



9
2019 JAN -9 PM 4:55
OFFICE OF THE
SECRETARY

MURIEL BOWSER
MAYOR

JAN 9 2019

The Honorable Phil Mendelson, Chairman
Council of the District of Columbia
1350 Pennsylvania Avenue N.W., Suite 410
Washington, D.C. 20004

Dear Chairman Mendelson:

Pursuant 4102(b) of The Fiscal Year 2019 Budget Support Act of 2018, effective October 20, 2018 (D.C. Law 22-0168; D.C. Official Code § 38-2903(b)), I present to the Council of the District of Columbia the considerations made when determining next fiscal year's UPSFF foundation level. This text will be published on the website of the Office of the State Superintendent for Education.

Please feel free to contact Deputy Mayor for Education Kihn, at (202) 727-3636, to discuss any questions you may have regarding this transmittal.

Sincerely,

A handwritten signature in black ink that reads "Muriel Bowser".

Muriel Bowser

Enclosure

Office of the Deputy Mayor for Education

John A. Wilson Building | 1350 Pennsylvania Ave, NW, Suite 307 | Washington, DC 20004

January 9, 2019

The Honorable Phil Mendelson, Chairman
Council of the District of Columbia
1350 Pennsylvania Avenue N.W., Suite 410
Washington, D.C. 20004

Dear Chairman Mendelson,

Pursuant to section 104(b) of the Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Act of 1998, effective March 26, 1999 (D.C. Law 12-207; D.C. Official Code § 38-2903(b)), the Mayor is to transmit to the Council each year “the algorithm that will be used to determine the next fiscal year’s [Uniform Per Student Funding] Formula foundation level.” Please find our response below.

The Uniform Per Student Funding Formula (UPSFF) is comprised of two elements: a foundation level of funding that each Local Education Agency (LEA) receives for each student, and a set of "supplemental weights" that are added to that foundation level for students with particular characteristics requiring more funding (e.g. students with disabilities, at-risk students). Supplemental weights are determined as a percentage of the foundation amount and accumulate for each student characteristic. For example, LEAs receive a supplement of 49% of the foundation amount for each English Language Learner (ELL) student (i.e. an LEA would receive the foundation amount multiplied by 1.49 for a 5th grade ELL student). The appendix at the end of this letter provides more detail on the foundation levels, formula weights, and funding amounts over the last several fiscal years.

The original UPSFF (the foundation level and supplemental weights), designed in 1996, was based upon analysis conducted by DC education officials, the Office of the Chief Financial Officer (OCFO), the Mayor’s office, DC Council, and local education experts and advocates to calculate the costs of a market basket of educational goods and services. The market basket included nine general categories of expenses: classroom staff, school administration, direct services to students, operations support, central management, schoolwide staff, nonpersonal services and programs (e.g., supplies, field trips, career and technical education), instructional support, and other school-based costs (e.g., technology and food service). Both the foundation level and supplemental weights and their corresponding amounts were calculated and set using an algorithm which included the factors from this market basket of goods.

Currently, the UPSFF foundation level and supplemental weight amounts are not determined each year by using a mathematical algorithm that recalculates the original basket of goods (that type of calculation would include "cost of teachers and other classroom-based personnel and for both school-based and non-school-based administrative personnel," as you have requested). Instead, each new fiscal year's UPSFF rates are determined during the annual budgeting process by using the current fiscal year's rates as a base and building upon that by considering a variety of factors. First, the prior year’s foundation amount is taken into account. Next, the impact of expected cost increases, including District of Columbia Public Schools (DCPS) personnel costs

associated with union contracts and non-personnel DCPS costs like energy, are taken into account. Then, enrollment projection analysis is completed for both DCPS and the charter sector to determine the anticipated enrollment for each local education agency. Finally, revenue estimates from the OCFO's Office of Revenue Analysis (ORA) are also considered, along with the overall budget for the District government. This annual process has resulted in the foundation level increasing most fiscal years. The supplemental weights typically stay constant year to year, with moments of intentional change.

In 2013 the Office of the Deputy Mayor for Education (DME) commissioned the Cost of Student Achievement: Report of the DC Education Adequacy Study ("Adequacy Study"), which reassessed the costs included in the UPSFF formula including its market basket of factors. The study also took into account costs for academic performance and made recommendations to increase several UPSFF supplemental weights along with the foundation level. While valuable as a guidepost for education budgeting in the District, the study simply did not account for citywide costs of operating government, budgeting for all agencies, tax triggers, revenue estimates, etc., which both the Executive and the Council have to consider each year. In response to the proposed recommendations, the foundation and several supplemental UPSFF weights were updated in FY15, and subsequently Mayor Bowser's budgets have included UPSFF foundation increases for most fiscal years thereafter, and select increases to the residential and non-residential facilities allotments and the special education compliance weight.

In addition to the annual review by Mayor's office and education agencies, per D.C. Official Code § 38-2911(a)(2), the Mayor submits to the Council a report every two years that reviews the Formula and includes the UPSFF Working Group's recommendations for revisions to the Formula (foundation and supplemental weights) based upon a study of actual costs of education in the District of Columbia, research in education and education finance, and public comment. The 2018 UPSFF Working Group report will be submitted to the Council in the coming weeks.

Pursuant to section 442(a) of the District of Columbia Home Rule Act, the Mayor shall submit to the Council, and make available to the public, not later than March 20, 2019, the proposed budget for the District government for the fiscal year ending September 30, 2020. The Mayor's FY20 budget submission will include the FY20 UPSFF foundation level, as determined through the careful consideration of the factors listed above.

The Office of the State Superintendent of Education will publish this text on its website.

I look forward to continuing to work with the Council to provide further information regarding the UPSFF formulation process. Please feel free to reach out to my office with any other questions on this matter.

Sincerely,



Paul Kihn
Deputy Mayor for Education

Appendix: Foundation levels, formula weights, and funding amounts from FY17-FY19.

	FY17		FY18		FY19	
	Foundation:	\$9,885	Foundation:	\$10,257	Foundation:	\$10,658
General Education	Weights:		Weights:		Weights:	
PK3	1.34	\$13,246	1.34	\$13,744	1.34	\$14,282
PK4-Kindergarten	1.30	\$12,851	1.30	\$13,334	1.30	\$13,855
Grades 1-5	1.00	\$9,885	1.00	\$10,257	1.00	\$10,658
Grades 6-8	1.08	\$10,676	1.08	\$11,078	1.08	\$11,511
Grades 9-12	1.22	\$12,060	1.22	\$12,514	1.22	\$13,003
Alternative	1.44	\$14,234	1.44	\$14,770	1.44	\$15,348
Special Education Schools	1.17	\$11,565	1.17	\$12,001	1.17	\$12,470
Adult	0.89	\$8,798	0.89	\$9,129	0.89	\$9,486
Special Education						
Level 1	0.97	\$9,588	0.97	\$9,949	0.97	\$10,338
Level 2	1.20	\$11,862	1.20	\$12,308	1.20	\$12,790
Level 3	1.97	\$19,473	1.97	\$20,206	1.97	\$20,996
Level 4	3.49	\$34,499	3.49	\$35,797	3.49	\$37,196
Special Education Compliance						
Special Ed Compliance	0.069	\$682	0.069	\$708	0.099	\$1,055
Attorney's Fees Supplement	0.089	\$880	0.089	\$913	0.089	\$949
English Language Learners (ELL)						
ELL	0.49	\$4,844	0.49	\$5,026	0.49	\$5,222
At-Risk Students						
At-Risk	0.219	\$2,165	0.219	\$2,246	0.224	\$2,387

Note: FY17 and FY18 funding amounts reflect the retroactive increases stemming from the 2017 Washington Teachers' Union (WTU) contract agreement.