



**TESTIMONY OF JENNY REED, POLICY ANALYST  
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**For the Public Oversight Hearing on  
Progress in the Implementation of the Pre-K Enhancement and Expansion Act  
District of Columbia Committee of the Whole  
November 13, 2009**

Chairman Gray and members of the Committee, thank you for the opportunity to speak today. My name is Jenny Reed, and I am a Policy Analyst with the DC Fiscal Policy Institute. DCFPI engages in research and public education on the fiscal and economic health of the District of Columbia, with a particular emphasis on policies that affect low- and moderate-income residents.

My testimony today will focus on how the transparency of the DC budget needs to be improved so that a early childhood education advocate, a DC resident, or a DC Councilmember would be able to tell how well early education programs and services are being implemented in the District.

The DC Fiscal Policy Institute does not have extensive knowledge on implementation of Pre-K for All, but we are extremely well versed in the lack of transparency in the early care and education budget. For several years, we have tracked funding for early care and education, and we have raised warning signs over reductions in funding. But we have not been able to draw many conclusions because the budget lacks clear, detailed, and useful information. This makes it difficult to tell how much is being spent on various programs and what services are being delivered.

The early care and education budget is yet another example of how inadequacies in budget information in the District make oversight difficult for important services. Just three weeks ago, DCFPI testified about the lack of transparency in the DC Public Schools budget. We are hopeful that the Council will use this information to push for reforms that result in the availability of more meaningful budget information.

**Budget line items do not provide enough meaningful spending detail**

The early childhood education budget within the Office of the State Superintendent of Education (OSEE) is an example of a budget that lacks meaningful spending data. For example, approximately \$100 million is spent on early childhood education programs and services in DC. Yet, despite the importance of the programs and the large spending amount, the DC budget contains just three line items; Early Care & Education Administration, Childcare Program Development, and Pre-k and School Readiness.

Moreover, these line items are not always clear and often are not well explained. For example, the *childcare program development* description is as follows: “Parents, Schools, child care providers, Head Start, Early Intervention, libraries, community organizations, and other stakeholders work together to build and support the early childhood development system for the achievement of long-term academic success.”<sup>1</sup> Ambiguous descriptions such as this one make it almost impossible to tell what taxpayer dollars are actually being spent on.

The detail available for early care in the budget has also been getting worse over time. When the budget was under the Department of Human Services, there were six line items describing the services for childcare. When that budget was transferred to OSSE, the six line items were consolidated to just two.

### **Greater spending detail can be provided through program-budgeting**

One of the best ways to provide more program detail would be to switch from the District’s current performance based budget structure to program-based budgeting. This would help provide more detail on how funding is spent on real programs and services. For example, the child-care and pre-k budgets could be broken out to include the following important services:

- **Early Care and Education Administration (ECEA) Child Care Subsidy Program** — This would be the child care voucher program that supports low-income parents while they are at work or in training
- **After School/Summer School Programs** — In the past, ECEA funded programs at DCPS and DPR for afterschool and summer activities. If that still occurs, it should be broken out.
- **Early Intervention Services** — This is a program to screen infants and toddlers for developmental disabilities
- **Infants and Toddlers with Disabilities Program (ITD)** — listed on OSSE web site
- **Resource and Referral Services** — helping clients navigate the child care system
- **Professional development assistance** — assistance to child care providers to help improve quality
- **Pre-K for All**

These are just some suggestions of possible breakouts. The Mayor’s office has expressed interest in program budgeting and has expressed plans to begin program budgeting in FY 2011. DCFPI believes that it would be best to engage the stakeholders of various programs and services to help inform what the best program breakouts for each agency would be.

### **Budget revisions can be significant yet are not made available to the public in a user-friendly way.**

Another issue with deciphering the budgets for child care and pre-k is that they — along with most other DC agency budgets — were revised several times during the middle of FY 2009. Yet, these revisions are often not displayed in a meaningful way in published budget documents. For example, the FY 2010 budget documents show that the decrease in funding for child care from FY 2009 to

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<sup>1</sup> Government of the District of Columbia, FY 2010 Budget and Financial Plan, Volume 3, September 2009

FY2010 is approximately 5 percent. Yet, when the FY 2010 budget is compared to the original FY 2009 budget — before revisions were made — the approved FY 2010 figure is actually a 12 percent decrease in funds. This makes it difficult for the public to see the true funding change in a program from year to year and understand the real impact of those funding changes.

### **Information on approved and revised budget figures should be made available to the public**

Since actual budget figures almost always differ from the approved budget figures in the published budget documents, both the approved and revised budget figures should be made available to the public in a user-friendly way. An additional way to help the public track changes to an agency's budget throughout the course of a fiscal year would be to make CFO Source available to the public. CFO Source is a powerful online tool that provides far more detailed information on agency spending than is available from published budget documents, but is only currently available to a limited number of government employees.

### **Many programs and services lack meaningful performance data**

The DC budget often makes it difficult to tell how dollars are being used to deliver programs and services because of a lack of meaningful performance data. This is true for early care as well. For example, there are only two measures in the FY 2010 budget that relate to child care and pre-k; the percent of providers meeting national accreditation standards and the percent of pre-k classrooms deemed exemplary according to the program quality report card. While these measures are important, they do not provide critical information such as the number of children being served by the pre-k program, the number of new slots being added each year, or the learning and school readiness outcomes the children are experiencing from the programs.

### **Additional performance data can help inform how programs and/or services are being delivered**

Additional performance data that measures critical areas of a program or service can help the public and elected officials better understand how efficiently and effectively taxpayer dollars are being spent.

It is encouraging that the new FY 2010 performance plan for OSSE — available on the District's Capstat website — shows that new workload measures and five new performance measures are proposed to be added to measure early childhood education. Yet, there are still areas where performance data needs to be added — such as educational and readiness outcome measures for children — and where caseload information can be added — such as the number of slots available for children in pre-k. This is especially important for a program trying to reach all young children in five years.

These are just a few of the ways budget transparency can be improved. I have attached to my testimony a DCFPI paper from earlier this year that goes into greater detail on the transparency suggestions given today and others.<sup>2</sup>

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<sup>2</sup> See DC Fiscal Policy Institute's 2009 paper, [\*10 Ways to Improve the Transparency of the DC Budget\*](#)

With greater detail on program spending and meaningful performance data, the public will be better equipped to connect how dollars are spent on critical services. This in turn can help to better inform the public and elected officials how well programs and services — such as Pre-k for All — are being implemented in the District.

Thank you for the opportunity to offer testimony. I am happy to answer any questions.