

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: July 15, 2016

Re: **Status Update on the LEA Payment Initiative**
Quarterly Meeting with Charter LEA Leaders on Aug. 4, 2016, 12-1 p.m.

We are writing to share information regarding the status of the LEA Payment Initiative in order to provide clear communication, increase transparency, and enhance predictability for what to expect for the upcoming and future school years.

The LEA Payment Initiative will revise the ways that public schools (both public charter and District of Columbia Public Schools) receive uniform per student funding formula (UPSFF) dollars, in terms of both enrollment measurement and disbursement of funds. **Ultimately, this initiative will result in a new payment process for PK3-12th grade schools in the 2017-18 school year, and for alternative and adults schools in the 2018-19 school year.**

This memo includes the following sections:

- Background, Goals, and Timeline for Implementation
- 2016-17 School Year Enrollment Tracking and Foundations for Future Payment Changes
- Opportunities for LEA Input and Feedback

Please note in particular that all charter LEAs are invited to a meeting on **Aug. 4, 2016 from 12-1 p.m.** at the Wilson Building, 1350 Pennsylvania Ave., NW, Room 527 where DME and OSSE will provide an in-person update on this initiative. More information on this meeting and additional opportunities for LEA feedback are included below.

Background, Goals, and Timeline for Implementation

This memo follows on the brief mention of the LEA Payment Initiative in the [June 16 memo regarding UPSFF payments for the 2016-17 school year](#) and a series of meetings convened by the DME's office with charter LEA leaders in summer 2015 on this topic.

Our current LEA payment process funds charter LEAs based on actual enrollment at a single point in time (the annual enrollment audit in October), and uses a different methodology for DCPS than for charter LEAs. The LEA Payment Initiative will address the current challenges in the UPSFF student funding allocation by creating an LEA payment process for public schools that 1) uses similar methodology to calculate funding across both DCPS and public charter

schools, and 2) more accurately targets local resources to LEAs based on the students they are serving throughout the school year, providing associated timely disbursements.

The specific goals of the revised LEA Payment Initiative are to:

1. Fund schools equitably for the students they serve.
2. Incentivize LEAs to enroll students throughout the year and minimize dis-enrollment.
3. Improve student data systems and tracking that will positively impact other data collection and reporting efforts.
4. Automate OCFO payments of local school funds to increase accuracy, efficiency, and timeliness.

At the same time, we are also clear that there are some things this initiative is not trying to do. In particular, we are not trying to destabilize funding for schools. While we want to ensure that funding better follows students, we also want to make sure that we do not destabilize LEA or school finances mid-year. Safeguards at many levels of the process will be designed to preserve both equity and stability. We are also not aiming to change the city's overall level of funding schools through this process (either by increasing or decreasing); instead, our aim is to better use and direct existing funding.

The expected timeline for implementing the LEA Payment Initiative is as follows:

- In the 2016-17 school year, after the October 2016 enrollment count, *all schools* will track and verify their membership in SLED in real time. This data will be used to simulate the fiscal impact of enrollment changes during the year for PK-12th grade schools. **There will be no fiscal impact to any LEA based on the LEA Payment Initiative during school year 2016-17.** More details on this 2016-17 membership tracking are included in the next section.
- In the 2017-18 school year, the full roll-out of the LEA Payment Initiative and its *fiscal impact* based on enrollment changes during the school year will be implemented for *only PK-12th grade schools* for that year and all other years going forward.
- In the 2018-19 school year, the full roll-out of the LEA Payment Initiative and its *fiscal impact* based on enrollment changes will be applied to *adult and alternative schools* for that year and all other years going forward. The implementation for these schools is delayed to 2018-19 in order to fully vet the additional policy considerations needed for this group of schools.

2016-17 School Year Enrollment Tracking and Foundations for Future Payment Changes

A core component of the LEA Payment Initiative is the ability to track and verify student enrollment at multiple times during the year, rather than only relying on the single point-in-time enrollment audit that is currently used. To enable this ongoing tracking, OSSE is building a data system as part of SLED that OSSE and LEAs will use to track and verify student enrollment and withdrawal along with the students' UPSFF characteristics throughout the school year. This system will allow LEAs to submit and verify enrollment data that will link to other components in SLED, UPSFF calculations, and eventually OCFO systems for UPSFF payment.

All LEAs will participate in the new tracking and verification process in the 2016-17 school year, after the October 4, 2016 enrollment count. This process will build on existing efforts that



OSSE and LEAs have already undertaken to improve enrollment data quality, including ensuring timely and consistent membership entry and withdrawal, processes to reconcile duplicate enrollment, and using a consolidated demographic verification process for multiple purposes at the end of the 2015-16 school year. As a result, we do not anticipate that this is a major new workstream for LEAs, but rather an integrated part of existing enrollment and data verification work that should minimize the need for retrospective data verification over time.

We wanted to be sure to highlight this step, because the ongoing enrollment counts taken during the 2016-17 school year will ultimately be used to formulate the policies and business rules for the LEA Payment Initiative when it fully takes effect with fiscal impact in the 2017-18 school year. As a result, our collective efforts to track and verify accurate enrollment counts will be critical to ensuring the new Initiative is successful in meeting the goals outlined above.

OSSE will be conducting trainings at the start of the school year on how to use and verify data in the enrollment and membership tracker for the 2016-17 school year. DME and OSSE will also share more information about the enrollment verification process and how these ongoing enrollment counts will be used to simulate the fiscal impact of enrollment changes in both memos and through the quarterly meetings about this process.

Opportunities for LEA Input and Feedback

DME and OSSE are committed to ensuring that LEAs have opportunities to learn about, and provide input and feedback on the LEA Payment Initiative. For this reason, we will be scheduling quarterly meetings for public charter leaders in order to solicit feedback about the proposed financial policy decisions and ensure that all public charters are aware of the progress of the initiative. Meeting notes will be available for review and we will determine ways to solicit additional public charter feedback on the specific policies. **The next quarterly meeting will be August 4 from 12-1 p.m. at the Wilson Building (1350 Pennsylvania Ave, NW) in room 527.**

We also have multiple working groups informing parts of this initiative or tackling related work that have already been underway and/or are launching now. If you are interested in joining any of these discussions, please contact Jenn Comey in the DME's office (Jennifer.Comey@dc.gov or 202-727-6588).

Enrollment tracking system development

In order to develop the necessary specifications for the data tracker, DME/OSSE convened a data membership working group that met during the 2015-16 school year consisting of representatives from DME, PCSB, OCFO, FOCUS, DCPS, The Next Step, and DC Prep to advise on the specifications and processes that would be necessary to track and verify membership throughout the school year. OSSE took the specifications from the working group and created a pilot membership tracking system in QuickBase that was piloted by 4 public charter LEAs and 11 DCPS schools between February 2016 and June 2016. The specifications from the working group and the feedback from the pilot are the basis for the migration of the QuickBase pilot into SLED for the 2016-17 school year.

Finance Working Group for PK-12th Grade Schools

The DME and OSSE are convening a financial working group for PK-12th grade schools to provide detailed feedback to the proposed payment policies. Examples of the financial policy questions include how many membership counts should be taken into account



within a school year, whether there will be any revisions to the current payment schedule, and potential thresholds or hold harmless provisions that could be put into effect. The group consists of DME, OSSE, OCFO, PCSB, FOCUS, DCPS, KIPP, DC Prep, EL Haynes, Apple Tree, and William E. Doar. The DME/OSSE will provide the notes from the working group meetings to charter LEA leaders and will develop systematic ways to collect feedback on the proposed financial policies from all charter LEAs on a regular basis. The policies and processes that are developed this summer in consultation with the financial working group and feedback from public schools will be simulated throughout the 2016-17 school year.

- UPSFF Working Group

In accordance with District requirements, OSSE is convening a UPSFF working group from June 2016 to January 2017 to examine the per pupil rates used to fund public education at a local level. This working group will also review some of the proposed policies regarding the LEA Payment Initiative. OSSE will submit an initial report with preliminary recommendations to Council in January 2017. The list of working group members and information about upcoming meetings is posted [here](#).

- Alternative and Adult School Working Group

The DME and OSSE will continue to hold LEA Payment Initiative meetings with the District's adult and alternative schools to discuss data tracking and financial implications for adult and alternative schools. The data tracking and financial policy decisions for alternative and adult LEAs are being made separately from PK-12th grade schools and the fiscal impact will not take effect until the 2018-19 school year. The next alternative and adult working group meeting is scheduled for **July 26**. Please contact Jennifer Comey at the DME if you are not already on the email contact list (Jennifer.Comey@dc.gov or 202-727-6588).

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 initiative.

