June 28, 2019

The Hon. Phil Mendelson, Chairman
Council of the District of Columbia
1350 Pennsylvania Avenue N.W.
Washington, DC 20004

The Hon. David Grosso
Chairman, Committee on Education
Council of the District of Columbia
1350 Pennsylvania Avenue N.W.
Washington, DC 20004

Dear Councilmembers:

I write to provide additional information in response to Chairman Mendelson’s questions directed to Education Research Director Erin Roth’s testimony given on behalf of the Office of the D.C. Auditor (ODCA) before the joint roundtable on June 26, 2019, on budget and transparency legislation related to the District’s use of at-risk education funding.

Chairman Mendelson, you asked Ms. Roth for solutions to the problem of the District of Columbia Public Schools’ (DCPS) failure to spend designated at-risk dollars as the funding was intended, i.e. to benefit children deemed to be at risk based in part on poverty, homelessness, and foster care status. She explained that the school system is familiar with federal requirements to track and appropriately allocate Title I funds, which like the local at-risk funds are subject to rules on supplement-not-supplant (SNS).

The distinction, I believe, between compliance with federal law and noncompliance with District law is that there are penalties for violating the federal SNS requirements. The District is at risk of losing federal education funds if the system does not comply with federal law. In the case of the school system violating the letter and the intent of the at-risk law—as clearly shown in our at-risk audit report—there appear not to be any repercussions for DCPS for violating District law. And that fact clearly begs the question of whether new requirements on the use of at-risk funds in the form of new Council-enacted law will have any appreciable impact.

I am aware of consideration that has been given by members of the D.C. Council to seeking judicial intervention for noncompliance with law on other subjects. That is one potential response to your question to Ms. Roth regarding DCPS’s noncompliance with the at-risk funding law. You could consider using the data in the ODCA report as a basis for seeking judicial redress.
Short of litigation, the D.C. Council could also consider use of the budget law and the knowledgeable assistance of the independent Office of the Chief Financial Officer in securing expenditure of at-risk funds only for their intended purposes. You could consider a specific line item for at-risk funds for DCPS in the Local Budget Act. In addition, you could consider budgeting in the Local Budget Act at the activity and service level, to have additional assurance that funds would not be spent outside the Council-specified purpose. These were steps taken by the Council during an earlier period to provide greater certainty that the legislature’s directions would be followed including specific line items with funding for kindergarten aides, substitute teachers, and school counselors.

D.C. Councilmembers also asked about alternative formats for the school system’s budget and whether that would secure improvements in presentation and transparency. Ms. Roth indicated that there are various formats for education budgets and that what is critical regardless of the format used is fidelity to the strategy employed. As our at-risk report also makes clear, DCPS claims to use the Comprehensive Staffing Model (CSM), but they do not use that model with fidelity. For FY 2018 we found that schools and, especially schools with large at-risk populations, were not provided with funding to meet the CSM, and that to make up for that gap, the DCPS Central Office designated the use of at-risk dollars, a major example of the school system’s violation of the prohibition on supplanting rather than supplementing.

For example, in school-year 2017-18, the School-Within-School at Goding (SWS) in Ward 6 had a total budgeted enrollment of 298 students, 23 of whom were projected to be at-risk, or 8 percent. Houston Elementary School, in Ward 7, had a total budgeted enrollment of 294 students, 236 of whom were projected to be at-risk, or 80 percent. Both schools were required to have 3 related arts teachers according to the CSM. SWS received funding for 4.25 related arts staff and Houston received funding for only half of one position. There are many more examples just like these. The CSM is not employed with fidelity. It is possible that the CSM is an equitable model of school funding, or that it would be more equitable than one using a student-based budgeting model. Simulations can be done to assess this. However, the model DCPS currently employs is not best described by the CSM. It is better described based on our evaluation as Central Office officials making a series of deliberate and often inequitable adjustments to a school budgeting plan.

Enrollment

You raised a series of questions with government witnesses about the current enrollment projections on which education budgets are based. We would like to provide additional information on that subject and correct misinformation placed on the public record. A year ago we published a comprehensive report on enrollment and enrollment procedures, A Study of Enrollment Projections for D.C.’s Public Schools: Assuring Accuracy and Transparency, at the request of, and with funding provided by, the D.C. Council. Our trio of expert consultants found that the current projection process was accurate less than 40 percent of the time, where accuracy is defined as being within a 2-percentage point margin above or below actual audited enrollment. Further, our report found that school-level projections are least accurate for schools with high mobility rates. We concluded that the process can be far more accurate, transparent, and efficient and provided a roadmap to that end.

The study included 5-year and 10-year projections, a methodology for use by policymakers and recommendations on a process to significantly improve the development and use of next year and multi-year enrollment projections. The research team recommended that the Mayor and D.C. Council adopt this projection methodology and a 15-step process the consultants developed to assure accuracy and transparency going forward. To date, the Council has taken no action to transform the 2018
Council-mandated study into improved enrollment policy and practice in support of the annual education budget.

A separate and important question, given that enrollment projections are used for school-level DCPS budgeting, is which enrollment metric provides the best data for budgeting purposes? Our report assessed the accuracy of our current projections process rather than how to best develop a projection metric for budgeting purposes. It would also be wise to simulate such results with available data to determine which enrollment projection metric is best matched to the budgeting process, e.g., October enrollment, March enrollment, an average of multiple points in time, or the total number of students served in each school throughout the year.

We are happy to discuss this further and provide you with another copy of the enrollment report.

I would appreciate this correspondence being made a part of the hearing record.

Thank you.

Sincerely yours,

Kathleen Patterson
District of Columbia Auditor

cc: Councilmembers