

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER



Jeffrey S. DeWitt
Chief Financial Officer

June 13, 2018

The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
The John A. Wilson Building
1350 Pennsylvania Avenue, NW, Suite 504
Washington, DC 20004

Dear Chairman Mendelson:

Please find attached the fiscal impact analysis conducted by the Office of the Chief Financial Officer for the School Promotion and Graduation Fairness Emergency and Temporary Acts of 2018 (Bills 22-833 and 22-834). The combined bills would cost approximately \$518,000 in FY 2018. Funds are currently not sufficient in the DCPS budget to support implementation. I have also attached for your reference the summary table from the 2nd quarter Financial Review Process Report or FRP for DCPS.

As you can see, the FRP indicates that DCPS has a current projected deficit of approximately \$6.9 million for FY 2018. Although the agency has developed a plan to close the gap by the end of the fiscal year, the success of its execution is unknown. Accordingly, DCPS is unable to absorb the cost of the above referenced legislation at this time without further exacerbating the projected deficit.

If you have any questions, please contact me at (202) 727-0064.

Sincerely,

Jeffrey S. DeWitt

Attachments

cc: Rashad Young, City Administrator
Jennifer Budoff, Budget Director, Council of the District of Columbia
Angell Jacobs, DCFO and Chief of Staff, Office of the Chief Financial Officer
Deloras Shepherd, ACFO, Education Cluster
David Tseng, General Counsel, Office of the Chief Financial Officer

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

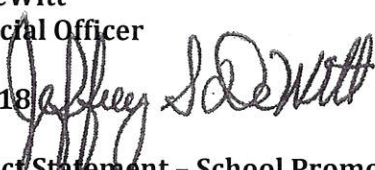


Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

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

FROM: Jeffrey S. DeWitt
Chief Financial Officer

DATE: June 12, 2018 

SUBJECT: Fiscal Impact Statement – School Promotion and Graduation Fairness
Emergency and Temporary Acts of 2018

REFERENCE: Bills 22-833 and 22-834, Introduced Prints as passed by Council on
June 5, 2018

Conclusion

Funds are not sufficient in fiscal year 2018 and the proposed fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the emergency and temporary bills. The bills will cost \$518,580 in fiscal year 2018.

Background

The bills prohibit the District of Columbia Public Schools (DCPS) from using unexcused absence in the 2017-2018 school year as the sole reason for determining that a student is ineligible for promotion to the next grade, ineligible to graduate, or receives a reduced grade for a course.

Current DCPS policy dictates that grading and retention decisions must follow guidelines that result in the reduction of a grade.¹ The policy² specifies that:

- Secondary students with five or more unexcused absences in any class during a single advisory shall receive a grade reduction in that subject.
- Secondary students with ten or more unexcused absences in any class during a single advisory shall receive a grade of "FA" (failure due to absences) in that subject.
- Secondary students accumulating thirty or more unexcused absences in a course within a full school year shall receive a failing final grade in that course with a resulting loss of course credit.

¹ DCMR Title 5, Chapters 21 and 22.

² DC Public Schools, 2015, *Secondary Grading and Reporting Policy*. See:
<https://dcps.dc.gov/sites/default/files/dc/sites/dcps/publication/attachments/DCPS%20Grading%20and%20Reporting%20Policy-Final%20070615.pdf>

Financial Plan Impact

Funds are not sufficient in fiscal year 2018 and the proposed fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the emergency and temporary bills. The bills will cost \$518,580 in fiscal year 2018.

To implement the emergency and temporary bills, DCPS staff will need to do the following:

- Teachers must update 19,002 grading records in the DCPS student information system to re-finalize grades for 3,511 students.
- Guidance counselors need to conduct a supplemental transcript verification review for 3,511 students to determine whether they have met promotion or graduation requirements; guidance counselors will be required to work additional hours to update families on their student's revised graduation and promotion status.
- Teachers and guidance counselors must complete a one-hour training on grade changing procedures.

Completing grade and transcript reviews for a second time during the 2017-2018 school year falls outside of normal work requirements for teachers and guidance counselors, so DCPS will need to provide administrative pay for the additional training, record-keeping, and guidance work required. The Washington Teachers Union contract³ sets the pay rate for this extra work at \$40 per hour. In total, DCPS will need additional funding to pay for 12,740 additional work hours to train educators, change 19,002 grades, and review transcripts. At a cost of \$40 per hour, the additional work requires \$509,580 in administrative premium pay.

To implement the bills, DCPS will also need to:

- Pay an IT contractor \$4,000 to test grade validity and conduct quality assurance to ensure no student records were modified in error; and
- Distribute communications to families explaining why grades are being updated, at a cost of \$5,000.

The total cost of the emergency and temporary bills is summarized in the following table:

School Promotion and Graduation Fairness Emergency and Temporary Acts of 2018	
Total Fiscal Impact	
	FY 2018
WTU Admin Premium Cost ^(a)	\$509,580
DCPS IT Contractor Costs ^(b)	\$4,000
Communication Materials	\$5,000
Total	\$518,580

Table notes:

- Assumes 12,740 staff hours at a rate of \$40/hour.
- Assumes 40 hours of contractor time at a rate of \$100/hour.

³ See: <https://dcps.dc.gov/sites/default/files/dc/sites/dcps/publication/attachments/WTU-DCPS%20Contract%202016-2019.pdf>

FY2018 YEAR-TO-DATE SPENDING and YEAR-END FORECAST

March 31, 2018

GAO-DISTRICT OF COLUMBIA PUBLIC SCHOOLS

A. Comparison Of Projected Expenditures To Budget (Sources are Tables 1 and 5):

(\$ 000s)

Fund Name	Approp. Fund Code	Revised Budget	Surplus (Deficit)	Spending Pressure	Policy Initiative	Gap-Closing Planned	Gap Not Resolved	Gap Closed to Date
Local Funds	0100	\$831,886.9	(\$6,927.1)			\$6,927.1	\$0	
O-type Funds	0600	\$14,028.4	\$0.0					
Subtotal, General Fund		\$845,915.3	(\$6,927.1)	\$0.0	\$0.0	\$6,927.1	\$0	\$0.0
Federal Payments	0150	\$14,898.1	\$0.0					
Federal Grants	0200	\$21,918.0	\$0.0					
Medicaid	0250	\$0.0	\$0.0					
Private Grants	0400	\$2,754.8	\$0.0					
Private Donations	0450	\$433.4	\$0.0					
Intra-District Funds	0700	\$115,198.1	\$12,734.2					
Sub Total, All Funds		\$155,202.5	\$12,734.2					
Total Agency, All Funds		\$1,001,117.8	\$5,807.1	\$0.0	\$0.0	\$6,927.1	\$0	\$0.0
Confirm Total Agency (Gross Funds)		\$1,001,117.8	\$5,807.1					

B. Comparison Of Projected Expenditures To Revenue:

(\$ 000s)

Fund Name	Approp. Fund Code	Prior Year-End Certified Fund Balance For Use	Applied To Forecast Deficit	Remaining Forecasted Deficit
Dedicated Taxes	0110			
O-type Funds	0600			
Total Agency, Both Funds				
Federal Grants	0200			
Medicaid	0250			
Intra-District Funds	0700			
Other Fund				

Agency will spend all of the Local and O-Type funding in FY 2018. All funding via Federal Grant, Private Grant and Private Donations should be spent during the year. Intra-District funding may have some carryover.

Signature of Agency Fiscal Officer or Budget Officer:	<i>Seena Tangi</i>	Date:	05/03/18
Signature of Agency Director:		Date:	
Signature of Associate CFO:	<i>J. Shepherd</i>	Date:	05/03/18