

For immediate release

Contact: Diane.Shinn@dc.gov, 202-727-8991

Funds for At-Risk Students Used for Other Purposes

New report finds \$450 million spent “without a consistent, measurable strategy”

WASHINGTON, June 25, 2019—Schools with the highest proportion of at-risk students in D.C. Public Schools (DCPS) have had their base funding cut and at-risk funds used for teacher and social worker pay instead of for added efforts to improve academic achievement. In addition, high schools with large populations of students with disabilities have not received funding required by local and federal law, with at-risk funds also used to meet special education staffing requirements.

“As serious as how the funds have been misused is the issue of how they have *not* been used—not according to a strategy or a plan that can be tested and tweaked and improved so that we are actually getting to the issue of achievement,” Kathy Patterson, D.C. Auditor, said in releasing the report.

The new report by the Office of the D.C. Auditor (ODCA), *District Schools Shortchange At-Risk Students*, bolsters preliminary information shared with the D.C. Council in testimony earlier this year that a funding stream created six years ago to directly address educational needs of students defined as “at-risk” by homelessness, poverty, and foster care, has been used primarily to fill budget gaps the DCPS central office created by reducing formula funds for schools with high at-risk populations. The at-risk funding law requires that the add-on funds be supplemental and not supplant other District or federal funds.

In the charter sector, Local Education Agencies (LEAs) are not required to ensure that at-risk funds are supplemental. One of the six recommendations in the audit is that the D.C. Council amend the School Reform Act to require that at-risk funds be supplemental across all public schools. Without requirements that at-risk funds be supplemental students considered at-risk are not guaranteed equitable access to supplementary funds in all District public schools.

In its review, ODCA found that 93 percent of at-risk funds DCPS allocated to schools were budgeted for staffing and resources determined by the system’s central office rather than by local schools. Importantly, this means both that local schools were afforded little flexibility in the allocation of funds—often receiving less flexible at-risk money than is needed for one staff member—and the system’s central office is responsible for the misuse of funds.

In commenting on the report, DCPS Chancellor Lewis Ferebee described steps the system is taking “to further our goals of equity and transparency.” The school system’s response included in the ODCA report notes that “DCPS has started an equity analysis which will include a rigorous internal financial review of funding systems, structures, and their effects at both the central and school level.” He also promised to work with the community “on the potential adoption of a new budget model.”

—more—

Among the report's findings were that:

- ODCA found significant evidence of misuse of at-risk funds budgeted for social workers and psychologists, particularly in schools with high concentrations of at-risk students.
- Schools with more at-risk students received less base funding for related arts teachers. The majority of at-risk funds budgeted for related arts teachers were misused, supplanting base dollars.

ODCA conducted this audit as a follow-up to its 2017 study, [Budgeting and Staffing at Eight DCPS Elementary Schools](#), which found schools sometimes used at-risk funds to provide core staffing. Given the issues stemming from the ongoing achievement gap within the District's public schools, ODCA initiated this follow-up study to assess DCPS's compliance with requirements that at-risk funds be "supplemental to the school's gross budget and shall not supplant any Formula, federal, or other funds to which the school is entitled."

In response to the report's findings, ODCA recommended that DCPS should establish transparent base funding for each school tied to enrollment and grade level so that the annual budget process incorporates a specific and transparent methodology, allowing school communities are to be on both the method and the results.

Other ODCA recommendations included:

- DCPS should publish each school's base funding and supplemental at-risk allocations so principals and LSATs can identify what is base funding and what is supplemental.
- DCPS should establish internal controls for any adjustments to base funding, including policies and procedures for allocating at-risk funds.
- The Council should amend D.C. Code to strengthen at-risk provisions on "supplement not supplant" and apply these provisions to all public schools in D.C. to aid in its oversight of compliance with the at-risk funding requirements.
- The District should evaluate and continuously improve its at-risk funded programs.
- The D.C. Council should require consistent reporting of at-risk spending across all public schools.

###

The mission of the Office of the District of Columbia Auditor (ODCA) is to support the Council of the District of Columbia by making sound recommendations that improve the effectiveness, efficiency, and accountability of the District government. Learn more at www.dcauditor.org.