

Issues in Brief



DC Action for Children

March 2006

Nicety or Necessity? A Children's Budget in the District of Columbia

Introduction

Children and youth in the District rely more heavily on the District government for essential services, including early care and education and K-12 education, than other city residents. More than one-third of youth under age 18 live in poverty and may participate in the welfare program, receive food stamps and rely on public health benefits. Being disproportionately dependent on city services makes children and youth especially vulnerable to cuts in particular city programs and services, and for this reason alone the public should pay close attention to what is and what is not in the District's annual budget document, the most important legislation the mayor and city council work on annually.

Historically, the budget and the budget process in the District have not been particularly consumer-friendly. Budget books lack essential information, such as the total number of children or youth eligible for a service, making it difficult to assess the adequacy of the budget. Too, copies have not been made available to members of the public, making it difficult for individuals and organizations who wish to comment on the budget to do so. While performance-based budgeting, known as PBB, had promised to make the budget more transparent and more closely linked to measurable program results, these promises have not been realized.

The complex combinations of statistics related to children and youth, the difficulties in accessing budget information, and the overall importance of the budget itself have necessitated the creation of a special *children's budget*. In other states, these children's budgets typically isolate funding for programs for children and youth in a separate document, describing goals and how the budget plans to achieve them and providing an overall context for children, youth and families in need utilizing census and other data. The District's FY 2006 budget legislation required the mayor to present its own Children's Budget Report with his FY 2007 budget proposal. Child advocates in- and outside of government consider this requirement a major step forward in determining the city's overall investment in children and youth.

DC Action for Children considers the creation of the Children's Budget Report a major win for children and youth and is proud to have recommended the adoption of a children's budget in District of Columbia. This edition of *Issues in Brief* will provide an explanation of the necessity of the children's budget, steps for assessing its usefulness, expectations for the document, and recommendations for future iterations of the Children's Budget Report.

The necessity of a children's budget and making it reality

Because services and funding for children and youth are listed throughout the District's overall budget document, it has been difficult to identify and calculate total spending on those under age 18 in the current budget structure. Two examples bear this out:

- **Out-of-school time services:** As part of its children's budget advocacy efforts, DC Action for Children identified 15 District government agencies providing financial support, work and educational opportunities to youth in the city. Even with the help of technical experts like the DC Fiscal Policy Institute and DC Action for Children, determining the overall investment in "out-of-school time" services without the assistance of a children's budget document was extraordinarily difficult. This is why many in the community have used the Children and Youth Investment Trust Corp. as a proxy for "out-of-school time" services.
- **Early care and education:** In 2005, DC Action for Children received a grant to compare funding for children's programs in the 0-5, school-age, and youth and college-age age groups. The result was *Early Learning Left Out: Investments by Child Age on Education and Development* (April 2005). Thanks to the assistance of the Office of the Chief Financial Office (OCFO), which provided access to the city's accounting system, DC ACT was able to identify programs and their associated funding. Even with OCFO assistance, however, the project was time-consuming and frustrating — considerable time was spent identifying agencies serving each age group, and even more time was spent identifying Programs, Activities and Services (PBB jargon) by age and funding type. *A children's budget would have enabled us to compile program and funding information without the assistance of the OCFO and would have saved considerable time.*

To move the children's budget process forward, individuals from the public and private sectors

came together in June 2005 to form the Children's Budget Working Group. The Working Group identified more than 30 agencies and programs in which funding was directly related to children, youth, and families (for the direct benefit of children). The process relied on a set of rules guiding inclusion and exclusion of particular agencies, Programs and Activities (in PBB-speak). This work alone represents a significant advance for the District of Columbia. The Deputy Mayor for Children, Youth, Families and Elders pushed further, however, extending the Children's Budget Report into an actual policy document and requiring the city to include goals and data related to need and demographics as part of their budget report. This information will be used by individuals to determine how the budget will meet specific funding needs as well as identifying the number of children who will *not* be served by particular programs.

It is expected that the budget information and data types mentioned above will lead to the improved *accountability* of government agencies and improved *decision-making* ability of elected and appointed officials. It is also expected that discussions will change from "How many children does the Child Care Subsidy Program serve?" to "What role do the various agencies play in achieving the citywide goal of school readiness for preschoolers?" The latter represents the substantive policy discussions that can occur with comprehensive data and budget information, and is an important public policy win for children and youth in the District of Columbia.

The Children's Budget Report going forward

DC Action for Children believes that the FY 2007 Children's Budget Report will succeed in compiling more information on children, youth and families than has ever been available in a single resource document. At the same time, we recognize it will have shortcomings, like any first-time project. DC Action for Children

will continue our work on the children's budget and recommend specific improvements for the FY 2008 edition. The recommendations include:

- Including outcome measures in the report: This will enable readers to determine the real-life improvements to children and youth achieved as a result of government funding. The District currently does not include outcome measures in the budget. This recommendation would, in essence, pilot outcome measures for the District government.
- Developing more appropriate Key Result Measures for agency strategic business plans and the budget.
- Utilizing the report as a planning and evaluation tool.
- Linking outcomes to broad goals, and both to funding allocations.
- Including data related to each broad goal. In order to best understand the current situation facing children and youth, data specific to each goal should be included. For example, it is important to know that there are 8,000 young people in need of drug treatment when considering the sufficiency of the substance abuse treatment budget. The data will provide a contextual backdrop at the same time it demonstrates the government is aware of the actual need in the community.
- Defining the broad goals. The FY 2007 Children's Budget Report does not define what the city hopes to accomplish with indi-

vidual benchmarks. While the goals may appear straightforward, there is always room for interpretation. The government should be clear in articulating its priorities and should publicize them accordingly. The next step in the definition is the inclusion of outcome measures by which the government and community will assess success or failure. These indicators should represent the entire spectrum of services needed to achieve a particular goal.

Conclusion

May 10, 2005 represents a victory date for advocates, children, youth and their families: The City Council of the District of Columbia required the development of an annual children's budget. DC Action for Children believes this new budget tool will allow for more substantive discussions about how effectively the overall city budget is meeting the needs of children and youth in the city. We also believe the Children's Budget Report will increase public interest in the budget process precisely because budget information will now be more readily accessible to those who are not self-described budget advocates but who **are** child advocates.

The requirement of the submission of a Children's Budget Report by the mayor is part of the "Fiscal Year 2006 Budget Support Act of 2005" (BSA). The BSA language was a collaborative effort between DC Action for Children, the Committee on Human Services and its members and the Council of the District of Columbia. According to the budget legislation,

Beginning with the submission of the fiscal year 2007 budget, the Mayor shall include a Children's Budget report that: (1) Outlines the portion of the District's annual budget that is directed toward services and programs included in that budget that serve children and youth from birth to 18 years of age; (2) Includes all services that are directed toward children and youth or toward families for the benefit of their children; (3) Provides information on expenditures at the program and activity levels; (4) For agencies that are required to provide budget information at the service level, provides information at the program, activity, and service levels; and (5) For programs provided by the District of Columbia Public Schools, provides administrative cost of service information both including and excluding costs associated with non-local school administrative expenses.

DC Action for Children

1616 P Street, NW Suite 420, Washington, DC 20036

(202) 234-9404 ♦ Fax (202) 234-9108 ♦ dcaction@dckids.org ♦ www.dckids.org

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DC Action for Children is an independent, non-profit multi-issue children's advocacy organization dedicated to improving conditions for children, youth and their families in the District of Columbia.

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