

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



Glen Lee
Chief Financial Officer

MEMORANDUM

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

FROM: Glen Lee
Chief Financial Officer 

DATE: February 10, 2026

SUBJECT: Fiscal Impact Statement – Schools First Amendment Act of 2026

REFERENCE: Bill 26-327, Draft Committee Print as provided to the Office of Revenue Analysis on January 27, 2026

Conclusion

Funds are sufficient in the fiscal year 2026 through fiscal year 2029 budget and financial plan to implement the bill.

Background

District of Columbia Public Schools (DCPS) is required to develop individual school budgets that adjust school funding using the Schools First formula. The formula calculates a school's baseline budget, then applies a growth factor, and finally adjusts staffing based on enrollment to arrive at the Schools First budget.

The bill makes changes¹ to how individual school budgets within DCPS are calculated using the Schools First formula. Specifically, the bill:

- Modifies the baseline budget calculation to exclude funds provided for staffing early childhood education classrooms;
- Adds an additional baseline budget growth factor by including the projected increase in the average position cost as a possible growth adjustment; and
- Allows for a reduction of instructional or school-based support personnel resulting from the elimination of a grade level due to a school or campus closure over multiple years.

¹ By amending the Schools First in Budgeting Amendment Act of 2022, effective March 10, 2023 (D.C. Law 24-300; D.C. Official Code § 38-2851.01 et seq.).

The Honorable Phil Mendelson

FIS: "Schools First Amendment Act of 2026," Bill 26-327, Draft Committee Print as provided to the Office of Revenue Analysis on January 27, 2026.

Financial Plan Impact

Funds are sufficient in the fiscal year 2026 through fiscal year 2029 budget and financial plan to implement the bill.

Changing the process DCPS must follow to develop school-level budgets does not have a cost. Local funds are allocated to DCPS through the Uniform Per Student Funding Formula (UPSFF). The bill does not adjust the UPSFF; rather, it changes how Local funds allocated through the UPSFF are distributed at the school level. The fiscal year 2026 DCPS budget and financial plan includes \$1.44 billion in Local funds in fiscal year 2026 and \$5.52 billion over the financial plan.