

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Deputy Mayor for Education



MEMORANDUM

TO: LEA Leaders

FROM: Abigail Smith, Deputy Mayor for Education

CC: Jesús Aguirre, State Superintendent
Scott Pearson, Executive Director, DC Public Charter School Board (PCSB)

DATE: October 6, 2014

SUBJECT: Clarification Regarding the “At-Risk for Academic Failure” Weight in the Uniform per Student Funding Formula

The purpose of this memo is to provide clarification and additional details on the implementation of the new “at-risk for academic failure” Uniform per Student Funding Formula (UPSFF) weight. The attached FAQ has additional information. The UPSFF is the city’s budgeting mechanism for allocating local funds to local educational agencies (LEAs) on a per student basis. The UPSFF sets a minimum per pupil foundation or base for instructional, facilities maintenance and operations, and administrative costs, and applies add-ons based on weights for specific grade levels and identified student-level needs.

The at-risk UPSFF weight was intended to provide new funding so that LEAs could better serve students who are at-risk for academic failure and improve their educational outcomes. The current definition for at-risk for academic failure is based on existing proxy measures that includes students who are homeless, in the District’s foster care system, qualify for Temporary Assistance for Needy Families (TANF) or the Supplemental Nutrition Assistance Program (SNAP), or high school students that are one year older, or more, than the expected age for the grade in which the students are enrolled. Over time the definition for at-risk for academic failure would ideally evolve to reflect the strongest predictors for academic failure, through continued analysis. The at-risk weight is cumulative to all other weights, with the exception of the adult and alternative weights.

The Mayor’s FY15 budget includes \$77 million in additional dollars for LEAs to fund the at-risk weight. It also includes other changes to the UPSFF based on The Cost of Student Achievement: Report of the DC Education Adequacy Study, a report commissioned by the Office of the Deputy Mayor for Education (DME). In implementing recommendations from the study, the Mayor prioritized areas where there was the greatest gap between former funding and levels recommended in the adequacy study (i.e., middle school, high school, English language learners (ELL), and adult and alternative students). Due to the revised UPSFF, the Mayor invested \$112 million more in DCPS and public charter schools in FY15 than the previous year. As part of implementing this revised formula, the Administration communicated its commitment to ensure no LEA felt a loss as a result of the new formula, given LEAs’ general expectation

of a minimum 2% annual increase in local dollars (after controlling for enrollment). In the case of charter LEAs, this floor was established at 2.5%, due to the simultaneous increase in PCSB's fee from 0.5% to 1%.

As a result of the significant investments outlined above, most LEAs saw budget increases of well over that amount. A small number of charter LEAs saw budget increases of less than 2.5%. There are two main reasons for this. First, the profile of students that these LEAs serve is such that they are not eligible for weights that were increased significantly (e.g., they are elementary school students). Second, the summer school weight was eliminated and funds for summer school were folded into the at-risk weight. As a result, some schools with relatively few at-risk students and significantly higher numbers of students enrolled in summer school saw a decrease in funding, or saw their funding stay flat. During the FY15 budgeting process, as noted above, we committed to making these schools whole. DME and OSSE will work directly with these LEAs in the month of October to ensure that they receive the additional funding allocated for this purpose during this budget year.

FY15 At-Risk Projections and Payments

For FY15 budget development, students were identified as at-risk for academic failure by bumping audited October 5, 2013 enrollment data against October 2013 direct certification data for the benefit programs and social services covered in the definition of at-risk (with the exception of homeless students). OSSE has access to these data via data sharing agreements with the appropriate agencies (i.e., DC Department of Human Services (DHS) for TANF and SNAP, DC's Child and Family Services Agency (CFSA) for foster care, and The Community Partnership (TCP) for the Prevention of Homelessness for homeless students). Direct certification for homeless students was based on homeless data from the prior school year because there was a lag in the collection of homeless data. OSSE also relied on the Statewide Longitudinal Education Data system (SLED) to determine the number of high school students who were one or more years older than the expected age for the grade in which the students are enrolled. This total number of at-risk students per LEA was then converted into a percentage of audited October enrollment, which was applied to each LEA's total projected student enrollment for the FY15 budgeting process.

As explained in guidance issued by DME during the FY15 budgeting process, there will be no adjustment or "true up" of the FY15 at-risk funding based on October 2014 audited at-risk students nor any supplemental payment for at-risk students that an LEA enrolls after the October 2014 audit. In this first year of implementation, projections will be the basis of this payment and at-risk payments will not be reconciled against the October audit in order to take inevitable first year implementation challenges into account. This means that LEAs will neither lose nor gain dollars based on a difference between their projection of at-risk students and their actual number as of the October audit.

LEAs have raised concerns that there may have been identification challenges and potential undercounting of at-risk students who actually were receiving TANF and SNAP benefits in the time period used to develop projections for FY15. OSSE is working with DHS to determine whether this is the case and will make any necessary process changes to eliminate these errors going into October audit and the FY16 budget cycle. OSSE will provide the list of at-risk students to LEAs in late October to ensure adequate time to work with the partnering agencies to ensure comprehensive data and inclusion of all appropriate students. This year, LEAs will have an opportunity to review this information and provide documents of status as of the October count date to OSSE through the enrollment audit appeals deadline.

LEA leaders and advocates have also pointed out that the DME and OSSE used direct certification of those students actually receiving TANF and SNAP benefits at the time of the snapshot instead of counting all students who would be income eligible for TANF and SNAP even if they were not receiving those benefits at the time. Determining income eligibility at the individual student level is difficult, particularly with the city's adoption of the community eligibility option for free and reduced priced meals (FARM). Given these challenges, the Administration believes using direct certification is currently the most consistent and rigorous verification process to identify qualifying individual students across all LEAs. Some have cited the process for determining eligibility for Out of School Time (OST) Grants as a possible model. In the context of OST grants, some LEAs are able to demonstrate eligibility for the grants, which is in turn based in part on SNAP eligibility, by demonstrating eligibility for free lunch under the Free and Reduced Price Meals program. This is not a solution that can be applied to all LEAs because over 40 LEAs in the District, including DCPS, have moved towards community eligibility for FARM, thus doing away with annual applications for the program. In order to use this mechanism to *establish individual student* eligibility for SNAP for all LEAs, the District would have to begin collecting FARM applications again, which would defeat the purpose of moving to community eligibility for FARM, and would create undue administrative burden on schools and families. It also raises the question of what additional review would be required to ensure an accurate eligibility process.

FY16 At-Risk Projections and Payments

In anticipation of planning for the FY16 budget, we have identified specific refinements to the process for determining the number of at-risk students. First, as described above, OSSE is reviewing the need for improvements in the direct certification matching process to ensure accuracy of data. In addition, there will be an LEA verification process in which LEAs can work with OSSE and other agencies (DHS, CFSA, and TCP) to verify the status of any student who was not correctly identified as at risk. OSSE will provide LEAs the list of at-risk students in late October to ensure adequate time to work with partnering agencies to ensure comprehensive and accurate data. LEAs will have an opportunity to review this information and provide additional documentation as part of the audit appeals process. OSSE will provide additional information on this process as part of the audit. This will be reviewed and incorporated into the final status using the same process as all other audit appeals.

Like last year, the number of at-risk students will be used to generate a percentage of at-risk students that will be applied to the FY16 general education enrollment projection in order to determine FY16 at-risk funding. In addition, the Administration will explore reconciling the at-risk budget using the auditing process for future years.

Moving forward

OSSE will convene stakeholders to discuss potential alterations of the definition of the at-risk weight for future years, including possible refinements to the definition to align it with the developing state early warning system, as originally outlined in the adequacy study. The Graduation Pathways project spearheaded by the DME can help inform the development of a more comprehensive early warning system. As a part of that discussion, the possibility of reconciling the budget or truing up, supplemental payments, or other payment process changes will also be considered. The at-risk working group will be announced through the regularly held LEA data meetings. In the meantime, LEAs should contact Jenn Comey at 202-727-6588 or Jennifer.Comey@dc.gov with questions or for more information.

FREQUENTLY ASKED QUESTIONS

1. What is the at-risk for academic failure weight?

The at-risk for academic failure weight was released for the first time as a part of the Mayor's FY15 budget and was developed based on a report commissioned by the Office of the Deputy Mayor for Education (DME) called, *The Cost of Student Achievement: Report of the DC Education Adequacy Study*. This new weight was accompanied by other changes to the Uniform per Student Funding Formula (UPSFF) that prioritized the greatest gap between former funding and levels recommended in the Adequacy Study (i.e., middle school, high school, English language learners (ELL), and adult and alternative students).

Due to the revised UPSFF, the FY15 budget included \$77 million in additional local dollars for LEAs to fund the at-risk weight, and \$112 million more overall.

2. What is the definition of students who are at-risk of academic failure?

The at-risk weight applies to students who are homeless, in the District's foster care system, qualify for Temporary Assistance for Needy Families (TANF) or the Supplemental Nutrition Assistance Program (SNAP), or high school students that are one year older, or more, than the expected age for the grade in which the students are enrolled. The at-risk weight is cumulative to all other weights, with the exception of the adult and alternative weights. This definition is consistent with the "Fair Student Funding and School-Based Budgeting Amendment Act of 2013". Over time the definition for at-risk for academic failure would ideally evolve to reflect the strongest predictors for academic failure, through continued analysis.

3. If the city invested significant funding in FY15, why didn't my LEA receive more of it?

Most LEAs saw significant increases in funding, even after controlling for enrollment changes. LEAs who primarily serve students identified as needing the greatest increase in funding by the adequacy study (i.e., middle school, high school, English language learners (ELL), and adult and alternative students) received the greatest gains in funding. As part of implementing this revised formula, the Administration made a commitment that no LEA would feel a loss as a result of the new formula, given LEAs' general expectation of a minimum 2% annual increase in local funding (after controlling for enrollment). In the case of charter LEAs, this floor was established at 2.5%, due to the simultaneous increase in PCSB's fee from 0.5% to 1%. There were a few instances where LEAs did not receive the minimum increase because these schools serve students where the corresponding UPSFF weights were not significantly increased (e.g., elementary grade levels) and because these LEAs were serving significantly higher numbers of summer school students than their number of at risk students. Costs for summer school have been assumed in the funding generated by the at-risk weight. As a result, the UPSFF weight for summer school has been eliminated for FY15, and LEAs will not receive separate summer school payments. In the month of October, DME and OSSE will reach out to these schools that experienced less than a 2.5% increase and work directly with these

LEAs to ensure that they receive the additional funding allocated for this purpose during FY15.

4. Can adult and alternative students receive at risk funding?

No, alternative and adult students cannot also receive the at risk weight because the costs associated with at-risk students were already incorporated in the revised adult and alternative UPSFF weights.

5. How were the SY2013-14 at-risk students identified for the FY15 budgets?

For FY15 budget development, students were identified as at-risk for academic failure by bumping audited October 5, 2013 enrollment data against October 2013 direct certification data for the benefit programs and social services covered in the definition of at-risk (with the exception of homeless students). OSSE has access to these data via data sharing agreements with the appropriate agencies (i.e., DC Department of Human Services (DHS) for TANF and SNAP, DC's Child and Family Services Agency (CFSA) for foster care, and The Community Partnership (TCP) for the Prevention of Homelessness for homeless students). Direct certification for homeless students was based on homeless data from the prior school year because there was a lag in the collection of homeless data. OSSE also relied on the Statewide Longitudinal Education Data system (SLED) to determine the number of high school students who were one or more years older than the expected age for the grade in which the students are enrolled.

6. How were the FY15 at risk projections developed?

The number of at-risk students per LEA that was identified through the process described in question #5 was then converted into a percentage of audited October 2013 enrollment, and that percentage was applied to each LEA's total projected student enrollment for FY15.

7. Why would the direct certified database for free and reduced meals (FARM) not match the number of at-risk children for enrollment audit and projection purposes?

There are multiple reasons that an LEA's FARM enrollment may be higher than its at-risk enrollment. First, the income eligibility for FARM is higher than TANF or SNAP, so more students qualify. Second, because the city has moved toward the Community Eligibility Option under the National School Lunch Program (NSLP) and School Breakfast Program (SBP), an entire school can qualify to receive free meals if 40 percent or more of their student population receives TANF, SNAP, are homeless, or are in foster care. Finally, FARM counts are based on a cumulative count through the entire year while at-risk counts are based on a single-day snapshot (this year October 6).

8. Why did the city rely on direct certification for TANF and SNAP to identify at risk students rather than identifying all income eligible students?

For FY15, the DME and OSSE used TANF and SNAP direct certification (i.e., eligibility and receiving TANF and SNAP benefits) because it is the best method to consistently and rigorously identify individual qualifying students. Some LEAs and advocates

have cited the process for determining eligibility for Out of School Time (OST) Grants as an alternative method. In the context of OST grants, some LEAs are able to demonstrate eligibility for the grants, which is in turn based in part on SNAP eligibility, by demonstrating individual student eligibility for free lunch under FARM program. This is not a solution that can be applied to all LEAs because over 40 LEAs, including DCPS, have moved towards community eligibility for FARM, thus doing away with annual applications for the FARM program. In order to use this mechanism to *establish individual student* eligibility for SNAP for all LEAs, the District would have to begin collecting applications again, which would defeat the purpose of moving to community eligibility for FARM, and would create undue administrative burden on schools and families. It also raises the question of what additional review would be required to ensure an accurate eligibility process. For the moment, the District will continue to rely on TANF and SNAP direct certification for that portion of at-risk enrollment. OSSE will convene a working group to discuss alternative identification methods for future years.

9. Why wasn't there an LEA verification process for the SY2013-14 identification of at risk students?

Because the new UPSFF weight was identified late in the budgetary process, OSSE was unable to go through a verification process with LEAs for FY15. However, OSSE intends to incorporate the at-risk student enrollment count in this year's enrollment audit and incorporate an LEA verification process. See question #12 below for more details.

10. Will public charter schools' FY15 payment for at-risk students be reconciled based on the October 2014 enrollment audit?

No, as described in previous guidance released during the FY15 budget process, LEAs will not receive a "true up" of their projected at-risk enrollments during the SY2014-15 enrollment auditing process, unlike the current practice for other enrollment categories in charter LEAs. In this first year of implementation, projections will be the basis of this payment and at-risk payments will not be reconciled against the October audit in order to take inevitable first year implementation challenges into account. This means that LEAs will neither lose nor gain dollars based on a difference between their projection of at-risk students and their actual number as of October 6. Over the coming months, OSSE will convene an at-risk working group to address potential changes to the identification and reconciliation for at-risk populations.

11. Will charter LEAs receive a supplemental if they have a net gain in at-risk students by the end of SY2014-15, the same as the process for ELL or special education students?

No, unlike ELL and special education students, OSSE will not provide a supplemental payment for at-risk students that a charter LEA enrolls after October 2014 for FY15. (For DCPS, this is the same as their current policy for ELL and special education students). As mentioned above, OSSE will convene an at-risk working group to address potential changes to the payment processes for at-risk populations.

12. What will be the process for identifying, appealing, and amending the at-risk audited numbers for FY16?

The basic process for determining the number of at-risk students will be the same as it was in FY15, with specific refinements to ensure accuracy of data coming from other agencies (e.g., potential undercounting of siblings not direct certified on the October count). Also starting this year, OSSE is including the identification and verification of at risk students in the October audit so there will be a thorough verification process worked into the schedule. OSSE will provide LEAs the list of at risk students in late October to ensure adequate time to work with the partnering agencies to ensure comprehensive and accurate data. LEAs will have an opportunity to review this information and provide additional documentation as part of the audit appeals process. This will be reviewed and a final response concluded using the same process as all other audit appeals. The audited numbers from the enrollment audit will be used for budget projection purposes. In addition, the Administration will explore reconciling the at-risk budget using the auditing process for future years.

Identifying the At-risk Number

OSSE will continue to direct certify students who meet at-risk criteria via data sharing agreements with the appropriate agencies (i.e., DHS, CFSA, and TCP). OSSE will continue to rely on the Statewide Longitudinal Education Data system (SLED) to determine the number of high school students, by LEA, who are one or more years older than the expected age for the grade in which the students are enrolled. The number of students who met these criteria as of the enrollment count day will be provided in the audit reports to the LEAs.

Appealing and Amending the At-risk Number

OSSE will share its list of at-risk students with LEAs identified during the enrollment audit period and will give LEAs an opportunity to show any discrepancies between OSSE's identified students and LEAs' identified students. OSSE will work with the LEAs and the appropriate agencies (i.e., DHS, CFSA, and TCP) to determine if a misidentification occurred (e.g., that a sibling was missed in the direct certification process). If the discrepancy involves a potential over age student, LEAs will be responsible for showing how the 1-year overage is met. If there is a discrepancy in the student's date of birth, LEAs will need to share copies of the student's birth certificate or health forms.

The amended at risk number will set the percentage of an LEA's total enrollment that is at-risk, for purpose of the following year's budget.

13. How can we make sure families who are eligible for TANF or SNAP but are not receiving those services get access to these services?

Enrolling families in TANF or SNAP is within the TANF or SNAP intake center purview. OSSE is working to help DHS coordinate with LEAs to make this process

easier. In addition, OSSE is piloting a single point of signup at the soon to be opened Reengagement Center.

14. Why is the at-risk for academic failure based primarily on income/poverty measures instead of other measures?

The DME and OSSE's intent for the at-risk of academic failure weight is to focus resources on those students who need additional supports to improve their educational outcomes. For the first few years, our criteria includes mostly poverty measures as proxies for academic attainment until the state's early warning system has evolved to provide more accurate predictors, that can be measured with available student or family characteristics. The Graduation Pathways project spearheaded by the DME will help inform the development of a more comprehensive and fine-tuned early warning system.

15. How can I get involved with the upcoming FY17 working group?

The FY17 at-risk working group will be announced through the regularly held LEA data meetings. The purpose of the working group is to review the at-risk definition as well as the possibility of truing up, supplemental payments, or other payment process changes. In the meantime, LEAs should contact Jenn Comey at the DME (202-727-6588 or jennifer.comey@dc.gov) with questions or for more information.