

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




Fitzroy Lee
Interim Chief Financial Officer

MEMORANDUM

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

FROM: Fitzroy Lee
Interim Chief Financial Officer

DATE: September 21, 2021 

SUBJECT: Fiscal Impact Statement – School Financial Transparency Amendment Act of 2021

REFERENCE: Draft Committee Print as provided to the Office of Revenue Analysis on September 14, 2021

Conclusion

Funds are sufficient in the fiscal year 2022 through fiscal year 2025 budget and financial plan to implement the bill.

Background

In the Fiscal Year 2021 Budget Support Act of 2020, the District adopted a number of new reporting requirements on local education agencies (LEAs)¹ and required the Deputy Mayor for Education to publish Common Financial Reporting Standards to be used by LEAs². Each LEA must report to the Office of the State Superintendent of Education (OSSE) actual school expenditures (including separate reporting for each school in District of Columbia Public Schools (DCPS)). Reports must specify the use of additional funding allocations received by LEAs on the basis of the count of students identified as at-risk.

The bill extends deadlines to report on actual expenditures for the previous school year to March 31, 2024, in order to ensure DCPS has the District's audited financial report; to align required reporting

¹ Section 4051 (Subtitle IV-F), D.C. Law 23-0149, Effective Dec 03, 2020

² Published May 31, 2021 at

https://dme.dc.gov/sites/default/files/dc/sites/dme/page_content/attachments/Common%20Financial%20Reporting%20Standards.pdf

The Honorable Phil Mendelson

FIS: "School Financial Transparency Amendment Act of 2021," Draft Introduction as provided to the Office of Revenue Analysis on September 14, 2021

with OSSE deadlines for federal reporting requirements; and to align the reporting deadline for public charter schools with the reporting deadline for DCPS. The bill further amends the reporting requirements to specify that public charter schools must submit their annual reports on their current school year's budget and draft budget for the following year to the Public Charter School Board (PCSB) rather than both to OSSE and PCSB.

Financial Plan Impact

Funds are sufficient in the fiscal year 2022 through fiscal year 2025 budget and financial plan to implement the bill. There are no costs to extending required reporting deadlines or requiring charter schools to submit their budgets solely to PCSB.