

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To establish additional requirements for the submission of the annual budget for the District of Columbia Public Schools, to establish the method for developing the budget for the District of Columbia Public Schools system by requiring that schools' budgets be established first based on each school's previous year's budget and other factors, with the remainder of requested funds to be allocated between the School-Wide, School Support, and Central Administration departments, to provide that a school's budget will be under the control of the school's principal, to maintain reporting requirements on school expenditures and add reporting requirements on the uses of the at-risk concentration supplement; and to make conforming amendments.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Schools First in Budgeting Amendment Act of 2022".

TITLE I. DCPS BUDGET

Sec. 101. This title may be cited as the "Schools First in Budgeting Amendment Act of 2022".

Sec. 102. Definitions.

For the purposes of this title, the term:

(1) "Central Administration" means the programs, services, and employees that support the functions necessary for the governance of the DCPS school district as a whole, including general oversight and management of support services, such as procurement, human resources, and financial administration, whose costs are not attributable to School Support, School-Wide, or Local Schools.

(2) "DCPS" means the District of Columbia Public Schools system.

(3) "ELL" means English language learner.

(4) "Local Schools" means the individual schools comprising the DCPS system and whose programs, services, and employees are paid with funds under the control and direction of the individual school principals.

(5) "Projected enrollment" is the number of students projected to be enrolled at a specific DCPS school at the time the Mayor's budget is proposed to the Council.

ENROLLED ORIGINAL

(6) “School Support” means the programs, services, and employees that provide system-wide support to DCPS schools, such as curriculum development, instructional superintendents, teacher evaluations, and professional development, whose costs are not attributable to Central Administration, School-Wide, or Local Schools.

(7) “School-Wide” means the programs, services, and employees that directly support schools and are budgeted centrally but provided directly to individual schools, such as food service, security, fixed costs, speech therapists, itinerant ELL services, and substitute teachers, whose costs are not attributable to Central Administration, School Support, or Local Schools.

(8) “Uniform Per Student Funding Formula” means the formula for funding DCPS and the District’s public charter schools established pursuant to the UPSFF Act.

(9) “UPSFF Act” means the Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Act of 1998, effective March 26, 1999 (D.C. Law 12-207; D.C. Official Code § 38-2901 *et seq.*).

Sec. 103. DCPS’s annual budget.

(a) The annual operating budget for DCPS shall be allocated among 4 departments:

- (1) Central Administration;
- (2) Local Schools;
- (3) School Support; and
- (4) School-Wide.

(b) The Chancellor of DCPS (“Chancellor”) shall prepare and execute a performance-based budget on an annual basis. The budget prepared by the Chancellor shall have its operations organized by department, and thereunder by major programs, which in turn will be composed of activities and services. The budget submitted by the Chancellor shall allocate all monies by revenue source for programs, activity, and service levels, and by revenue source for comptroller source group by program and activity. The DCPS submission shall include the number of full-time equivalents with job titles by program and revenue source.

(c) The DCPS annual budget submission shall also include a delineation of:

(1) All funds budgeted for each school, including a summary statement or table of the local-funds budget for each school, by revenue source for activities and service levels, and by revenue source for comptroller source group by activities and service levels;

(2) The programs and services, along with a narrative description of each program and service;

(3) All funds not allocated directly to a school or to Central Administration, by revenue source for activities and service levels, and by revenue source for comptroller source group by activities and service levels, including a presentation of:

(A) Any funds that will support costs associated with programs and services provided at the school level or directly to students; and

(B) Any funding associated with at-risk students and with the at-risk high school over-age supplement that has been retained by the Chancellor;

ENROLLED ORIGINAL

- (4) The methodology used to determine each school's local funding;
- (5) For each school's individual budget, a separate budget line item for funding allocated to the following, as coded in the District's current official financial system of record:
 - (A) At-risk students;
 - (B) The at-risk high school over-age supplement;
 - (C) Elementary ELL; and
 - (D) Secondary ELL; and
- (6) For each school, a matrix depicting the projected enrollment for the categories listed in subparagraph (A) of this paragraph delineated by the categories listed in subparagraph (B) of this paragraph, as follows:
 - (A) Total projected enrollment for:
 - (i) Each grade level the school serves;
 - (ii) Students in an alternative program;
 - (iii) Students receiving special education services; and
 - (iv) Students in an adult education program.
 - (B) Projected number of students who qualify as:
 - (i) General education (receiving no special education services);
 - (ii) Level 1: Special Education;
 - (iii) Level 2: Special Education;
 - (iv) Level 3: Special Education;
 - (v) Level 4: Special Education;
 - (vi) Special Education Level 1 Extended School year ("ESY");
 - (vii) Special Education Level 2 ESY;
 - (viii) Special Education Level 3 ESY;
 - (ix) Special Education Level 4 ESY;
 - (x) Limited English Proficient/Non-English Proficient;
 - (xi) At-risk;
 - (xii) At-risk high school over-age supplement.
- (d) Annually, no later than 42 calendar days before the Mayor's submission of the District's budget and financial plan to the Council and in accordance with section 104(d), the Chancellor shall make available on DCPS's website a detailed estimate of the amount of money required to operate DCPS for the ensuing year, including the Schools First budget, described in section 104(a), for each school.
- (e) The Mayor's annual submission of the District's budget and financial plan to the Council shall include as an attachment an accurate and verifiable report on the positions and employees of DCPS to include:
 - (1) A compilation of DCPS Schedule A positions for the ensuing fiscal year on a full-time equivalent basis, including a compilation of all positions by organization Level 4, job title, pay plan and grade, program and activity, revenue fund, and annual salary; and

ENROLLED ORIGINAL

(2) A compilation of all DCPS employees as of the preceding March 1, on a full-time equivalent basis, including a compilation of all positions by organization Level 4, job title, pay plan, grade, and step, program and activity, revenue fund, and annual salary.

(f) No less than 90% of the funds allocated to DCPS pursuant to section 106a(a) and (b) of the UPSFF Act (D.C. Official Code § 38-2905.01(a) and (b)) shall be allocated to the Local Schools and School-Wide departments. Such funds shall be supplemental to and not supplant any Uniform Per Student Funding Formula, federal, or other funds.

(g) No later than October 30 of each year, the Mayor shall submit to the Council a revised appropriated funds operating budget for DCPS for the fiscal year beginning on the preceding October 1 that sets forth the total amount of the approved appropriation and that realigns budgeted data with anticipated actual expenditures with the specification set forth in of subsections (a), (b), and (c) of this section.

(h) For the purposes of this section:

(1) The following terms shall have the same meaning as provided in section 102 of the UPSFF Act (D.C. Official Code § 38-2901):

- (A) "Adult education";
- (B) "Alternative program";
- (C) "At-risk";
- (D) "At-risk high school over-age supplement";
- (E) "Elementary ELL";
- (F) "Limited English Proficient/Non-English Proficient"; and
- (G) "Secondary ELL".

(2) The following terms shall have the same meaning as provided in section 106 of the UPSFF Act (D.C. Official Code §38-2905):

- (A) "At-risk high school over-age supplement";
- (B) "Level 1: Special Education";
- (C) "Level 2: Special Education";
- (D) "Level 3: Special Education";
- (E) "Level 4: Special Education";
- (F) "Limited English Proficient/Non-English Proficient";
- (G) "Special Education Level 1 Extended School year ("ESY")";
- (H) "Special Education Level 2 ESY";
- (I) "Special Education Level 3 ESY"; and
- (J) "Special Education Level 4 ESY".

Sec. 104. Schools First budgets.

(a) In formulating the annual DCPS operating budget for submission to the Council, the annual budget for each DCPS school for the next fiscal year ("Schools First budget") shall be determined according to the following sequence:

ENROLLED ORIGINAL

(1) Begin with the total amount of funds under the control and direction of the school's principal for the current school year (obligated and unobligated) as of January 1 of the current fiscal year, excluding:

- (A) Privately raised funds;
- (B) Pandemic Supplement Fund funds authorized by section 106b of the UPSFF Act (D.C. Official Code § 38-2905.02);
- (C) Federal Elementary and Secondary School Emergency Relief funds;
- (D) Federal Investment in Schools funds as authorized by section 1003 of the Elementary and Secondary Education Act of 1965, approved January 8, 2002 (115 Stat. 1442; 20 U.S.C. § 6303));
- (E) Locally funded grants and interagency funds from other District government agencies; and
- (F) District at-risk concentration supplement funds authorized by section 106a(c-2) of the UPSFF Act (Official Code § 38-2905.01(c-2)).

(2) Increase the amount in paragraph (1) of this subsection by the percentage that is the higher of:

(A) The projected increase for the forthcoming year in the foundation level of the Uniform Per Student Funding Formula; or

(B) The collectively bargained salary increase, for the forthcoming year, for members of the teachers' labor union.

(3) Increase the amount derived pursuant to paragraph (2) of this subsection to fully fund an increase in the number of general education personnel at the school by the greater of the amount agreed to by the Chancellor or the amount necessary to fully fund an increase in the number of personnel required by the school's projected or actual enrollment increases (in one year, or over time), when such enrollment increases require one or more additional instructional or school-based support personnel (such as per the collective bargaining agreement with the teachers' labor union).

(4) Increase the amount derived pursuant to paragraph (3) of this subsection to fully reflect the increase of special education or ELL personnel so that the levels of such staff align with required service levels for students.

(5) Increase the amount derived pursuant to paragraph (4) of this subsection to fully fund any additional costs the school may be required to carry, such as the transfer of services to Local Schools that were previously attributed to School Support, School-Wide, or Central Administration.

(6) The amount derived pursuant to paragraph (5) of this subsection may be decreased, incrementally, if the school's projected enrollment for the next school year is projected to decline; provided, that:

(A) The decrease shall be made only on a full-time equivalent employee basis (using average salary);

ENROLLED ORIGINAL

(B) The decrease shall not be made unless the enrollment decline is great enough on the grade or subject level to eliminate a classroom or warrant elimination of instructional or school-based support personnel; and

(C) After the decrease, the school will still comply with the class size maximums set forth in the operative collective bargaining agreement with the teachers' labor union.

(7) The amount derived pursuant to paragraph (6) of this subsection may be decreased, incrementally, to reflect a reduced need for special education or ELL personnel; provided, that the funding for such faculty shall fully align with the required service levels for students.

(8) Adjust the amount derived pursuant to paragraph (7) of this subsection by the amount of per pupil funding derived from a proposed change, if any, to the weight for the forthcoming school year for the at-risk general education add-on described in section 106 of the UPSFF Act (D.C. Official Code § 38-2905).

(9) As applicable, increase the amount derived pursuant to paragraph (7) of this subsection by the amount to be allocated to the school through the at-risk concentration supplement provided pursuant to section 106a(c-2) of the UPSFF Act (D.C. Official Code § 38-2905.01(c-2)).

(10) After completing the calculations set forth in paragraphs (1) through (9) of this subsection, a school's annual budget may be increased by an amount, if any, agreed to by the Chancellor.

(b) Nothing in subsection (a) of this section shall be construed to preclude a school principal from requesting additional funding, nor preclude the Chancellor from granting additional funding for reasons not enumerated in subsection (a) of this section.

(c) For the purposes of deriving the Schools First budget described in subsection (a) of this section, personal services shall be funded based on the system-wide average salary for each personnel position, as determined by the District's Chief Financial Officer or in accordance with the collective bargaining agreement with the teachers' labor union. Any difference between the cost of a position's average salary and an employee's actual salary shall be charged and credited out of funds allocated to School-Wide.

(d)(1) The Schools First budget for each school and the amounts derived from each of the calculations required pursuant to each paragraph of subsection (a) of this section shall be public record. The Chancellor shall publish the calculations and the Schools First budget for each DCPS school on the DCPS website no later than 42 calendar days before the date the Mayor is required to submit to the Council the District's proposed annual budget and financial plan for the next fiscal year. The Chief Financial Officer shall include the Schools First budget for each DCPS school in the budget books transmitted with the Mayor's proposed budget and financial plan.

(2) Any depiction of a school budget created or calculated by methods other than those described in subsection (a) of this section, such as one that might attribute funds from

ENROLLED ORIGINAL

School Support or School-Wide to an individual school, shall not contain the words “Schools First” in the title.

Sec. 105. Principal authority.

(a) Out of the operating budget for the Local Schools department, the budget for each school shall be under the control and direction of that school’s principal.

(b) Each principal shall prepare his or her school budget in consultation with the school’s local school advisory team.

(c) The principal shall report to the Chancellor on how the at-risk concentration supplement provided to the school pursuant to section 106a(c-2) of the UPSFF Ac (D.C. Official Code § 38-2905.01(c-2)) is being used to improve student achievement among at-risk students.

Sec. 106. Reports.

(a) Beginning in fiscal year 2011, the Mayor shall submit to the Council quarterly financial reports for DCPS setting forth by organization Level 4 approved budget, revised budget, actual expenditures and funds obligated to date, and projected expenditures for the full fiscal year.

(b) By March 31, 2024, and annually thereafter, the Mayor shall transmit a report of the previous school year's actual expenditures, for each school, to the Office of the State Superintendent of Education. The report shall conform to the common financial reporting standards established by the Department of Education pursuant to section 202(b)(10) of the Department of Education Establishment Act of 2007, effective June 12, 2007 (D.C. Law 17-9; D.C. Official Code § 38-191(b)(10)).

(c) By no later than November 30th of each year, the Chancellor shall provide a written report to the Council describing programmatically how at-risk allocations provided to DCPS pursuant to section 106a of the UPSFF Act (D.C. Official Code § 38-2905.01) were used in the previous school year to improve student achievement among at-risk students. The report also shall explain the allocation of at-risk funds sorted by individual school.”.

TITLE II. CONFORMING AMENDMENTS

Sec. 201. Section 104 of the Public Education Reform Amendment Act of 2007, effective June 12, 2007 (D.C. Law 17-9; D.C. Official Code § 38–173), is repealed.

Sec. 202. The Board of Education Continuity and Transition Amendment Act of 2004, effective December 7, 2004 (D.C. Law 15-211; D.C. Official Code § 38-2831 *passim.*), is amended as follows:

(a) Section 6 (D.C. Official Code § 38-2831) is repealed.

(b) Section 6a (D.C. Official Code § 38-2832) is repealed.

ENROLLED ORIGINAL

Sec. 203. Section 108a of the Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Act of 1998, effective February 22, 2014 (D.C. Law 20-87; D.C. Official Code § 38-2907.01), is repealed.

TITLE III. FISCAL IMPACT AND EFFECTIVE DATE

Sec. 301. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 4a of the General Legislative Procedures Act of 1975, approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

Sec. 302. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.

Chairman
Council of the District of Columbia

Mayor
District of Columbia