

PUBLIC HEARING ON

**State Board of Education Personnel Authority Amendment Act
of 2012, Bill 19-774**

BEFORE

**Council Chairman Philip H. Mendelson
And Committee of the Whole**

**October 10, 2012, 10:00 a.m.
John A. Wilson Building, Room 412**



**Testimony of
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**Dr. Natwar M. Gandhi
Chief Financial Officer
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Good morning Chairman Mendelson and the members of the Committee of the Whole. I am Yesim Yilmaz, Director of Fiscal and Legislative Analysis at the D.C. Office of Revenue Analysis. I am happy to provide written testimony on Bill 19-774, State Board of Education Personnel Authority Amendment Act of 2012.

Provisions of the Bill

The bill proposes the following changes to structure and governance of the State Board of Education: First, the bill requires that this Board specify its organizational structure, staff, operations, reimbursement of expenses policy and other matters affecting the Board's functions. Under current law, the Mayor is responsible for setting these structures.

Second, it requires that beginning 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, who will serve at the pleasure of the Board. Current law 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.¹

¹ D.C. Official Code § 38-2652.

Fourth, the bill would grant personnel authority to the State Board of Education over its employees. Under current law, the Mayor has personnel authority over the employees of the Board.²

Fiscal Implications

The resources available to the State Board of Education in FY 2013 equal \$581,751. This amount includes funds allocated to the Board within OSSE's budget of \$505,008, and funds for another FTE that is registered in a different part of the OSSE budget. Of this total, \$390,545 is for salaries for the three FTEs and the stipends for Board members. The remaining \$191,205 in the non-personal services budget is for items such as copiers, office supplies and transcription services. 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 bill does not add any new roles or responsibilities to the State Board of Education; it only changes the governance structure of the Board. 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. For example, OCFO can continue to support the Board with its existing resources even if it were structured as a separate agency with a separate budget. The bill would not create additional responsibilities for Office of Contracts and Procurement (OCP), or Office of the Chief Technology

² D.C. Official Code § 1-604.06.

Officer (OCTO). The Board has only three to five purchases per year for office supplies and transcription services, and these can be administered by its existing staff in collaboration with OCP. Similarly, the Board's technology costs are already reflected in the OSSE's technology budget. So long as these funds are transferred to the new annual budget of the Board, funds should be sufficient. Finally, fixed costs are not at all affected by the bill. Since the Board sits in a separate office from OSSE, the Board's share of fixed costs - which are currently budgeted in OSSE - could be separately represented in a new Board budget chapter 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. And the Board can continue to use DCHR for announcing positions or getting the new hires in the system. Since the FTE count is not expanded, this should not create an additional burden for the Board, or any other agencies supporting the Board.

Finally, if enacted, the first time the Board could have a separate appropriation would be FY 2014 since the FY 2013 budget is already completed.

This completes my testimony, and I will be happy to respond to any questions the Committee might have.