


Government of the District of Columbia
Office of the Chief Financial Officer



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: April 10, 2017

SUBJECT: Fiscal Impact Statement - Early Learning Equity in Funding
Amendment Act of 2017

REFERENCE: Bill 22-26, Committee Print as shared with the Office of Revenue
Analysis on April 6, 2017

Conclusion

Funds are sufficient in the fiscal year 2017 budget and proposed fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the bill.

Background

High-quality¹ community-based organizations² (CBOs) that provide educational services to pre-k age³ students are currently eligible to receive per-student funding from the District through the Pre-Kindergarten Enhancement and Expansion program (program). The bill directs⁴ the State Superintendent of Education to provide supplemental funding for each at-risk⁵ student attending CBOs that qualify and participate in the program. The amount available per at-risk student is equal to the amount determined by the Uniform Per Student Funding Formula⁶ (UPSFF). The fiscal year 2017 UPSFF sets the at-risk supplemental funding amount at \$2,120 per pupil and the proposed fiscal year 2018 UPSFF increases the amount to \$2,152 per pupil.

¹ As defined in Title 5-A DCMR § 3501.

² Community based organization means a Head Start or early childhood education program operated by a nonprofit entity, faith-based organization, or other entity that participates in federally funded early childhood programs.

³ Pre-K age children are those 3 or 4 years of age, or who became 5 years of age after September 30th of the current school year.

⁴ By amending The Pre-K Enhancement and Expansion Amendment Act of 2008, effective July 18, 2008 (D.C. Law 17-202; D.C. Official Code § 38-271.01 et seq.).

⁵ At-risk students are those in foster care, who are homeless, on TANF or SNAP, or behind grade level.

⁶ The District's public and public charter schools receive Local funding through the UPSFF.

The Honorable Phil Mendelson

FIS: "Early Learning Equity in Funding Amendment Act of 2017," Bill 22-26, Committee Print as shared with the Office of Revenue Analysis on April 6, 2017

Financial Plan Impact

Funds are sufficient in the fiscal year 2017 budget and proposed fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the bill.

OSSE receives an annual budget appropriation to support the Pre-Kindergarten Enhancement and Expansion program. If the program's budget appropriation is insufficient to cover all providers that meet high-quality standards, OSSE may distribute funds through a competitive grant process until program funds are exhausted. High-quality CBOs are eligible to receive \$12,974 for three-year-olds and \$12,587 for four-year-olds in fiscal year 2017. The bill increases this amount for at-risk students by the UPSFF at-risk weight. CBOs will be eligible to receive \$15,094 for each at-risk three-year-old and \$14,707 for each at-risk four-year-old. The bill has no fiscal impact because program funding is limited to an annual appropriation regardless of how much each CBO is eligible to receive per pupil.

Although the Pre-Kindergarten Enhancement and Expansion program may award funding through a competitive grant process, it is currently funded at a level that is sufficient to pay all high-quality providers. Without increased funding for the program, the increased UPSFF will require OSSE to distribute program funds to fewer CBOs. There are currently 590 students enrolled in high-quality CBO pre-k programs and 322 of these students meet the definition of an at-risk student. The number of at-risk pre-k students fluctuates year to year and can increase if programs add capacity or new CBO pre-k programs open in neighborhoods with many at-risk students. We estimate that approximately 400 students will meet the definition of at-risk in fiscal year 2018. OSSE will need an additional \$861,000 beginning in fiscal year 2018 to continue to operate a non-competitive program while paying CBOs an additional amount for each at-risk student.