversight Processes Limit Reach of Supplemental Increases

DCPS funnels a large portion of its "at risk" and EL funding through its Comprehensive Staffing Model (CSM)—DCPS's model for allocating general education resources to schools—rather than layering them onto schools' base budgets as supplemental funding. On the whole, this means that most "at-risk" and EL students are unlikely to feel any real benefit of the weight increases in classrooms this fall. DCPS has routinely broken DC law, diverting almost half of its "at-risk" money to fund the CSM at schools, especially at schools serving majority low-income and Black students.<sup>12,13</sup>

DCPS has relied on this budgeting practice for two

reasons. One is the District's ongoing failure to adequately increase the DCPS budget to keep up with rising costs and the other is its failure to reform how school funds are allocated. Given that the approved budget neither meets UPSFF adequacy standards nor reforms the CSM, supplantation is likely to continue, undermining the purpose of supplemental funding.



PHOTO BY ALLISON SHELLEY FOR EDUIMAGES

The failure of city leaders to practice strong budget oversight for DCPS and charter LEAs compounds the problem. The DC Public Charter School Board's method for tracking public charter LEAs' use of "at-risk" funds is more limited, and not every LEA participates in the data collection process, according to previous analysis by the DC Auditor.<sup>14</sup> These data limitations have made it challenging for policymakers and the DC Fiscal Policy Institute to comprehensively understand how charter LEAs use "at-risk" funds.<sup>15</sup>

The District missed a significant opportunity to transform its public education system and meaningfully advance educational equity. The city could have leveraged federal relief dollars to put a down payment on transforming the way DC funds LEAs and individual schools and how supplemental dollars reach students who have less access to opportunity. For example, policymakers could have used federal dollars, at least temporarily, to meet UPSFF adequacy standards and reform the allocation process to ensure that LEAs are following the law on "at-risk" funding. They could have built momentum towards a permanent fix, sustained with local dollars and shaped by lessons learned. While schools are receiving federal relief dollars, the opaqueness of available documents makes it challenging to identify to what extent students will benefit directly.

If DC is to repair the harm of both the pandemic and DC's legacy of racial and economic segregation that keeps Black and brown children furthest from opportunity, the Mayor and DC Council should prioritize deeper, long-term investments in public education and LEAs should give schools more flexibility within their budgets to direct resources and hire staff that better meet their students' needs.



## Every Public School Will Have a Full-Time Mental Health Clinician, While Partnering Community-Based Organizations Will Receive a One-Time Grant Enhancement



PHOTO BY ALLISON SHELLEY FOR EDUIMAGES

The approved budget expands the District’s School Mental Health Program (SMHP) to the remaining 83 DCPS and public charter schools that were not yet part of the program. In total, the budget adds \$11 million to fund school-based mental health services provided by the Department of Behavioral Health (DBH) and OSSE. DBH will receive \$7.7 million, including \$5.8 million in local funding and \$1.9 million in one-time funding. DBH and OSSE will receive a total of at least \$3.6 million in ARP funds to support other behavioral health services, such as DBH’s Children and Adolescent Mobile Psychiatric Service and professional development for school behavioral health teams.<sup>16</sup>

DBH partners with community-based behavioral health organizations (CBOs) that place one full-time licensed mental health clinician in schools. DBH will provide CBOs a \$78,000 grant per school, reflecting a one-time \$8,000 enhancement to help CBOs cover higher costs associated with providing school-based mental health during the pandemic. While valuable, this enhancement falls short of the \$10,274 grant enhancement that DBH gave CBOs in FY 2021, once adjusted for inflation.

DBH is conducting a pilot evaluation to provide early insight on whether the existing program model is adequate to meet students’ behavioral health needs. Some schools likely need more than just one clinician. The results of this study should be used to inform the Mayor’s and DC Council’s future investments in school-based mental health. In addition, if new schools open,<sup>17</sup> policymakers will have to adequately fund the budget to incorporate those schools into the SMHP.

## Policymakers Leverage the ARP to Boost Access to Out-of-School Time Programs

The budget includes \$13.4 million for the Office of Out-of-School Time (OST) Grants and Youth Outcomes (Learn24), which is housed in the DME’s Office. This is a four percent decrease over the FY 2021 approved budget. Twelve million of the OST budget is specifically for OST provider grants.

OSSE will transfer \$5.2 million in ESSER III funds to Learn24 to comply with the law’s requirement that state education agencies reserve a total of two percent of their education recovery dollars for summer enrichment and after school programs. The Council added \$5 million more in ARP dollars to expand OST programs to families with low incomes who often face barriers to accessing high-quality extracurricular opportunities.<sup>18</sup> Given the high demand of publicly funded OST programs, the DME will use federal dollars to create scholarship programs for families with low incomes to access non-subsidized programs. The DME will also use recovery funds to bring OST programming to youth incarcerated at the Department of Youth Rehabilitation Services.

## Public School Phase-Out of School Resource Officers to Start Next Summer

The approved budget requires the Metropolitan Police Department to begin phasing out school resource officers (SROs) from all DCPS and public charter schools in July 2022, reducing the number of SROs

assigned to schools by 20 officers per year until 2025. As the city removes SROs from schools, policymakers should replace them with well-funded, trauma-informed resources demanded by Black and brown youth and those with disabilities who have long been disproportionately harmed by police presence in DC schools.

<sup>1</sup> Megan Cloherty, “[DC teachers concerned schools won’t be ready for class Monday](#),” WTOPnews, August 27, 2021.

<sup>2</sup> Libby Solomon, “[Where segregation has changed in DC – and where it hasn’t](#),” Greater Greater Washington, July 6, 2021.

<sup>3</sup> A local education agency is an entity that has legal authority to operate public schools within a state. DCPS is its own LEA, and each charter school operator is its own LEA.

<sup>4</sup> [FY 2022 DCPS Submitted School Budgets](#) on DCPS’s budget website state that “schools were given the flexibility to use these [ESSER III] funds to support school reopening and sustain the safe operation of schools. Schools determined the best way to use the funds in order to address the impact of the coronavirus on their students.”

<sup>5</sup> According to OSSE’s “[High-Dosage Tutoring: A Proven Strategy to Accelerate Student Learning](#)” guide for LEAs, high-dosage tutoring “occurs one-to-one or in very small groups on a sustained, daily basis, during the school day, to help all students accelerate their learning in an individualized manner.”

<sup>6</sup> The budget requires OSSE to allocate a total of \$27.3 million in learning loss grants between FYs 2022 and 2024—\$10.1 million in FY 2022, \$10.3 million in FY 2023, and \$7 million in FY 2024.

<sup>7</sup> David Knight, “[Are High-Poverty School Districts Disproportionately Impacted by State Funding Cuts? School Finance Equity Following the Great Recession](#),” Journal of Education Finance, 2017, pp. 169-194.

<sup>8</sup> All state education agencies were required to submit maintenance of equity baseline and initial data to the United States Department of Education by July 30, 2021. You can view DC’s submission [here](#).

<sup>9</sup> The UPSFF includes a per-student base, or foundation level, as well as supplemental weights that give DCPS and public charter schools additional money to invest in extra academic and social-emotional supports for low income and other students facing barriers to learning. To learn more about how the UPSFF works, read [DCFPI’s primer on school finance](#).

<sup>10</sup> DCFPI was a member of the 2020-21 Working Group. The working group’s full report can be read [here](#).

<sup>11</sup> Elementary students include PreK3 and PreK4 students and students in grades one through five. Secondary students include students in grades six through 12, alternative students, adult students, and students in grades six through 12 at a special education school.

<sup>12</sup> According to DC Code §38-2907.01, DCPS must not supplant a school’s UPSFF base funding, federal, or other funding with “at-risk” funds. In addition, DCPS must directly allocate at least 90 percent of “at-risk” funds to schools and must proportionately allocate funds to schools based on their projected at-risk enrollment numbers.

<sup>13</sup> The CSM is DCPS’s method for allocating funding to schools and is based on school type (elementary, middle, education campus, and high school). Visit [DCPS’s budget website](#) to learn more about the FY 2022 CSM.

<sup>14</sup> Erin Roth and Will Perkins, “[D.C. Schools Shortchange At-Risk Students](#),” Office of the District of Columbia Auditor, June 26, 2019.

<sup>15</sup> The DC Code does not subject public charter school LEAs to the same “supplement, not supplant law” as DCPS. However, Council’s former Committee on Education intended for DCPS and charter LEAs to follow the “supplement, not supplant” provision seen in Title I, Part A of ESEA when the Council implemented the “at-risk weight” in the FY 2014 budget.

<sup>16</sup> The budget books do not specify whether the District is using education-specific ARP funds to invest in these additional services.

<sup>17</sup> The budget books do not specify if the additional five million dollars in ARP funds are education-specific or are from the city’s flexible ARP funds.

<sup>18</sup> Eligible students will be able to receive up to \$10,000 per scholarship. Learn24 estimates that it will give out at least 50 scholarships in FY 2022.