

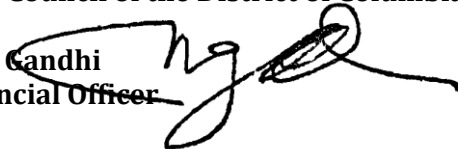
Government of the District of Columbia  
Office of the Chief Financial Officer



**Natwar M. Gandhi**  
Chief Financial Officer

**MEMORANDUM**

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

**FROM:** Natwar M. Gandhi   
Chief Financial Officer

**DATE:** December 3, 2012

**SUBJECT:** Fiscal Impact Statement – “State Board of Education Personnel Authority Amendment Act of 2012”

**REFERENCE:** Bill 19-774 – Draft Committee Print shared with the Office of Revenue Analysis on November 27, 2012

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**Conclusion**

Funds are sufficient in the FY 2013 through FY 2016 budget and financial plan to implement the bill.

**Background**

The bill makes several changes to the structure and governance of the State Board of Education (“Board”). First, the bill requires the Board to specify its organizational structure, staff, operations, reimbursement of expenses policy and other matters affecting the Board’s functions. Under current law<sup>1</sup>, the Mayor is responsible for setting these structures.

Second, the bill requires that beginning in Fiscal Year 2013 the Board be funded by an annual appropriation. The bill also gives the Board the authority to administer its own budget. Currently, the State Board of Education’s budget is submitted as a part of the budget for the Office of the State Superintendent for Education (OSSE), and OSSE administers the budget for the Board.

Third, the bill allocates three full-time equivalent staff members (FTEs) to the Board, and will serve at the pleasure of the Board. Current law<sup>2</sup> also allocates three FTEs to perform administrative functions, but these FTEs are budgeted within the Office of the State Superintendent of Education, and persons filling these positions can only be removed with the approval of the Board and the State Superintendent.

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<sup>1</sup> D.C. Official Code § 38-2652(d).

<sup>2</sup> Ibid.

Fourth, the bill would grant personnel authority to the State Board of Education over all its employees. Under current law<sup>3</sup>, the Mayor has personnel authority over the non-educational employees of the Board.

Lastly, the bill moves the Office of Ombudsman for Public Education (OOPE) from the Office of the Deputy Mayor for Education (ODME), where it is established under current law,<sup>4</sup> to OSSE, and sets several requirements for the role of Ombudsman. The term of the Ombudsman is increased from three years to five, and reappointments are allowed. The Ombudsman may be removed for cause, must be a DC resident within 180 days of appointment, and may engage in informal mediation to resolve disputes. The Ombudsman is prohibited from examining any issue under the jurisdiction of the Office of the Inspector General or the Auditor. When the Ombudsman position is vacated, the bill requires that the Board appoint a new Ombudsman within 75 days.<sup>5</sup> Reporting frequency on complaint resolutions is reduced under the bill from monthly<sup>6</sup>, to twice per year. The Ombudsman's annual report is due within 45 days after the end of the school year, reduced from 90 days under current law. The bill also broadens the recipients of the Ombudsman's reports to include the Council of the District of Columbia, the Board and the Deputy Mayor for Education.

### **Financial Plan Impact**

Funds are sufficient in the FY 2013 through FY 2016 budget and financial plan to implement the bill.

The resources available to the State Board of Education in FY 2013 total \$581,751. This amount includes funds allocated to the Board within OSSE's budget totaling \$505,008, and funds for another FTE that is registered in a different part of the OSSE budget. Additionally, OSSE's budget covers the technology costs for the Board as well as the fixed costs associated with the Board, which is transferred to the Department of General Services. The provisions of the bill can be implemented with existing resources so long as the Board, as an agency with a separate budget, continues to utilize the resources of other District agencies to perform administrative, financial, and legal services, and complete the in-house tasks associated with these services with its existing staff. The Board is not physically located with OSSE, so the fixed costs could be separately represented in a new Board budget chapter (for the FY 2014 budget) without impact.

The Board's new personnel authority would mean that it can hire new employees, set its salary scale, or remove existing employees without approval of or consent from the State Superintendent. However, any personnel costs associated with these decisions, including severance, in case of separations, must be absorbed in the agency budget.

The Office of Ombudsman for Public Education (OOPE) within the Deputy Mayor of Education is currently not funded. Transferring the unfunded OOPE to the Board does not have a fiscal impact

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<sup>3</sup> D.C. Official Code § 1-604.06(b).

<sup>4</sup> D.C. Official Code § 38-351.

<sup>5</sup> Increased from 45 days under current law D.C. Official Code § 38-351(a)(2).

<sup>6</sup> D.C. Official Code § 38-353(a).

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FIS: Bill 19-774, "State Board of Education Personnel Authority Amendment Act of 2012" Draft Committee Print shared with the Office of Revenue Analysis on November 28, 2012

on the District. However, an appropriation of an estimated \$340,000<sup>7</sup> annually would be needed to make OOPE operational.

Finally, the first year for which the State Board of Education could have a separate appropriation process is FY 2014.

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<sup>7</sup> This estimate is based on four FTEs, one at ES 9 level (a senior/chief Ombudsman) at an annual salary of \$115,000, two additional staff at ES-3 level—a program analyst and a constituent services manager at annual salaries of \$51,500 and \$61,800 respectively and one assistant at an ES-2 level. The Council included a provision funding the Office at a level of \$471,000 in the FY 2010 Budget Support Act. However, that provision was not ultimately enacted.