

EXHIBIT 8

Council of the District of Columbia

Committee on Education Libraries and Recreation / • 2004 7 • • « 01

Report

1350 Pennsylvania Avenue

Washington, D.C. 20004

To: Members of the Council of the District of Columbia

From: Kevin P. Chavous, Chairman, Committee on Education, Libraries and Recreation

KPC

Date: December 6, 2004

Subject: Bill 15-411, the "Public School Enrollment Integrity Act of 2003"

The Committee on Education, Libraries and Recreation, reports favorably on Bill 15-411, the "Public School Enrollment Integrity Act of 2003", and recommends its adoption by the Council of the District of Columbia.

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I. Statement of Purpose and Effect

Bill 15-411, the "Public School Enrollment Integrity Act of 2003" was introduced on July 14, 2003, by Councilmember Chavous. It was referred to the Committee on Education, Libraries and Recreation on July 17, 2003.

The purpose of this legislation is to amend the Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Act of 1998 to provide for quarterly payments to the public charter schools and to provide for additional payments to providers of special education students during summer school based on their receipt of special education services during the summer.

II. Legislative History

July 14, 2003	Bill 15-411 "Public School Enrollment Integrity Act" was introduced by Councilmember Chavous.
July 17, 2003	Bill 15-411 was referred to the Committee on Education, Libraries and Recreation.
December 6, 2004	Committee on Education, Libraries and Recreation held a public hearing on Bill 15-411
December 6, 2004	Committee on Education, Libraries and Recreation consideration and mark-up of B 15-411

III. Background/Committee Reasoning

Bill 15-411, the "Public School Enrollment Integrity Act of 2003" ensures that charter schools will receive quarterly payments instead of semiannual payments by amending the D.C. code. Current provisions in the D.C. Code only specify the number of weeks to which the summer school weight is applied but does not provide a standard number of hours for summer school. Hence, the Uniform Per Student Funding Formula applies the summer school weighting to DCPS and Public Charter school students who are enrolled for at least six weeks in a program providing four hours of instruction per day, five days a week during the summer following the regular school year. The language in the bill adds language to ensure that the funding formula complies with the federal Individuals with Disabilities Education Act.

The bill changes the calculation for summer school services so that the add-on weights corresponding to the special education service levels, as defined in D.C. Official Code §38-2905(c) are used. In addition, special education add-on weights for summer school students shall apply only to summer programs that deliver the specialized services required by the Individualized Education Plans for special education students.

Councilmember Chavous opened the discussion of the bill with a review of the existing emergency and temporary legislation, which would be made permanent by passage of the bill. Councilmember Mendelson stated that he will offer a non-germane amendment to the bill when it arrives before the full Council. He stated that the amendment will seek to remove the limits on honoraria received by Board of Education members. Chairperson Chavous stated that he would support it.

IV. Section-by-Section Analysis

Section 2(a) requires the Mayor to provide to DCPS the full amount of its appropriation in accordance with standard procedures for independent agencies and make payments to each public charter school from the escrow account. The annual payment shall be in the form of four quarterly payments for student based funding with the entire annual payment for facilities being included in the first payment of the fiscal year.

Section 2(b) establishes that each payment shall be based on one-fourth of each public charter schools' entitlement based on its October enrollment count.

Section 2(c) establishes that if the audit finds that the verified resident students differs from the number on which the July 15 and October 15 payments were based, the Mayor shall recalculate the appropriate amount of subsequent payments and adjust them by the amount of the discrepancy.

Section 2(d) addresses the treatment of add-ons for special education and limited English proficient students.

Section 2(e) requires the Chief Financial Officer of the District of Columbia to provide to each public charter school an accounting of the payment made and how it was calculated.

Section 3 provides the fiscal impact of the bill.

Section 4 states the effective date of the bill.

V. Impact on Existing Law

This legislation changes the method for distributing the payments to public charter schools and payments to the District of Columbia Public Schools under the uniform per student funding formula to provide more timely receipt of needed revenues by educators.

VI. Summary of the Public Roundtable

On December 6, 2004, the Committee on Education, Libraries and Recreation held a public roundtable on Bill 15-411.

Witnesses included Jan Holland-Chatman (discussed under the Executive Branch Comments), Josephine Baker, Mary Levy, and Robert Cane, all of who testified in support of the legislation.

Josephine Baker, Executive Director of the District of Columbia Charter School Board testified as a member of the work of the Technical Working Group convened by the SEO and commended the work of the Technical Working Group as an "inclusive and cooperative approach to these very important issues." Mrs. Baker suggested that the Council also consider legislative action on charter schools facilities, alternative school designation and incoming students' eligibility for summer school.

Mary Levy, of the Washington Lawyers' Committee for Civil Rights and Urban Affairs, testified to the history of the amendments included in the bill and provided a statement on the need to address "all parts of the Formula at once...." Her testimony included a paper on "The State of School Finance in the District of Columbia." Ms. Levy suggested five additional areas for improving the UPSFF.

Robert Cane testified in support of the legislation.

VII. Fiscal Impact

The bill has no fiscal impact because it does not alter the appropriation used to fund the UPSFF, but only alters the distribution of the appropriated dollars established in the financial plan.

VIII. Executive Branch Comments

Jan Holland-Chatman, Interim Director of the Policy Research and Analysis Division of the State Education Office ("SEO") stated that the bill incorporates two of the recommendations made by the SEO. These recommendations are that (1) the hours required for a school to receive summer school funding be clarified and (2) payments be modified for special education students who receive special education services in their summer school programs.

IX. Committee Action

On Monday December 6, the Committee on Education, Libraries and Recreation met to consider the Committee print and report to Bill 15-411. Councilmember Chavous, Chair of the Committee, determined a quorum. Chairperson Chavous moved for approval of the Committee print and report to Bill 15-714 with leave for staff to make technical changes in consultation with the Office of the General Counsel and to reflect the actions of the meeting. The Committee print and report to Bill 15-411 were approved by unanimous voice vote. Councilmembers present were Councilmembers Chavous, Mendelson, Schwartz and Fenty.

Attachments

- (a) B15-411
- (b) Public Oversight Hearing Agenda/Witness List
- (c) Public Oversight Roundtable Testimony on B15-411
- (d) Committee Print of Bill 15-411

ATTACHMENT A



Councilmember Kevin P. Chavous 2
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A BILL 4

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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA 7

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To amend, the Uniform Per Student Funding Formula for Public Schools and Public Charter 10
Schools Act of 1998 to provide for quarterly payments to the public charter schools, to 11
define their schedule and basis in enrollment, and to clarify the effect the annual 12
enrollment audit is to have upon the schedule and amount of payments. 13

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this 14
act may be cited as the "Public School Enrollment Integrity Act of 2003". 15

Sec. 2. The Uniform Per Student Funding Formula for Public Schools and Public Charter 16
Schools Act of 1998, effective March 26, 1999 (D.C. Law 12-207; D.C. Official Code § 38-2901 17
et seq.), is amended by adding a new section 107a to read as follows: 18

"Sec. 107a. Payments. 19

"(a) Following the enactment by the Congress of an act making appropriations for the 20
District of Columbia each fiscal year, the Mayor shall provide to DCPS the full amount of its 21
appropriation in accordance with standard procedures for independent agencies. The Mayor shall 22
make payments to each public charter school from the escrow account established under section 23
2403 of the District of Columbia School Reform Act of 1995, approved April 26, 1996 (110 Stat. 24

257; D.C. Official Code §38-1804.03) ("School Reform Act"), to a bank designated by each 1
school. The annual payment shall be made in the form of four quarterly payments calculated in 2
accordance with subsections (b), (c) and (d) of this section, provided; however, that the entire 3
annual payment for facilities pursuant to section 109 shall be included in the first payment of the 4
fiscal year and that any payment for new charter schools pursuant to section 2403 of the School 5
Reform Act shall also be included in the first payment of the fiscal year. The first payment shall 6
be made no later than July 15; subsequent payments shall be made no later than October 15, 7
January 15, and April 15. 8

"(b) Each payment shall be one-fourth of each public charter school's entitlement based 9
on its October enrollment count. The basis of the July 15 and October 15 payments shall be the 10
unaudited numbers contained in the reports submitted by the eligible chartering authorities under 11
section 2402(a) of the School Reform Act. The basis of the January 15 and April 15 payments 12
shall be the audited October enrollment numbers, provided that these amounts shall be adjusted 13
in accordance with the provisions of subsection (c) of this section. 14

"(c) Payments shall not be reduced or delayed pending the conduct and results of an 15
audit. If the audit finds that the number of verified resident students in enrollment at any public 16
charter school differs from that on which its July 15 and October 15 payments were based, the 17
Mayor shall recalculate the appropriate amount of subsequent payments accordingly, adjusting 18
them by the amount of the discrepancy. 19

"(d) Payments for special education, limited English proficient students, and other add- 20
on components of the Funding Formula shall be included in the quarterly payments to public 21
charter schools. Payments shall reflect one-quarter of the annual per student amount for each 22

add-on; provided, however, that add-ons for special education and limited English proficient 1
students shall be added on a pro rata basis from the date on which a public charter school begins 2
to provide add-on services for such students. 3

"(e) Prior to, or concurrent, with any payment made pursuant to this section, the Chief 4
Financial Officer of the District of Columbia shall provide to each public charter school an 5
accounting indicating what the payment is for and how it was calculated." 6

Sec. 3. Fiscal impact statement. 7

There is no fiscal impact. 8

Sec. 4. Effective date. 9

(a) This act shall take effect following approval by the Mayor (or in the event of veto by 10
the Mayor, action by the Council to override the veto), a 30-day period of Congressional review 11
as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 12
24, 1973 (87 Stat. 813; D.C. Official Code § 1 -206.02(c)(1)), and publication in the District of 13
Columbia Register. 14

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ATTACHMENT D

Committee Print 1
Committee on Education, Libraries, and Recreation 2
December 6, 2004 3

Amendment in the Nature of a Substitute 4

A BILL 5

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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA 8

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To amend the Uniform Per Student Funding Formula for Public Schools and Public Charter 11
Schools Act of 1998 and the District of Columbia School Reform Act of 1995 to provide 12
a definition for resident student, to clarify the dates of the pupil counts to which 13
appropriations under the Uniform Per Student Funding Formula apply for District of 14
Columbia public schools versus that for public charter schools, to define requirements 15
and responsibility for audits of enrollment at District of Columbia public schools and 16
public charter schools, to provide for quarterly payments to the public charter schools, to 17
define their schedule and basis in enrollment, to clarify the effect the annual enrollment 18
audit is to have upon the schedule and amount of payments, to make conforming 19
amendments regarding quarterly enrollment reporting Funding Formula, to require that 20
the Mayor be responsible for collecting enrollment reports until the State Education 21
Office assumes the role, to make conforming amendments to the fund transfer provisions 22
for public charter schools. 23

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this 24
act may be cited as the "Public School Enrollment Integrity Clarification Amendment Act of 25
2004". 26

Sec. 2. The Uniform Per Student Funding Formula for Public Schools and Public Charter 27
Schools Act of 1998, effective March 26, 1999 (D.C. Law 12-207; D.C. Official Code § 38-2901 28

et seq.), is amended as follows: 1

(a) Section 102 (D.C. Official Code § 38-2901) is amended by adding a new paragraph
(10A) to read as follows: 2 3

"(10A) "Resident student" means a minor enrolled in a District of Columbia
public school or public charter school who has a parent, guardian, or custodian residing in the
District of Columbia or an adult enrolled in a District of Columbia public school or a public
charter school who resides in the District of Columbia as determined pursuant to the district of
Columbia Nonresident Tuition Act of 1960, signed by the Mayor_____(Act 15-487)". 4 5 6 7 8

(b) Section 106 (D.C. Official Code § 38-2905) is amended to read as follows: 9

(1) Subsection (e) is amended to read as follows: 10

(e) "The summer school weighting of 0.17 shall apply to DCPS and public charter school
students enrolled for at least six weeks in a program providing at least 4 hours of instruction per
day, 5 days per week, during the summer following the regular school year. Summer school
students enrolled for a lesser number of weeks or fewer hours of instruction per day shall be
funded on a pro-rata basis. The summer school funding shall be limited to programs that offer at
least 60 or more hours of instruction." 11 12 13 14 15 16

(2) A new subsection (f) is added to read as follows: 17

"(f) (1) Funding for special education students enrolled in summer school whose
Individual Education Plans require extended school year or summer school services shall be
calculated using the add-on weights corresponding to their special education service levels as
defined in subsection (c) of this section. 18 19 20 21

(2) Special education add-on weights for summer school shall apply only to summer 22

programs that deliver the specialized services required by the Individual Education Plans of their
enrolled special education students." 1 2

(c) Section 107 (D.C. Official Code § 38-2906) is amended to read as follows: 3

"(a) Annual appropriations for the D.C. public schools pursuant to the Formula shall be
based on the number of resident students enrolled in the D.C. public schools on October 5 in the
year preceding the fiscal year for which the appropriation is made. This count shall be verified as
provided in subsection (c) of this section. 4 5 6 7

"(b) Annual appropriations for the public charter schools pursuant to the Formula shall
equal the total estimated costs for the following: 8 9

"(1) The number of resident students projected to be enrolled in all public charter
schools combined during the fiscal year for which the appropriation is made, and calculated as
provided in subsection (d) of this section, plus; 10 11 12

"(2) The annual budget of the District of Columbia Public Charter School Board
and, beginning in fiscal year 2002, the Public Charter School Office of the Board of Education,
plus; 13 14 15

"(4) Five percent of the total amount generated pursuant to paragraphs (1), (2)
and (3) of this subsection, to be put into escrow as a reserve for payments to public charter
schools in case enrollment, including enrollment in special needs categories, should exceed that
of the projections on which costs are based pursuant to paragraph (2) of this subsection. Any
amount remaining in the escrow at the end of each fiscal year shall revert to the General Fund. 16 17 18 19 20

"(c) The student counts reported for October 5 of each year shall be verified by an
independent contractor commissioned by the Mayor. The independent contractor shall perform a 21 22

audit on the student enrollment of each D.C. Public School school and of each public charter 1
school. The verification process shall begin no later than one week following the day on which 2
the count is taken. The verification shall cover the information required by section 2402 of the 3
District of Columbia School Reform Act of 1995, approved April 26, 1996 (110 Stat. 257; D.C. 4
Official Code § 38-1804.02) ("School Reform Act"), and shall be transmitted by the Mayor to the 5
Council, the Authority, the Comptroller General of the United States, and the appropriate 6
congressional committees no later than the following December 31. Until the verification is 7
transmitted, the unaudited October count shall serve as the basis for the annual appropriation for 8
the following fiscal year and for quarterly payments. 9

"(d) Preliminary projections of Public Charter School enrollment shall be made by each 10
eligible chartering authority for the Public Charter Schools under its supervision, and submitted 11
to the Mayor by the date on which the Board of Education is required to submit its budget request 12
to the Mayor. The chartering authorities may submit revisions of such projections to the Mayor 13
and Council at any time before the Council committee with oversight responsibilities for the 14
public education budget reports its recommendations on that budget to the Council." 15

(c) A new section 107a is added to read as follows: 16

"Sec. 107a. Payments. 17

"(a) Except as provided in subsection (b)(2) of this section, following congressional 18
enactment of appropriations for the District of Columbia for any fiscal year, the Mayor shall 19
provide to the Board of Education the full amount of its appropriation in accordance with 20
standard procedures for independent agencies. The Mayor shall make payments to each public 21
charter school from the escrow account established under section 2403 of the School Reform Act 22

to a bank designated by each school. The annual payment shall be made in the form of four
equal quarterly payments calculated in accordance with this section, provided; however, that the
entire annual payment for facilities calculated pursuant to section 109 shall be included in the
first payment of the fiscal year and that any payment for new charter schools determined pursuant
to section 2403 of the School Reform Act shall also be included in the first payment of the fiscal
year. The first payment shall be made no later than July 15; subsequent payments shall be made
no later than October 15, January 15, and April 15.

"(b)(1) Except as provided in paragraph (2) of this subsection, each payment shall be
one-fourth of each public charter school's entitlement based on its October enrollment count.
The basis of the July 15 and October 15 payments shall be the unaudited numbers contained in
the reports submitted by the eligible chartering authorities under section 2402(a) of the School
Reform Act. The basis of the January 15 and April 15 payments shall be the audited October
enrollment numbers, provided that these amounts shall be adjusted in accordance with the
provisions of subsection (c) of this section.

"(2) The payment of October 15, 2000 shall be 50% of each public charter
school's entitlement based on its unaudited October 5 enrollment count.

"(c) Payments shall not be reduced or delayed pending the conduct and results of the
audit prescribed by section 107(e). If the audit finds that the number of verified resident students
in enrollment at any public charter school differs from that on which its July 15 and October 15
payments were based, the Mayor shall recalculate the appropriate amount of subsequent
payments accordingly, adjusting them by the amount of the discrepancy.

"(d) Payments for special education, limited English proficient students, and other add-

on components of the Funding Formula shall be included in the quarterly payments to public charter schools. Payments shall reflect one-quarter of the annual per student amount for each add-on; provided, however, that add-ons for special education and limited English proficient students shall be added on a pro rata basis from the date on which a public charter school begins to provide add-on services for such students.

"(e) Prior to or concurrent with any payment made pursuant to this section, the Chief Financial Officer of the District of Columbia shall provide to each public charter school an accounting indicating what the payment is for and how it was calculated."

Sec. 3. The District of Columbia School Reform Amendment Act of 1995, approved April 26, 1996 (110 Stat. 226; D.C. Official Code § 38-1800.01 *et seq.*), is amended as follows:

(a) Section 2002(25)(A) (D.C. Official Code § 38-1800.02(25)(A)) is amended by striking the word "parent" and inserting the phrase "parent, guardian, custodian, or primary care giver, as determined pursuant to the district of Columbia Nonresident Tuition Act of 1960, signed by the Mayor_____(Act 15-487)" in its place.

(b) Section 2402 (D.C. Official Code § 38-1804.02) is amended as follows:

(1) Subsection (a) is amended to read as follows:

"(a) *Quarterly reporting requirement.* - On June 30, October 15, December 15, and March 30 of each year the District of Columbia public schools and each eligible chartering authority shall submit a report to the Mayor containing the information described in subsection (b) of this section that is applicable to their schools; provided, however, that in the case of the June 30 report, the information submitted by each eligible chartering authority shall be in the form of estimates of the number of students who will fall into each category on the following

October 5." 1

(2) Subsection (c) is amended to read as follows: 2

"(c) *Annual reports.* - Not later than October 30 of each year the Mayor shall prepare and 3
submit to the Authority (during a control year), the Council, the Comptroller General of the 4
United States, and the appropriate congressional committees a report containing a summary of 5
the calculations made pursuant to subsection (b) of this subsection, including the four 6
immediately prior reporting periods specified in subsection (a) of this section." 7

(c) Section 2403 (D.C. Official Code § 38-1804.03) is amended as follows: 8

(1) Subsection (a)(2) is amended as follows: 9

(A) Subparagraph (A) is amended to read as follows: 10

"(A) *Initial payment.* — 11

"(i) *In General.* -- Except as provided in sub-subparagraph (ii) of 12
this subparagraph, no later than July 15, October 15, January 15, and April 15 of each year, the 13
Mayor shall transfer, by electronic funds transfer, the quarterly payments for each public charter 14
school as prescribed in section 107a of the Public School Enrollment Integrity Clarification 15
Amendment Act of 2004 (Bill 15-965), to a bank designated by such school. 16

"(ii) *Reduction in case of a new school.* — In the case of a public 17
charter school that has received a payment pursuant to subsection (b) of this section in the fiscal 18
year immediately preceding the fiscal year in which a transfer pursuant to sub-subparagraph (i) of 19
this subparagraph is made, the amounts transferred to the school under sub-subparagraph (i) of 20
this subparagraph shall be reduced by an amount equal to 25% of the amount of the payment 21
made pursuant to subsection (b) of this section." 22

(B) Subparagraph (B) is repealed. 1

(2) Subsection (b) is amended as follows: 2

(A) Paragraph (4) is amended to read as follows: 3

"(4) *Credits to fund.*- Upon the receipt of each of its payments pursuant to 4
subsection (a)(2)(A) of this section by a public charter school described in paragraph (5) of this 5
subsection, the Chief Financial Officer of the District of Columbia shall credit the New Charter 6
School Fund with 25 % of the amount paid to the school pursuant to paragraph (3) of this 7
subsection." 8

(B) Paragraph (5)(B) is amended to read as follows: 9

"(B) Has had its petition to establish a public charter school approved 10
pursuant to section 2203 and is scheduled to begin operation as a public charter school in the 11
fiscal year for which funds are appropriated to carry out the provisions of this subsection." 12

Sec. 4. Fiscal impact statement. 13

The Council adopts the fiscal impact statement in the committee report as the fiscal 14
impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, 15
approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)). 16

Sec. 5. Effective date. 17

This act shall take effect following approval by the Mayor (or in the event of veto by the 18
Mayor, action by the Council to override the veto), a 30-day period of Congressional review as 19
provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 20
24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of 21
Columbia Register. 22