

5. Cost of Education Adequacy in the District of Columbia

The study team’s estimation of the cost of providing an adequate education to all District of Columbia (DC) students, prekindergarten through grade 12, including adult learners, is based on findings from the professional judgment (PJ) panels. The estimation was informed by the evidence base, the successful schools study, and extensive analysis of District of Columbia Public Schools (DCPS) and public charter schools budget and expenditure data. In this way, the study team developed conclusions on the cost of education adequacy in the District and recommendations for restructuring and resetting the Uniform Per Student Funding Formula (UPSFF) base and weights for students with identified learning needs.

Throughout the analysis, the combination of methodological approaches and extensive review by local stakeholders and the Advisory Group provided a wealth of information that informed questions related to specific cost factors. When assessing the data generated through each of the approaches, the study team considered several criteria, including:

- How strongly the identified data or costs were associated with achieving *DC’s student academic performance expectations*;
- The degree to which the data or costs took into consideration *efficiency* and the lowest possible cost of resource delivery; and
- The *transparency and reliability* of the data generated.

The final cost calculations reflect resource needs based on DC students and their demographic characteristics. Although differences in schools and local educational agencies (LEAs) were taken into account in generating the specifications for costing out, the recommended funding levels do not vary based on school or LEA characteristics. DC law requires that:

- “[S]ervices provided by District of Columbia government agencies to public schools shall be provided on an equal basis to the District of Columbia Public Schools and public charter schools;” and
- “[A]ny services that are funded apart from the Uniform Per Student Funding Formula shall not also be funded by the Uniform Per Student Funding Formula.”¹

In accordance with DC law requiring uniformity in funding, the UPSFF base and weights for students with identified needs are the same for all DC students, regardless of whether they attend DCPS or public charter schools. This includes costs for all the resources that students need to be successful, including those currently provided outside the UPSFF.

To achieve greater equity, uniformity, and adequacy in education funding, the study team conducted separate analyses of the costs of:

¹ DC Official Code § 38-2913.

- Instructional programming, student support services, administration, and other educational resources; and
- Facilities maintenance and operations.

Currently, the UPSFF includes funding for facilities maintenance and operations (M&O) (e.g., general upkeep and noncapital repairs to buildings and grounds, custodial services, utilities, property taxes, and property insurance). However, to understand the impact of these costs on a per-student basis and how they can be most equitably addressed through the UPSFF, the study team analyzed them independently from costs related to instructional programming, student support, and administration.

As discussed in Chapter 4, though the study team also examined information on capital investments by DCPS and public charter schools, it was not possible to develop a meaningful comparison, because the available budget and expenditure data are not comparable. Public charter school LEAs receive a \$3,000 per-student annual facilities allowance to fund capital investments, but they are not required to spend these funds only on capital projects. Absent data that enable a reliable estimate of annual public charter school spending on facilities acquisition, purchase, construction, renovation, and upgrading, the study team could not develop sound, evidence-based recommendations for restructuring or resetting this allowance.

Base-Level Cost for Instructional Needs

The UPSFF is intended to fund all costs related to instruction, student support, and administration; other educational costs (e.g., professional development, student fees, books, and supplies); and technology hardware and software. Based on the entirety of the analysis by the study team—comprised of staff from The Finance Project (TFP) and Augenblick, Palaich and Associates (APA)—calculations show that the base-level per-student cost of educational programming, support services, administration, and other education resources is \$11,344, as shown in Table 5.1. The UPSFF base reflects the cost of serving elementary students (kindergarten through grade 5). Additional costs for students at other grade levels and for students with identified learning needs are incorporated into the weights. The UPSFF base reflects the cost of serving students without any identified learning needs that require additional special instructional programs, support services, and other resources. As discussed in Chapter 3, the school-level base reflects the estimated cost for large elementary schools (420 students); *the system cost reflects the weighted average of DCPS and public charter school LEA-level costs*. In sum, these estimates reflect the instructional portion of the UPSFF base-level, per-student cost before any adjustments for federal funding that is received by the District of Columbia to offset a portion of the cost.

Table 5.1: Instructional Portion of Uniform Per Student Funding Formula Base Cost Before Federal Funding Revenue Adjustment

Cost Elements	Per-Student Instructional UPSFF Formula Base Before Federal Revenue Adjustment
School-Level Base Cost	\$9,405
Average System Cost	\$1,939
Total Formula Base Cost	\$11,344

Sources: The recommendations are derived from both the professional judgment panel specifications resulting from panelists' deliberations and the evidence base found in Michael E. Goetz, Allen R. Odden, and Lawrence O. Picus, "Using Available Evidence to Estimate the Cost of Educational Adequacy," *Education Finance and Policy*, vol. 3, no. 3 (2008): 374–97.

As highlighted in the findings presented in Chapter 4, labor costs are one of the most significant differences between DCPS and public charter school cost structures that affect per-student cost estimates. The DCPS average salary and fringe benefit scale is higher for all positions than is the average salary and fringe benefit scale for public charter schools. In calculating the school-level base cost, *the study team used the DCPS average salary scale*. This holds DCPS at its current labor cost level for school year (SY) 2013–2014, with cost-of-living adjustments of 2 percent projected to begin in SY 2014–2015. In professional judgment panel deliberations, the study team received feedback from charter school representatives that they had challenges in meeting the salary levels set by DCPS. Using the DCPS average salary scale in calculating school-level base costs for both sectors also affords additional room for public charter schools to increase salaries and offer performance incentives. This will enhance their ability to offer compensation that is competitive in the local market for highly qualified teachers, if they choose to do so.

Weights for Students at Different Grade Levels and with Identified Learning Needs

For general education students at other grade levels and for students with identified learning needs, the study team calculated the difference in costs from the base level for elementary students in order to determine appropriate weights to account for the costs of serving students at these grade levels. This includes additional costs related to serving:

- Three-year-olds in prekindergarten (pre-K3) and four-year-olds in prekindergarten (pre-K4);
- Students in middle school (grades 6 through 8);
- Students in high school (grades 9 through 12);
- Students in alternative schools; and
- Students attending adult education programs.

It also includes differences related to serving students with identified learning needs, including:

- English language learners;

- Students at risk of academic failure; and
- Special education students, Levels 1–4².

These weights are expressed as a proportional addition to the base-level funding for each relevant grade level and category of identified learning needs. For students with multiple learning needs, the weights are cumulative, except for alternative and adult education students, because, by definition, all of these students are at risk, and the additional estimated costs of serving them is incorporated into the designated weights.

Adjustment for Federal Funding

The total costs of serving general education students and students with identified learning needs is partially offset by federal funding, including federal categorical funding that flows from several federal entitlement programs and other formula grant programs that benefit students with identified learning needs. Therefore, once the initial UPSFF base-level cost and weights were established, the study team analyzed sustained and predictable federal and other nonlocal funds that are available to the District of Columbia to partially offset these costs. It then reduced the recommended base-level funding amount and weights, accordingly.

Table 5.2 breaks down available federal and other program funding that has been factored into the calculations of the adjusted base-level funding and weights.

Table 5.2: Available Federal and Nonlocal Program Funding to Partially Offset Education Costs

Catalogue of Federal Domestic Assistance Funding Source		General Education	At Risk	English Language Learner	Special Education	Alternative Education	Pre-kindergarten
84.010A	College and Career Ready Students		\$41,812,230				
84.013A	State Agency Program—Neglected and Delinquent Children and Youth Education					\$216,054	
84.041	Impact Aid Basic Support Payments	\$1,645,583					
84.365A	English Learner Education (English Language Acquisition)			\$849,710			
84.196A	Homeless Children and Youth Education		\$184,482				
84.027A	Special Education—Grants to States				\$15,528,284		
84.173A	Special Education—Preschool Grants				\$217,081		
84.048A	Career and Technical Education State Grants	\$4,004,175					

² Special education students are categorized into four levels of need, according to the number of hours per week they require specialized services.)

Table 5.2: Available Federal and Nonlocal Program Funding to Partially Offset Education Costs, continued

Catalogue of Federal Domestic Assistance Funding Source		General Education	At Risk	English Language Learner	Special Education	Alternative Education	Pre-kindergarten
84.370A	DC School Choice Incentive Program	\$38,360,000					
84.041	Head Start						\$10,333,000
Federal	Consolidated Head Start						\$5,061,817
Temporary Assistance for Needy Families	Summer Education, Arts and Sports—After School		\$6,500,000				
Federal	Department of Health and Human Services—New Heights		\$400,000				
Federal	Department of Health and Human Services—New Heights New Heights 2		\$1,437,985				
Federal	Medicaid				\$5,000,000		
Federal	Medicaid Claiming Reimbursement				\$312,000		
Local	Youth Services Center					\$1,959,000	
	E-Rate Education Fund	\$7,806,341					
84.282A	Title V Part B Charter School Program	\$3,903,000					
	Community School Grants		\$1,000,000				
Federal Funding Total		\$55,719,099	\$51,334,697	\$849,710	\$21,057,365	\$2,175,054	\$15,394,817

Source: “Catalogue of Federal Domestic Assistance,” <https://www.cfda.gov>.

The net UPSFF base-level funding and weights deduct the amount of categorical funding that flows from federal agencies through the Office of the State Superintendent of Education (OSSE) to DCPS and public charter schools from the total cost estimate for serving general education students and students in each identified learning needs category. Accordingly, after the adjustments for sustained and predictable federal funding and other nonlocal sources, the net base cost level for the UPSFF is estimated to be \$10,557 per student. This portion represents the instructional portion of the UPSFF and does not include funding needed for maintenance and operations. Table 5.3 shows the net base-level instructional funding and weights after adjustments for federal funding were made. The first two columns of the table present the total instructional resources needed for students to be able to meet all the requirements and performance objectives in the District based on the study. The third and fourth columns present the net instructional amounts once federal funds are deducted.

Table 5.3: Recommended Instructional Uniform Per Student Funding Formula Base Funding Level and Weights*

Category	Proposed Instructional UPSFF Weight Before Federal Revenue Adjustments	Proposed Instructional UPSFF Per-Pupil Allocations Before Federal Revenue Adjustments	Proposed Instructional UPSFF Weight After Federal Revenue Adjustments	Proposed Instructional UPSFF Per-Pupil Allocations After Federal Revenue Adjustments
Base-Level Funding		\$11,344		\$10,557
General Education				
Preschool	1.18	\$13,386	1.15	\$12,141
Prekindergarten	1.18	\$13,386	1.15	\$12,141
Kindergarten	1.00	\$11,344	1.00	\$10,557
Grades 1–3	1.00	\$11,344	1.00	\$10,557
Grades 4–5	1.00	\$11,344	1.00	\$10,557
Grades 6–8	1.01	\$11,457	1.01	\$10,663
Grades 9–12	1.09	\$12,365	1.10	\$11,613
Alternative ¹	1.95	\$22,121	1.73	\$18,264
Special Education Schools	1.09	\$12,352	1.17	\$12,352
Adult Education ²	1.00	\$11,344	1.00	\$10,557
Identified Learning Needs Add-On Weightings				
Special Education Level 1	0.89	\$10,096	0.88	\$9,290
Special Education Level 2	1.10	\$12,478	1.08	\$11,402
Special Education Level 3	1.80	\$20,419	1.77	\$18,686
Special Education Level 4	3.19	\$36,187	3.13	\$33,043
Special Education Capacity Fund	N/A	N/A	N/A	N/A
English Language Learners	0.58	\$6,580	0.61	\$6,440
At Risk	0.52	\$5,899	0.37	\$3,906

Table 5.3: Recommended Instructional Uniform Per Student Funding Formula Base Funding Level and Weights, continued*

Category	Proposed Instructional UPSFF Weight Before Federal Revenue Adjustments	Proposed Instructional UPSFF Per-Pupil Allocations Before Federal Revenue Adjustments	Proposed UPSFF Weight After Federal Revenue Adjustments	Proposed UPSFF Per-Pupil Allocations After Federal Revenue Adjustments
Base-Level Funding		\$11,344		\$10,557
Special Education Compliance				
Blackman-Jones Compliance	0.06	\$651	0.06	\$651
Attorneys' Fee Supplement	0.07	\$838	0.08	\$838
Summer School³	N/A	N/A	N/A	N/A
Extended School Year Level 1	0.053	\$596	0.056	\$596
Extended School Year Level 2	0.190	\$2,150	0.204	\$2,150
Extended School Year Level 3	0.410	\$4,653	0.441	\$4,653
Extended School Year Level 4	0.408	\$4,625	0.438	\$4,625
Residential Add-On Weights				
Residential Weight	1.39	\$15,820	1.50	\$15,820
Special Education Residential				
Level 1	0.31	\$3,480	0.33	\$3,480
Level 2	1.12	\$12,656	1.20	\$12,656
Level 3	2.41	\$27,369	2.59	\$27,369
Level 4	2.40	\$27,211	2.58	\$27,211
English Language Learner Residential	0.56	\$6,328	0.60	\$6,328

Notes:

* The figures in this table do not include facilities maintenance and operations funding.

1 The proposed weight assumes alternative school students would not receive an at-risk weight.

2 The proposed weight assumes adult education students would not receive an at-risk weight. The adult weight was also prorated to take into account that an adult full-time equivalent (FTE) student requires fewer hours and weeks in school than a full-time general education student.

3 Summer school is not assigned a specific weight in the proposed UPSFF because it is included in the at-risk and English language learner weights.

Sources: The recommendations are derived from both the professional judgment panel specifications resulting from panelists' deliberations and the evidence base found in Michael E. Goetz, Allen R. Odden, and Lawrence O. Picus, "Using Available Evidence to Estimate the Cost of Educational Adequacy," *Education Finance and Policy*, vol. 3, no. 3 (2008): 374–97.

For students with multiple needs, the weights are cumulative for all categories of identified learning needs, except for alternative and adult education students. Therefore, as an example, for a high school student who is identified as an English language learner (ELL) and at risk, the general education base-level funding weight is 1.10 and the added weights are .61 plus .37, bringing the cumulative total to 1.97. The total instructional portion of the UPSFF allocation for this student is $\$11,613 + \$6,440 + \$3,906 = \$21,959$.

Costs for Facilities Maintenance and Operations

The study team analyzed facilities maintenance and operations costs separately from instructional costs for purposes of proposing a new UPSFF base. The study team collected available M&O cost data for DCPS and public charter schools. As noted in Chapter 4, charter school M&O costs also include property taxes and property insurance that are not charged to DCPS. However, not all categories of M&O are reported uniformly for charter schools. Also as discussed in Chapter 4, the study team's analysis shows that facilities M&O costs are a significant driver of the cost difference between DCPS and public charter schools, with DCPS costs being higher than those for public charter schools.

Some of the difference may be due to the fact that LEAs in the District do not use a uniform accounting protocol for categorizing M&O costs, which makes it difficult to isolate relevant expenditures and compare levels of spending across LEAs. For example, as highlighted in the system-level findings, custodial services are likely underestimated in public charter school calculations because, in many cases, they cannot be isolated from lease costs or other vendor contracts. Similarly, M&O costs are likely higher for DCPS because they include expenses for vacant and underutilized space in schools.

To some extent, the difference may also reflect the fact that DCPS uses union labor for engineers, technicians, custodians, and other maintenance personnel and is subject to collective bargaining on compensation and work rules. In contrast, public charter schools have the flexibility to negotiate contracts with outside vendors based on lower wage rates.

To develop a uniform basis for calculating space costs for DCPS and public charter schools, the study team developed a per-square-foot M&O cost rate. To derive an equitable per-student M&O cost at each school level, the study team applied the per-square-foot rate to the number of square feet of space recommended for students at each grade level in the DCPS design guidelines. It then used student enrollment data to determine the amount of funding that should be allocated to DCPS and public charter schools.

The study team identified the number of square feet of school facility space per student that is needed to support an adequate education.³ These recommended space requirements, which differ depending on school level, are based on design guidelines adopted by DCPS. Total per-student space requirements are as follows:

- Elementary schools: 150 square feet per student
- Middle schools: 170 square feet per student
- High schools: 192 square feet per student
- Adult and alternative education centers: 170 square feet per student
- Special education schools: 192 square feet per student.⁴

³ The education space specifications do not include a recommended amount of square feet for special education programs or for alternative or adult education programs. After consulting with education experts, the study team determined that the middle school specification was sufficient for alternative and adult education programs because these programs do not require the larger space requirements of a full high school education. Stakeholders recommended that the high school specification be applied to special education schools.

Because it was not possible to calculate an accurate actual M&O cost for public charter schools, the study team used *the DCPS average cost per weighted square foot for an average elementary, middle, and high school to determine the relevant facilities M&O costs that should be factored into the UPSFF*. The cost was weighted by the total square feet for each school-level building.

M&O costs were derived using Department of General Services (DGS) and DCPS actual and budgeted costs by school for:

- DGS scheduled and preventive maintenance [DC Partners for the Revitalization of Education Projects (DC PEP) and consolidated maintenance contract costs, a combination of actual and budgeted costs];
- Budgeted DGS specialized cleaning costs and trash removal as well as budgeted DCPS school custodian costs;
- Budgeted DGS corrective maintenance and repair costs for elevators; electrical; heating, ventilation, and air conditioning; plumbing; structural/roofs; life safety/fire; and general external and internal space;
- Budgeted DGS grounds costs, which include costs for landscaping, garage/parking, and snow removal;
- Budgeted DGS costs for field personnel in the above categories; and
- A combination of actual and estimated DCPS energy costs for electricity, water, and gas.

The study team developed an average M&O cost for three grade levels: elementary school, middle school, and high school. (The study team applied the middle school or the high school rate to other types of programs that were not specifically called out in the DCPS design guidelines, such as alternative, adult education, and stand-alone special education schools.) The average costs are as follows:

- \$1,071 for each elementary school student;
- \$1,209 for each middle school student;
- \$1,342 for each high school student;
- \$1,209 for each alternative and adult education student; and
- \$1,342 for each student attending a stand-alone special education school.

Calculating M&O costs in this way, based on actual costs applied to recommended space criteria, enables funding to flow through the formula on a per-student basis in a transparent way. This process will also enable DC leaders to more regularly update estimated facilities M&O costs to reflect actual needs. To accurately reset the M&O payment levels over time, LEAs will need to collect and report M&O costs in a uniform manner that allows for analysis of actual costs. Table 5.4 shows the UPSFF base and weights with M&O costs incorporated into the base.

**Table 5.4: Current and Recommended Uniform Per Student Funding Formula Base-Level Funding and Weights
(Maintenance and Operations Costs Included in Base)**

Category	Current UPSFF Weight	Current UPSFF Per-Pupil allocation	Proposed UPSFF Weight After Revenue Adjustments	Proposed Instructional UPSFF Per-Pupil Allocations After Revenue Adjustments	Facility M&O UPSFF Per-Pupil Allocations	Proposed UPSFF Per-Pupil Allocations After Revenue Adjustments with M&O
Base-Level Funding		\$9,306		\$10,557	\$1,071	\$11,628
General Education						
Preschool	1.34	\$12,470	1.15	\$12,141	\$1,071	\$13,212
Prekindergarten	1.30	\$12,098	1.15	\$12,141	\$1,071	\$13,212
Kindergarten	1.30	\$12,098	1.00	\$10,557	\$1,071	\$11,628
Grades 1–3	1.00	\$9,306	1.00	\$10,557	\$1,071	\$11,628
Grades 4–5	1.00	\$9,306	1.00	\$10,557	\$1,071	\$11,628
Grades 6–8	1.03	\$9,585	1.01	\$10,663	\$1,209	\$11,872
Grades 9–12	1.16	\$10,795	1.10	\$11,613	\$1,342	\$12,955
Alternative ¹	1.17	\$10,888	1.73	\$18,264	\$1,209	\$19,473
Special Education Schools	1.17	\$10,888	1.17	\$12,352	\$1,342	\$13,694
Adult Education ²	0.75	\$6,980	1.00	\$10,557	\$1,209	\$11,766
Identified Learning Needs Add-On Weightings						
Special Education Level 1	0.58	\$5,397	0.88	\$9,290		
Special Education Level 2	0.81	\$7,538	1.08	\$11,402		
Special Education Level 3	1.58	\$14,703	1.77	\$18,686		
Special Education Level 4	3.10	\$28,849	3.13	\$33,043		
Special Education Capacity Fund	0.40	\$3,722	N/A	N/A		
English Language Learners	0.45	\$4,188	0.61	\$6,440		
At Risk	N/A	N/A	0.37	\$3,906		

Table 5.4: Current and Recommended Uniform Per Student Funding Formula Base-Level Funding and Weights, continued

Category	Current UPSFF Weight	Current UPSFF Per-Pupil Allocation	Proposed UPSFF Weight After Revenue Adjustments	Proposed UPSFF Per-Pupil Allocations After Revenue Adjustments
Foundation		\$9,306		\$10,557
Special Education Compliance				
Blackman-Jones Compliance	0.07	\$651	0.06	\$651
Attorneys' Fee Supplement	0.09	\$838	0.08	\$838
Summer School³	0.17	\$15,820	N/A	N/A
Extended School Year Level 1	0.064	\$596	0.056	\$596
Extended School Year Level 2	0.231	\$2,150	0.204	\$2,150
Extended School Year Level 3	0.500	\$4,653	0.441	\$4,653
Extended School Year Level 4	0.497	\$4,625	0.438	\$4,625
Residential Add-On Weightings				
Residential Weight	1.70	\$15,820	1.50	\$15,820
Special Education Residential				
Level 1	0.374	\$3,480	0.330	\$3,480
Level 2	1.360	\$12,656	1.199	\$12,656
Level 3	2.941	\$27,369	2.592	\$27,369
Level 4	2.924	\$27,211	2.578	\$27,211
English Language Learner Residential	0.68	\$6,328	0.60	\$6,328

Notes:

- 1 The proposed weight assumes alternative school students would not receive an at-risk weight.
- 2 The proposed weight assumes adult education students would not receive an at-risk weight. The adult weight also assumes that adult education students attend school for less time than a full-time equivalent (FTE) general education student.
- 3 Summer school is not assigned a specific weight in the proposed UPSFF because it is included in the at-risk weight and English language learner weights.

Sources: The recommendations are derived from both the professional judgment panel specifications resulting from panelists' deliberations and the evidence base found in Michael E. Goetz, Allen R. Odden, and Lawrence O. Picus, "Using Available Evidence to Estimate the Cost of Educational Adequacy," *Education Finance and Policy*, vol. 3, no. 3 (2008): 374–97.

Comparison of the Current and Recommended Structure for the UPSFF

Based on the PJ panel deliberations and the analysis of DCPS and public charter school cost data, the study team highlighted the need for several modifications to the structure of the current UPSFF base-level funding formula and weights:

- To increase equity between DCPS and public charter schools, *all education funding for DCPS and public charter schools should flow through the UPSFF and be provided on an equal basis, except for funding for student safety*. Because student safety funds are allocated based on neighborhood conditions and factors, such as traffic patterns, gang presence, and the prevalence of school violence, rather than the number of students attending a school, they should continue to flow through DDOT (school crossing guards)

and MPD (school resource officers). DCPS and public charter schools should be required to use funding provided through the UPSFF to pay for any other services and administrative support they receive from other DC government agencies through an interagency transfer, or they should purchase these services in the commercial market.

- To increase transparency and aid in routinely updating the base-level funding and weights within the UPSFF formula, the estimated costs of the two major components that are the basis for setting payment levels—instructional operating costs and facilities M&O costs—should be priced separately. The amount of per-student funding should be the sum of these two components.
- In addition to the current set of UPSFF weights, a weight is needed for students at risk of academic failure. This new weight would be accumulative for all grade levels except alternative and adult education grades, and it would be accumulative for ELL and special education students. The PJ panels specified significant additional instructional and student support resources for students at risk of academic failure because of economic disadvantage and disconnection. The study team suggests that a working definition focus on three criteria:
 - Students who are in foster care;
 - Students who are homeless; and
 - Students who are living in low-income families eligible for Temporary Assistance for Needy Families (TANF).

Several stakeholders have raised concerns that these criteria are too narrow and would significantly undercount the number of students who are truly at risk of academic failure. Others remarked that using eligibility for free-and reduced-price school meals as a proxy for at risk, which was a definition initially considered by the study team, would overfund schools that have a high percentage of low- and moderate-income students who would qualify for subsidized meals but are not truly at risk of academic failure. The study team recognizes the deficiencies in the proposed working definition. Therefore, as it is ultimately a policy decision for the Mayor and the DC City Council to define at-risk status, the study team urges DC education leaders to engage stakeholders further to help refine the definition of at risk, so it is targeted to the District's needs; and align the criteria for determining eligibility with OSSE's early warning system for identifying students at risk of academic failure, when it is completed.

- Because resources to provide extended-year programs for students who are struggling academically are built into the proposed UPSFF weights for these categories of identified learning needs, the summer school weight in the current UPSFF is redundant and is no longer needed. It is covered in funding for extended-year programs to help boost achievement for at-risk students during the school year and help prevent summer learning loss. In its cost calculation, the study team assumed that 100 percent of at-risk students would attend summer school and Level 1 and Level 2 ELL students would also attend summer school.

Current Per-Student Spending Compared with the Estimated Cost of Education Adequacy

To clarify the differences in cost between current DCPS and public charter school expenditures and the recommended new UPSFF base cost, the study team examined:

- The amount of funding that currently flows to LEAs through the UPSFF base and weights;
- The total amount of funding that is contributed to DCPS and public charter schools by other DC government agencies and executive offices and supplemental appropriations; and
- Reported levels of spending by successful DCPS and public charter schools in the District of Columbia.

The results of the successful schools study shown in Table 5.5 present a point of comparison with current levels of spending in DCPS and public charter schools and the projected base-level cost of education adequacy for DC students based on the specifications of the PJ panels. The successful schools base cost reflects the successful schools' expenditures and does not differentiate between sources of funding (i.e., federal, local, or philanthropic). Therefore, the successful schools expenditures are likely financed through additional funding beyond the UPSFF, such as federal program support and privately raised dollars.

**Table 5.5: Successful Schools Per-Student Expenditures
(School Year 2011–2012)***

Successful Schools	Per-Student Instructional Formula Base Cost
	Weighted Average
Charter School Data from Public Charter School Board (13 schools/LEAs)	\$10,885
District of Columbia Public Schools (21 schools)	\$12,783
Weighted Average of Charter School and DCPS	\$12,102

Note: * Weighted averages are based on the audited number of students in each of the successful schools. Weighted average of charter school and DCPS represents the average of available information for all successful schools combined.

Sources: Cost information for charter schools based on audited SY 2011–2012 financial data from the Public Charter School Board. Cost information for DCPS from Office of the Chief Operating Officer in DCPS.

Table 5.5 presents the total amount of instructional base-level funding that currently supports students in DCPS and public charter schools from these sources, plus the additional per-student base amount in the fiscal 2013 supplemental budget for DCPS and public charter schools. Table 5.6 compares the weighted average per-student costs in high-performing schools in SY 2011–2012 with the proposed UPSFF instructional funding prior to federal revenue adjustments. The weighted average in high-performing schools in SY 2011–2012 was \$12,102, which is more than the calculated level of spending based on the current UPSFF; however, the successful schools study admittedly includes additional funding besides local dollars. Yet the weighted average is

6.7 percent more than the estimated cost of adequacy prior to federal revenue adjustments in SY 2013–2014, based on the PJ panel deliberations and the evidence base. The proposed UPSFF instructional funding prior to federal revenue adjustments equals \$11,344.

Table 5.6: Successful Schools Study and the Recommended Uniform Per Student Funding Formula Instructional Per-Student Base-Level Funding Prior to Federal Revenue Adjustment Recommended to Achieve Education Adequacy

Cost Elements	Successful Schools Study	Recommended UPSFF Base Prior to Federal Revenue Adjustment
Instructional Operating Allocation	\$12,102	\$11,344

Source: Calculations by Augenblick, Palaich and Associates.

Clear messages from a comparison of these spending levels for general education students *without* identified learning needs that require additional resources are these:

- Current UPSFF base-level funding has not kept up with the cost of educating students. This conclusion is confirmed by the fact that both high-performing DCPS and public charter schools currently spend more per student than they receive through the UPSFF. During the past several years, a portion of these higher costs has been covered by other DC government agencies that provide services for DCPS and public charter schools outside the UPSFF and by mid-year supplemental education appropriations provided by the City Council. Many high-performing DCPS and public charter schools also receive private funding from foundation grants, in-kind contributions from community partner organizations, and annual donations from parents and private donors.
- The recommended UPSFF base-level funding level and the level of spending by high-performing schools are closely correlated. The recommended UPSFF base-level funding for students without identified learning needs is within 6.7 percent of the calculated per-student costs for these students in the city’s high-performing schools, when federal program support is factored in. These two cost estimates were derived using different methodological approaches; that they are within 10 percent of each other underscores the validity of the study team’s general conclusions on the cost of education adequacy in the District of Columbia.

Fiscal Impact of Proposed Changes to the UPSFF

To examine the fiscal impact of proposed changes to the UPSFF, the study team compared projected local spending for SY 2013–2014—and for the next three years—and compared that projected spending with expected local education spending absent changes to the structure and levels of base funding and weights provided in the UPSFF (see Table 5.7). These projections are based on student enrollment projections for DCPS and public charter schools and for students

with identified learning needs and an indexed cost-of-living increase of 2 percent beginning in SY 2014–2015.⁵

During the four-year period from SY 2013–2014 through SY 2016–2017, the net cost difference to provide all students with an adequate education is estimated to be approximately \$1.1 billion. Of that amount, approximately \$433.7 million would be allocated to the new at-risk weight. See Appendix N for detailed projected costs for SY 2014–2015 through SY 2016–2017 using the proposed UPSFF. Appendix O lists the detailed projected costs for SY 2014–2015 through SY 2016–2017 using the current UPSFF.

**Table 5.7: Net Fiscal Impact
(School Year 2013–2014 Through School Year 2016–2017)**

Cost Category	SY 2013–2014	SY 2014–2015	SY 2015–2016	SY 2016–2017	Total
Total Projected Costs with Proposed Changes to UPSFF	\$1,406,127,715	\$1,478,134,740	\$1,548,403,718	\$1,622,637,470	\$6,055,303,643
Total Projected Costs with No Changes to UPSFF	\$1,152,035,738	\$1,209,472,100	\$1,266,986,935	\$1,326,798,521	\$4,955,293,294
Net Cost	\$254,091,977	\$268,662,640	\$281,416,783	\$295,838,949	\$1,100,010,349

Sources: Mary Levy, an independent budget consultant, developed the projections of current expenditures. The study team developed the projections of proposed expenditures with changes to the UPSFF.

As shown in Table 5.8, the total additional cost of proposed educational resources in SY 2013–2014 is approximately \$254.1 million, based on the study team analysis. Of that amount:

- Approximately \$168.7 million is attributable to increased base-level funding for instructional programs, student support services, administration, and other educational resources for general education students.
- Approximately \$101.2 million is projected for the proposed new weight for students at risk of academic failure, including students who are in foster care, who are homeless, and/or who are living in low-income in families eligible for TANF. As discussed earlier, some stakeholders raised concerns that the working definition of at risk is too narrow. Should the definition be broadened, as some stakeholders have suggested, the fiscal impact will be more substantial. (The net increase is approximately \$65.7 million when the current allocation for summer school is factored in.)

⁵The study team estimated that DCPS general education enrollments would increase by 1 percent annually and that charter school general education enrollments would increase by 5 percent annually. Similarly, DCPS English language learner enrollments were projected to increase by 1 percent per year and charter school ELL enrollments by 3 percent per year. Special education enrollments by level of need were projected to remain the same over time.

- Total funding for special education students is projected to increase slightly by approximately \$3.0 million, while funding for English language learners is projected to increase by approximately \$16.7 million.

Table 5.8: Projected Costs for School Year 2013–2014 with Proposed Changes to the Uniform Per Student Funding Formula

Cost Categories	Current UPSFF: SY 2013–2014	Recommended UPSFF: SY 2013–2014
Operating Costs		
General Education (instructional and maintenance and operations)	\$854,908,536	\$ 1,023,612,861
Special Education	\$198,532,500	\$ 201,486,467
Special Education Compliance Fund	\$17,396,496	\$ 17,396,496
English Language Learners	\$31,032,716	\$ 47,720,400
At Risk	Not a current weight	\$ 101,195,839
Summer School	\$35,449,838	Included in proposed weights
Extended School Year	\$8,162,659	\$ 8,162,659
Total UPSFF Nonresidential	\$1,145,482,745	\$ 1,399,574,722
Total Residential	\$6,552,993	\$ 6,552,993
Total Instructional Operating Allocation	\$1,152,035,738	\$ 1,406,127,715

Sources: Mary Levy, an independent budget consultant, developed the projections of current expenditures. The study team developed the projections of proposed expenditures with changes to the UPSFF.

Analysis of Net Fiscal Impact

As shown in Table 5.9, an estimated \$72.5 million of other local funding is expected to be available to offset approximately 30 percent of the \$254.1 million in projected new education costs in SY 2013–2014 to achieve education adequacy in the District of Columbia. This includes funding from other DC government agencies that provide services—and the related economic benefit—to DCPS and public charter schools outside the UPSFF. (The costs of services by these DC agencies are now included in the proposed UPSFF funding.) Assuming this current spending is applied to offset the projected costs, the remaining balance that would still need to be funded is approximately \$181.6 million in the current school year—an amount equal to just more than 15 percent of total current local education spending for SY 2013–2014.

Table 5.9: Projected Costs for School Year 2013–2014 with Proposed Changes to the Uniform Per Student Funding Formula, Including the Offset of Other Local Funding

	Current Funding	Proposed Funding	Difference
OPERATING COSTS			
<i>General Education (instructional and maintenance and operations)</i>	\$854,908,536	\$1,023,612,861	\$168,704,325
Special Education	\$198,532,500	\$201,486,467	\$2,953,967
Special Education Compliance Fund	\$17,396,496	\$17,396,496	None
English Language Learner	\$31,032,716	\$47,720,400	\$16,687,684
At Risk		\$101,195,839	\$101,195,839
Summer School	\$35,449,838		\$(35,449,838)
Extended School Year	\$8,162,659	\$8,162,659	None
Total UPSFF Nonresidential	\$1,145,482,745	\$1,399,574,722	\$254,091,977
Total Residential	\$6,552,993	\$6,552,993	None
Subtotal UPSFF Funding	\$1,152,035,738	\$1,406,127,715	\$254,091,977
OTHER LOCAL FUNDS AVAILABLE			
Department of Health	\$17,000,000		
Department of Behavioral Health	\$4,446,771		
Office of the Attorney General	\$2,442,000		
Office of Contracting and Procurement	\$2,280		
Office of the Chief Technology Officer	\$1,914,110		
Public Charter School Board Appropriation	\$1,161,000		
Department of General Services (maintenance and operations)	\$45,503,000		
	Current Funding	Proposed Funding	Difference
Subtotal Other Local Funds	\$72,469,161		
Total Funding SY 2013–2014	\$1,224,504,899	\$1,406,127,715	\$181,622,816

Sources: Mary Levy, an independent budget consultant, developed the projections of current expenditures. The study team developed the projections of proposed expenditures with changes to the UPSFF.