

FY18 Budget and Revised LEA Payment

Charter Leader Meeting
January 23, 2017



GOVERNMENT OF THE DISTRICT OF COLUMBIA
Executive Office of Mayor Muriel Bowser



Agenda

- FY18 Budget review (45 minutes)
 - Mayor's Budgeting Office reviews the Mayor's budget priorities and expected revenue for FY18
 - Charter LEAs provide feedback on their budget priorities
- Revised LEA payment status to date (45 minutes)
 - DME reviews the goals and timeline
 - DME/OSSE reviews the status of the six components of LEA payment based on recommendations of the financial working group

Goals of Today's Meeting

- Ensure that charter LEA school leaders understand the fiscal expectations of FY18 and provide their feedback on priorities
- Share the revised LEA payment initiative status to date and recommendations developed via the financial working group for the
- Ensure that charter LEA school leaders, including their finance and enrollment teams, understand the necessity of using OSSE's data membership tracker in SLED this school year
- Ensure that charter LEA school leaders, including their finance and enrollment teams, understand how new pilot enrollment projections will be developed for a point of comparison for SY17-18

FY18 Budget review

- FY18 Budget review
 - Mayor's Budgeting Office reviews the Mayor's budget priorities and expected revenue for FY18
 - Charter LEAs provide feedback on their budget priorities

Goals of LEA Payment Initiative

1. Fund schools equitably for the students they serve by instituting a funding system that calculates the amount every LEA receives the same way.
2. Incentivize LEAs to enroll students throughout the year and minimize disenrollment.
3. Improve state-level student data systems and tracking to ensure accurate monthly enrollment that is aligned with LEAs so that we have accurate data year round.
4. Automate OCFO payments of local school funds to increase accuracy, efficiency, and timeliness.

Prompted by:

- DME's Adequacy Study, Office of the DC Auditor report, Public Charter School Association equity lawsuit



LEA Payment Initiative Timeline

Timeline from DM Niles' letter on December 12, 2016: <https://dme.dc.gov/node/1206022>

School Year (Fiscal Year)	Implementation
SY2016-17 (FY17)	Planning year for PK3-12 schools (data tracking, financial policies, updated enrollment projections, coordinating with OCFO)
SY2017-18 (FY18)	Year 1 of implementation for PK3-12 schools, hold harmless <ul style="list-style-type: none">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.Charter schools could receive a pro-rated additional \$ amount if they net increase enrollment compared to October through a privately funded Incentive Fund.
SY2018-19 (FY19)	Year 2 of implementation for PK3-12 schools with budget adjustments (up or down) in effect Planning year for adult/alternative schools
SY2019-20 (FY20)	Implementation for adult/alternative schools

Elements for LEA Payment

Elements of per pupil payment system

1. Membership enrollment over the course of the school year
2. Measurement of final annual enrollment level
3. Projections for enrollment, to be used for budgeting purposes
4. Adjustment of budget to final enrollment measurement
5. Actual cash flows of payments

Data Working Group and Financial Working Group

- Data Membership Working Group
 - Met biweekly between August and December of 2015 with representatives from DME, OSSE, PCSB, OCFO, FOCUS, DCPS, The Next Step, and DC Prep.
 - Determined the necessary specifications for the data membership tracker that would be necessary to track and verify membership throughout the school year.
- Financial Working Group
 - Began meeting biweekly starting July 2016 and is ongoing.
 - Includes representatives from OSSE, DME, OCFO, PCSB, FOCUS, DCPS, Apple Tree, Ed Ops, DC Prep, EL Haynes, and City Arts
 - Provides recommendations on the financial components of the initiative.

Status of Elements for LEA Payment (1 of 5)

- **LEA Membership tracker**

- *What it is:* A module in the State Longitudinal Education Data (SLED) system intended to:
 - Improve the quality and consistency of student data,
 - Ensure that data are aligned between OSSE and the schools' Student Information Systems (SIS) throughout the school year, and
 - Reduce the amount of duplicative data verifications required (e.g., assessments, federal reporting, and Equity Reports).
- The first phase of the Membership Tracker identifies conflicts in first name, last name, race, ethnicity, gender, and date of birth between OSSE's authoritative data and the schools' SISs. The authoritative data was derived from the 2015-16 Demographic Data Verification Collection and historical student data previously collected from LEAs.
- Next phases of the Membership Tracker will include an indication for changes in SPED levels, ELL, and at risk status for students; the 9th Grade Year Authoritative Data Management; and the Exit Management Tool.
- Data from the Membership Tracker will be the source for enrollment measurement for the Revised LEA Payment.
 - OSSE will send notifications to LEA points of contact (POC), heads of school, and financial managers to ensure conflicts are continually addressed and verified.

Status of Elements for LEA Payment (2 of 5)

- **LEA Membership tracker, cont'd**

- *Status to date*

- 30 LEAs and 60 school staff have been trained in how to use the LEA membership tracker
- Feedback from LEAs have already resulted in improvements to the system (revised version released 1/18/17)
- ~7,000 conflicts have been identified thus far
- ~4,000 conflicts have been resolved to date
- ~700 duplicative Stage 5 enrollments to date

- *LEA action items*

- All LEAs need to be trained by **Friday, February 10, 2017**
- All LEAs need to be using by **Monday, February 13, 2017**
- All LEAs need to assign a data LEA or School Approver in eSchoolPLUS by **Friday, February 10, 2017**
 - Notifications about the conflicts will be sent to POCs starting **Tuesday, January 24, 2017**

Status of Elements for LEA Payment (3 of 5)

- **Measurement of final annual enrollment level**

- *Recommendations to date:* The Financial Working Group recommends 2 measurement snapshots (October and March) that will be averaged together; this will take proration into account
- *Next steps:* The Lab @ DC will model the enrollment and financial impacts of implementing the LEA payment

- **Enrollment projections to be used for budgeting**

- *Recommendations to date:* The Financial Working Group recommends projecting to a 2-month average enrollment that takes attrition into account because it will reduce the amount of potential budgetary adjustment.
- The Financial Working Group recommends that LEAs conduct a pilot projection process in spring 2017 to identify the best methods and use for budgetary comparison during the first hold-harmless year. These pilot projections will be used only for comparison purposes in FY18 and will not be used for actual UPSFF budgetary purposes.
- *LEA action items:* LEAs should project to the average rather than the October audited enrollment. DME and PCSB will alert LEAs when this new process begins in March 2017. DME, OSSE, and PCSB will support LEAs in this pilot projection process.

Status of Elements for LEA Payment (4 of 5)

- **Financial adjustments comparing projected budget and actual enrollments**
 - No recommendations by the Financial Working Group to date
 - Financial Working Group will explore:
 - Possible adjustment of the projected Q4 against an average of the October/March enrollment
 - Whether a budgetary adjustment will be based on just the count (UPSFF base) or also the “type” of student (UPSFF base plus weights)
 - Whether there will be thresholds or caps of net increase/decrease that trigger an adjustment
 - Whether there should be financial incentives for students who are retained after October 5
 - Whether the adjustment should be based on % retention of students
 - *Next steps:* FWG and the Lab @ DC will analyze a variety of policy options’ impacts on LEAs by grade level, size, location, and specialized programs

Status of Elements for LEA Payment (5 of 5)

- **Cash flow of payments**

- No recommendations by the Financial Working Group to date
- Current assumption is that the four quarterly payments will continue and the Q1 proportions will not be reduced below the current policy (35% for LEAs and 45% for new LEAs)
- Goal is to automate OCFO payments
- *Next steps*: FWG will explore policies in consultation with the OCFO.

Next Steps

- **Membership tracker**
 - By Friday, February 10:
 - All LEAs need to be trained in how to use the membership tracker. Registrar for training at <https://octo.quickbase.com/db/bj339wdcr>
 - All LEAs need to assign a data LEA or School Approver (POC) in eSchoolPLUS
 - By Monday, February 13:
 - All LEAs need to be using the membership tracker in SLED
- **Pilot projection process**
 - By the end of February, the financial working group will finalize the pilot projection process and identify and develop supporting information for LEAs.
 - PCSB and DME will notify LEAs in March 2017 about the pilot projection process.
 - Pilot projections should be finalized no later than the end of May 2017 so they are ready as a point of comparison for SY17-18.

Questions or concerns contact:

For LEA Payment and pilot projection process: Jenn Comey at jennifer.comey@dc.gov or 202-341-4694

For membership tracker: Stephanie Davis at Stephanie.Davis3@dc.gov or 202-903-9338