




Office of Deputy Mayor Jennifer C. Niles
 John A. Wilson Building | 1350 Pennsylvania Ave, NW, Suite 307 | Washington, DC 20004

MEMORANDUM

TO: LEA Leaders

FROM: Jennifer Niles, Deputy Mayor for Education 

DATE: December 12, 2016

SUBJECT: Revised LEA Payment: Hold Harmless for First Year (SY2017-18)

This memo describes the timeline for implementing the revised LEA Payment Initiative. As a reminder, the goals of the revised LEA Payment initiative are to fund schools equitably for the students they serve; incentivize LEAs to enroll students throughout the year and minimize disenrolling; improve student data systems and tracking that will positively impact other data collection and reporting efforts; and automate OCFO payments of local school funds to increase accuracy, efficiency, and timeliness. This memo also announces a meeting on Monday, January 23, 2017 where State Superintendent Kang and I will discuss the policies under consideration to support this new initiative.

This school year, SY2016-17 (FY17), is the planning year for LEA Payment reform specifically for LEAs that serve PK3-12 grade students. Next year SY2017-18 (FY18), the City will implement the revised LEA Payment for LEAs serving PK3-12 grade students.

- This first year will be a **“hold harmless” budget year** meaning that the PK3-12 grade charter LEAs payments will not be adjusted down if their enrollment falls below the October 5 enrollment count and, similarly, DCPS’s budget will not be adjusted if they do not meet their projected enrollment. (If possible, private funds will be raised to create an incentive fund for LEAs that add students mid-year over their October enrollment (charters) or projections (DCPS).)
- For the second year of implementation for PK3-12 grade LEAs (SY2018-19/FY19) and for future years, the hold harmless provision will no longer be in effect and payments will be adjusted if LEAs gain or lose students mid-year.

For adult and alternative public charter LEAs, the timeline starts next year. SY2017-18 (FY18) will be a planning year used to refine the policies that will be used specifically for adult and alternative public charter LEAs. Year 1 of implementation for the adult and alternative public charter LEAs will be SY2018-19 (FY19), with a similar “hold harmless” provision if LEAs lose enrollment after October 5; adult and alternative school budgets will not be adjusted if they lose enrollment after October. In SY2019-20 (FY20), the hold harmless provision will expire and payments will be adjusted for adult and alternative charter LEAs if they gain or lose students after October. This revised system will apply to all future years after SY2019-20. (If possible, the incentive fund will still be in effect and apply to adult and alternative schools.)





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The table at the end of the memo illustrates the timeline for PK3-12 grade LEAs and adult/alternative public charter LEAs.

Implementing this initiative requires enhanced data tracking, new financial policies, and structural changes in the way that LEAs are paid. For the past year and half, DME and OSSE, in consultation with school leaders, have been working on developing a recommended set of procedures and policies. **I will host a meeting with State Superintendent Kang on Monday, January 23, 2017 from 3:30-5pm for LEA leaders** to discuss these suggested policies, including the new data membership tracker in SLED, a recommended new projection methodology, the recommended number of enrollment counts that will be taken into effect after the hold harmless year, and the recommended cash flow. I recommend that you attend as well as your data managers and chief financial officer as it is important that these key personnel also understand the requirements of this new initiative. We will then work together throughout the remainder of the school year to finalize these policies and procedures.

I want to thank the LEA data managers and financial analysts who have already contributed their time in the data working group and financial working group to help shape the new LEA payment reform policies and procedures.

Please reach out to me or Senior Policy Advisory Jennifer Comey (Jennifer.comey@dc.gov) if you have any questions. I look forward to meeting with you and your data and financial managers in January and solidifying these policies in the upcoming months.





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Timeline for the revised LEA Payment for PK3-12 LEAs and Adult/Alternative LEAs

School Year (Fiscal Year)	Implementation for PK3 – 12 Grade LEAs
Preparation SY2016-17 (FY17)	Planning year to develop data tracking, financial policies, updated enrollment projections, coordination with OCFO
Year 1 SY2017-18 (FY18)	<p><i>“Hold Harmless” with Possible Incentive Funding</i></p> <ul style="list-style-type: none"> FY18 public charter budgets will be developed per the status quo methodology of projecting to the October count. LEAs will be paid no less than they have received under the current system. (Charter schools will not be adjusted if they lose enrollment after October. DCPS will not be adjusted if they do not meet their projected enrollment.) <i>LEAs could receive a pro-rated additional \$ amount if they have a net increase enrollment compared to October (charters) or projected enrollment (DCPS). This is dependent on securing philanthropic funding.</i>
Year 2 and Beyond SY2018-19 (FY19)	<p>Funding Follows the Student</p> <ul style="list-style-type: none"> Charter LEAs will be paid if they gain students after October, and lose funds if they lose students after October. DCPS will have their budget adjusted if they lose/gain students in a method yet to be determined.
School Year (Fiscal Year)	Implementation for Alternative and Adult LEAs
Preparation SY2017-18 (FY18)	Planning year to develop common definitions of alternative/adult schools, data tracking, financial policies, updated enrollment projections, coordination with OCFO
Year 1 SY2018-19 (FY19)	<p><i>“Hold Harmless” with Possible Incentive Funding</i></p> <ul style="list-style-type: none"> FY18 and FY19 public charter budgets will be developed per the status quo methodology of projecting to the October count. LEAs will be paid no less than they have received under the current system. (Adult and alternative charter LEAs will not be adjusted if they lose enrollment after October.) <i>LEAs could receive a pro-rated additional \$ amount if they have a net increase enrollment compared to October (charters). This is dependent on securing philanthropic funding.</i>
Year 2 and Beyond SY2019-20 (FY20)	<p>Funding Follows the Student</p> <ul style="list-style-type: none"> Adult/alternative LEAs will be paid if they gain students after October, and lose funds if they lose students after October.

