



MEMORANDUM

TO: LEA Leaders

FROM: Jennifer Niles, Deputy Mayor for Education

DATE: November 3, 2017

SUBJECT: Revised LEA Payment Timeline: Hold Harmless Extended through SY2018-19

This memo describes a revised 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 dis-enrolling;
- 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.

Full implementation for PK3-12 LEAs will begin SY2019-20 rather than SY2018-19. As you know from a previous [memo](#), SY2017-18 (FY18) is a “**hold harmless**” budget year for PK3-12 LEAs. This means that public charter LEAs quarterly payments will not be adjusted if their enrollment later in the school year is more or less than the October 5 enrollment count and, similarly, DCPS’s budget will not be adjusted if they do not meet their projected enrollment.

In order to ensure the data tracking and enrollment processes are robust and to provide more time for engagement with LEA leaders and community members in the business rule development, we are designating SY2018-19 (FY19) as a **second hold harmless budget year**. Public charter LEAs quarterly payments will not be adjusted if their enrollment later in the school year is more or less than the October 5 enrollment count and DCPS’s budget will not be adjusted if they do not meet their projected enrollment.

Full implementation for PK3-12 grade LEAs will go into effect starting SY2019-20 (FY20). During full implementation, payments will be adjusted if public charter LEAs gain or lose students mid-year, and DCPS’s budget will be adjusted if it does not meet or exceed their projected enrollment.

For adult and alternative LEAs, planning will start SY2018-19 and the LEAs will be held harmless in SY2018-19 (FY19) and SY2019-20 (FY20). Full implementation for adult/alternative LEAs will be SY2020-21 (FY21).

Expect to hear from us in January 2018 to review the proposed business rules. Our goal is to submit the appropriate legislation through the FY19 Budget Support Act in April 2018.



The following table illustrates the updated timeline for PK3-12 grade LEAs and adult/alternative public charter LEAs.

Revised Timeline (11/1) for Budget Impacts of the LEA Payment Initiative
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, which will be implemented Year 1 and Year 2
Year 1 SY2017-18 (FY18)	“Hold Harmless” Year 1 <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.)
Year 2 SY2018-19 (FY19)	“Hold Harmless” Year 2 <ul style="list-style-type: none"> 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. (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.)
Year 3 and Beyond SY2019-20 (FY20)	Funding Follows the Student <ul style="list-style-type: none"> Charter LEAs will be paid additional funds 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 SY2018-19 (FY19)	Planning year to develop common definitions of alternative/adult schools, data tracking, financial policies, updated enrollment projections, which will be implemented in Year 1
Year 1 SY2019-20 (FY20)	“Hold Harmless” <ul style="list-style-type: none"> FY20 public charter budgets will be developed per the status quo methodology of projecting to the October count. Adult and alternative charter LEAs will not be adjusted if they lose enrollment after October.
Year 2 and Beyond SY2020-21 (FY21)	Funding Follows the Student <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.

Note: PK3-12 LEAs and adult/alternative LEAs are on different timelines.

Please reach out to me or Senior Policy Analyst Jennifer Comey (Jennifer.comey@dc.gov) if you have any questions.