



Office of Deputy Mayor Jennifer C. Niles

John A. Wilson Building | 1350 Pennsylvania Ave, NW, Suite 307 | Washington, DC 20004

To: Charter LEA Leaders
From: Jennie Niles, Deputy Mayor for Education
Date: April 27, 2016
Re: 2015-16 At-Risk Funding Update

I am writing to share an update with you regarding at-risk funding for the 2015-16 school year. After additional conversations and reflection over the past few weeks, **the District has decided to “hold harmless” those charter LEAs experiencing net decreases in actual at-risk funding compared to projected at-risk funding. To hold these charter LEAs harmless, the Office of the State Superintendent of Education (OSSE) will be providing payments in summer 2016 equivalent to LEAs’ net reductions between actual and projected at-risk funding.** Please read below for further details.

Background

In March 2016, the Deputy Mayor for Education (DME) and the Office of the State Superintendent of Education (OSSE) introduced two adjustments to the at-risk funding process compared to prior years. First, at-risk funding contained within the 2015-16 quarterly uniform per student funding formula (UPSFF) payments was reconciled to October 2015 audit figures for each school. Second, at-risk students identified after the enrollment audit became part of the supplemental payment system along with SPED and ELL students.

The new payment methodology outlined above is the appropriate way to calculate and distribute at-risk funding within the District’s UPSFF and added at least \$1.36 million to the charter school sector positively impacting at minimum 31 LEAs.¹ Nevertheless, since the announcement in March 2016 of the changes, both DME and OSSE realized such changes conflicted with documentation shared by the City, i.e. the OCFO quarterly receipts, which suggested that the funding in the 2015-16 school year would be based solely on projected student counts. DME and OSSE recognize that any reductions in at-risk funding due to the new reconciliation process represent real fiscal impacts on schools’ operations, and have identified up to \$706,000 to hold harmless those charters that would have experienced a net decrease in funding due to the change.

2015-16 At-Risk Hold Harmless Payments

In order to eliminate such impacts, the Bowser Administration has approved DME and OSSE’s request to “hold harmless” those charter LEAs experiencing net decreases in actual at-risk

¹ Now that the at-risk funding is part of the UPSFF supplemental payment process, charter LEAs may receive more than \$1.36M in additional funds to the sector which could benefit more than 31 charter LEAs depending on the number of students who are identified as at-risk in the last part of the year.

funding compared to projected at-risk funding. To hold these charter LEAs harmless, OSSE will be providing payments in summer 2016 equivalent to LEAs' net reductions between actual and projected at-risk funding. Prior to making these hold harmless payments, however, OSSE and the Office of the Chief Financial Officer (OCFO) will be making two more supplemental payments in the 2015-16 school year, by May 15th and June 30th respectively. These final two supplemental payments may provide further funding to schools for at-risk students identified after the October 2015 audit report. Attached is a spreadsheet indicating the minimum at-risk payment each LEA can expect for 2015-16. (If you have any questions about the specific amounts or mechanisms, please contact Andy Eisenlohr, Special Assistant for Budget and Finance, OSSE, at andrew.eisenlohr@dc.gov.)

Once these supplemental payments have been made, OSSE will determine which charter LEAs have experienced net decreases in at-risk funding in the 2015-16 school year. This determination will take into account both the reconciliation and supplemental payment amounts for each charter LEA along with the LEA's projected at-risk funding for the year. Upon completing these calculations, OSSE expects to make hold harmless payments to charter LEAs by July 31, 2016.

Communication from DME

Implementing the new payment methodology illustrated to me that my office needs to have direct communication with LEAs about critical issues. Going forward, here are a number of next steps DME will do to better communicate with LEA leaders:

- DME will use an email distribution list based on the PCSB's leader contacts to share critical information directly with school leaders;
- In addition to distributing information directly to LEA leaders by email, DME will post all critical issue memos and related documents to a new webpage on the DME website (www.dme.dc.gov) titled "LEA Communications";
- DME will include a notice in the PCSB's Wednesday Bulletin and OSSE's LEA Look Forward about each memo to make sure charter LEA leaders know when a new memo has been shared; and
- DME and OSSE will be distributing a letter this summer outlining all calculations and payment timelines for the 2016-17 school year, in order to ensure that DME, OSSE, OCFO, and charter LEAs have a shared understanding of UPSFF payments for the upcoming year.

Conclusion

I am excited to have secured this additional at-risk financing for charter schools, and I appreciate your feedback regarding the adjustments to at-risk funding via UPSFF and the communication efforts from DME to LEA leaders. Please do not hesitate to contact me at jennifer.niles@dc.gov with any questions you may have concerning this announcement.

