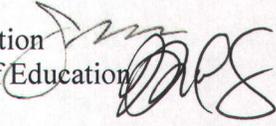


To: Charter LEA leaders

From: Jennie Niles, Deputy Mayor for Education 
Hanseul Kang, State Superintendent of Education 

CC: Scott Pearson, Executive Director of the DC Public Charter School Board

Date: June 17, 2016

Re: 2016-17 Uniform per Student Funding Formula (UPSFF) Payments

We are writing to share information with you regarding uniform per student funding for the 2016-17 school year in order to provide clear communication, increase transparency, and enhance predictability in regard to this critical aspect of running your LEA.

Similar to the 2015-16 school year, uniform per student funding in the upcoming school year will flow to public charter schools in three ways, which are discussed in additional detail below and summarized in an appendix:

1. Four regular, quarterly UPSFF payments reconciled to charter schools' October 2016 enrollment audits (including for at-risk students), plus charter facilities financing;
2. Three supplemental payments for charter schools who have students with new or increased individual education plan (IEP) designations, new limited English proficient (LEP) designations, and/or new at-risk designations made after their October 2016 enrollment audits; and
3. Two extended school year (ESY) payments for charter schools providing said services for special education students in summer 2017.

1. Quarterly UPSFF Payments, Including Charter Facility Financing

a. Quarterly UPSFF payments

As in previous years, the Office of the State Superintendent of Education (OSSE) will be making four quarterly UPSFF payments to public charter schools for the 2016-17 school year, on July 15, October 25, January 15, and April 15 respectively.

The first (July 15) payment will fund public charter schools based on the schools' enrollment projections¹ for the upcoming year. The second and third payments (October 25 and January 15) will fund public charter schools based on their unaudited October 2016 enrollment figures. The

¹ As provided to the Public Charter School Board (PCSB), OSSE, the Office of the Chief Financial Officer (OCFO), and the Deputy Mayor for Education (DME), and ultimately certified by the DME.

fourth payment (April 15) will reconcile public charter schools' annual UPSFF funding to their audited enrollment figures.

Per the District's fiscal year (FY) 2017 Budget Support Act of 2016, the Mayor proposed and City Council approved to increase the percentage of UPSFF funding in the first quarter so that LEAs will have more funds to start your school year successfully. For the first quarterly payment, new charter LEAs will receive 45% of projected enrollment costs, while existing charter LEAs will receive 35% of projected enrollment costs (rather than 30% for all schools as in the past). Under the second quarterly payment, new and existing charter LEAs will both receive 25% of enrollment costs based on unaudited October figures. Under the third quarterly payment, new charter LEAs will receive 15% of enrollment costs based on unaudited October figures, while existing charter LEAs will receive 20% of enrollment costs based on unaudited October figures. Under the fourth quarterly payment, both new and existing charter LEAs will receive reconciliation amounts that make the total amounts paid over the four quarters equivalent to the amounts owed per the District's annual enrollment audit report.

Please see the below table for a summary of the 2016-17 school year quarterly UPSFF schedule with payment amounts.

2016-17 Regular Quarterly Payment Schedule and Amounts		
Payment date	Existing charter LEAs	New charter LEAs
July 15, 2016	35 percent	45 percent
October 25, 2016	25 percent	25 percent
January 15, 2017	20 percent	15 percent
April 15, 2017	Reconciliation payment (approx. 20 percent)	Reconciliation payment (approx. 15 percent)
TOTAL	100 percent	100 percent

b. Facilities financing as part of the quarterly UPSFF payments

Under the first quarterly payment, new charter LEAs will receive 45% of projected facilities costs (based on projected enrollment), while existing charter LEAs will receive 35% of projected facilities costs (based on projected enrollment). Under the second quarterly payment, new charter LEAs will receive 55% of remaining facilities costs (based on unaudited October enrollment figures), while existing charter LEAs will receive 65% of remaining facilities costs (based on unaudited October enrollment figures). If any discrepancy between a charter LEA's unaudited and audited enrollment figures exists, OSSE will make a reconciliation adjustment within the school's fourth quarterly (April 15) payment.

2. Supplemental UPSFF Payments

Over the course of a school year, public charter schools in the District are entitled to receive additional funds for those students who receive new or changed designations after the District's annual enrollment audit report²:

- new or increased individualized education plan (IEP) levels;
- new limited English proficiency (LEP) designations; and
- new at-risk designations.

² Such students must, however, be part of the same charter organization's October enrollment audit report.



In the 2016-17 school year, OSSE will make supplemental payments in three installments— OSSE is planning to make the first payment by March 15th, the second payment by May 15th, and the final payment by July 15th. As each supplemental payment is made, OSSE will provide each public charter school with the specific demographic data used to calculate its supplemental payment amount via a statement posted to its online, secure FTP folder. Supplemental payments for students with new or increased IEP designations will be prorated to align with dates of IEP service, while supplemental payments for students with new LEP and at-risk designations will be for the full annual per pupil amounts.

3. Extended School Year (ESY) UPSFF Payments

In the 2016-17 school year, public charter schools will receive two payments for those students receiving extended school year (ESY) services. OSSE is planning to pay public charter schools 50% of projected ESY costs based on their projected enrollment for summer 2017. After the ESY period for schools has concluded, OSSE will compare attendance records to projected enrollment figures, and will count as enrolled for the duration of the time period any student that attended ESY for at least one day. For all ESY students determined to be enrolled, OSSE will make a reconciliation payment (equivalent to approximately 50% of costs tied to enrolled students). OSSE and DME will provide further communication to public charter schools once the payment dates for ESY services have been selected. Please note that OSSE has decreased the first ESY payment down from a level of 80% of projected ESY costs, as implemented in the 2014-15 school year; this is because such a high percentage paid up-front resulted in overpayments for some charter LEAs.

Additional Items Regarding UPSFF

UPSFF Working Group: In accordance with District requirements, OSSE has developed a UPSFF Working Group, with representation from public charter schools, District of Columbia Public Schools, other District government agencies, and the general public, to examine the per pupil rates used to fund public education at a local level. This Working Group will be convening from June 2016 to January 2017, and will submit an initial report with preliminary recommendations to Council in January 2017. OSSE will be publicly announcing a list of UPSFF working group members and proposed meeting dates between June 2016 and January 2017 via the LEA Look Forward in the coming weeks.

LEA Payment System: Additionally, multiple District agencies have been working to revise the ways that public schools (both charter and District of Columbia Public Schools) receive UPSFF dollars, in terms of both enrollment measurement and disbursement of funds. The goals for this new 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. These revisions are scheduled to go into effect in the 2017-18 school year, although we will simulate payments for LEAs in the 2016-17 school year for planning purposes. Within the next several weeks, the Office of the Deputy Mayor for Education will send all LEAs a memo outlining the progress and next steps in this crucial work, including an optional meeting in July to discuss the project.

Please do not hesitate to contact Deputy Mayor Jennie Niles at jennifer.niles@dc.gov or State Superintendent Hanseul Kang at hanseul.kang@dc.gov with any questions you may have concerning this announcement.



Appendix A – Full Schedule of Projected 2016-17 UPSFF Payments

1.a. 2016-17 Regular Quarterly Payment Schedule and Amounts		
Payment date	Existing charter LEAs	New charter LEAs
July 15, 2016	35 percent	45 percent
October 25, 2016	25 percent	25 percent
January 15, 2017	20 percent	15 percent
April 15, 2017	Reconciliation payment (approx. 20 percent)	Reconciliation payment (approx. 15 percent)
TOTAL	100 percent	100 percent

1.b. 2016-17 Facilities Payment Schedule and Amounts		
Payment date	Existing charter LEAs	New charter LEAs
July 15, 2016	35 percent	45 percent
October 25, 2016	65 percent	55 percent
April 15, 2017	Reconciliation payment as necessary	Reconciliation payment as necessary
TOTAL	100 percent	100 percent

2. 2016-17 Supplemental Payment Schedule and Amounts	
Payment date	Existing and new charter LEAs
March 15, 2017	As calculated per new student designations
May 15, 2017	As calculated per new student designations
July 15, 2017	As calculated per new student designations
TOTAL	As calculated per new student designations

3. 2016-17 ESY Payment Schedule and Amounts	
Payment date	Existing and new charter LEAs
To be determined	50 percent
To be determined	Reconciliation payment (approx. 50 percent)
TOTAL	100 percent

