

EXECUTIVE SUMMARY

During the past two decades, increased accountability for student, school, and district performance has increased pressure on public education systems to ensure *all* students enter school ready to learn and leave school with the tools and skills they need to succeed in life. In this environment of increased rigor and accountability, the adequacy of public education funding is being debated across the nation. More recently, states that have adopted the Common Core State Standards are grappling with the relationship between higher performance expectations and the adequacy of public education funding.

The District of Columbia (DC), which adopted the common standards in 2010, is no stranger to this debate. As in many states, DC officials have developed academic standards and timetables to achieve performance expectations. They also have created accountability systems with consequences for schools that fail to meet the targets. Unfortunately, however, these expectations and ramifications have been created without a sound, data-driven understanding of what it actually costs for schools to meet desired outcomes based on current standards and, when they are fully implemented, the new Common Core State Standards.

The District is at the forefront of another emerging trend—namely, the growth of the public charter school sector. In 2013, charter schools are educating nearly half of the public school population. For several years now, differences in the level of resources allocated to District of Columbia Public Schools (DCPS) and public charter schools have been particularly concerning. DC law requires the use of a uniform enrollment-based funding formula for operating expenses that is applicable to both sectors, the Uniform Per Student Funding Formula (UPSFF).¹ Additionally, it requires that any costs funded within the formula should not also be funded outside the formula. Moreover, services provided by DC government agencies outside the UPSFF must be equally available to DCPS and public charter schools.² Charter school advocates and leaders have expressed concern that DC officials have not always followed these mandates.

This education adequacy study addresses the fundamental question of what it actually costs to provide an educational experience that will enable all DC three-year-olds in prekindergarten (pre-K3 and pre-K4), students in kindergarten, students in grades 1 through 12, and adult learners to meet not only current academic performance standards, but also the new common standards. It also addresses the issue of equity between DCPS and public charter schools and gives policymakers recommendations for meeting the District's obligation to provide equitable funding across sectors. Finally, the study aims to ensure that transparency exists on what costs are included in the UPSFF and what costs are covered outside the formula in the District of Columbia.

The Deputy Mayor for Education (DME) selected The Finance Project (TFP), a Washington, DC-based social policy research and technical assistance firm, in partnership with Augenblick, Palaich and Associates, Inc. (APA), a Denver-based education consulting firm, through a request for proposal process to undertake the education adequacy study. The study was recommended by

¹ DC Official Code §1804.01.

² DC Official Code § 38-2913.

the DC Public Education Finance Reform Commission in its February 2012 report to the Mayor and the DC Council. The TFP/APA study team produced the findings in this report based on a rigorous 15-month study.

Background and Context

The UPSFF was established pursuant to legislation enacted in 1996 that mandated uniform funding for all public education students, regardless of the school they attend. The funding formula calculates funding based on students and their characteristics, not on school or local educational agency (LEA) differences or sector differences. This uniformity requirement applies only to local funding, not to federal or private funding. It only affects the operating budgets of DCPS and public charter schools, not capital budgets and investments.

The UPSFF is intended to fund all the school-level and system-level operations for which DCPS and public charter schools are responsible, including instructional programs, student support services, noninstructional services (e.g., facilities maintenance and operations), and administrative functions. It is not, however, the only local source through which DCPS or public charter schools are funded. Both sectors also receive services—and the related monetary benefit—from other DC government agencies, though DCPS receives a significantly larger share, in total and on a per-student basis. Additionally, both DCPS and charter schools receive federal categorical program funding, private funding, and in-kind benefits from foundations, private donors, and community partner organizations that supplement funding through the UPSFF.

Beginning in 1996, DC education and other government officials, along with local education experts and advocates and representatives of the OCFO, the Mayor’s office, the DC Council, conducted several common practice studies to calculate the costs of a market basket of educational goods and services to be covered by the UPSFF foundation amount. The market basket had nine general categories of expenses:³

- Classroom staff: teachers and aides;
- School administration: principal, assistant principal, administrative aide, business manager, and clerks;
- Direct services to students: texts, instructional technology, sports/athletics, and student services;
- Facility operations support: utilities, maintenance, custodial, and security;
- Central management: central administration, instructional support, business, and noninstructional services;
- Schoolwide staff: substitute teachers, coaches, librarian, program coordinator, counselors, social workers, and psychologists;
- Nonpersonal services/programs: field trips and supplies and materials;
- Instructional support: professional development and school improvement efforts; and
- Other school-based costs: technology, food service, and miscellaneous.

These common practice studies provided a rough baseline for per-student education funding, but they had several significant weaknesses. For example, they illustrated but did not define

³ Deborah Gist, Office of the State Superintendent of Education, “The Uniform Per Student Funding Formula,” PowerPoint presentation to the Executive Office of the Mayor, January 30, 2008.

functions that should be covered by uniformity and adequacy. Most importantly, they did not take into consideration educational requirements to adequately prepare students with different characteristics and learning needs to meet District academic standards. The DC Education Adequacy Study marks the first time the DC government has commissioned a methodologically rigorous analysis of the costs of providing an educational program that supports *all* students in meeting academic performance standards.

Methodology

The TFP/APA study team employed a blend of two nationally recognized and accepted methodologies and incorporated elements of a third methodology:

- A professional judgment panel (PJ), which relies on the expertise and experience of professional educators to specify the resources, staff, and programs that schools at each level need to enable students to meet academic performance expectations as well as the system-level resources to support effective educational operations in single and multicampus systems. Ten PJ panels were convened to address school-specific resource needs for general education students and for students with identified learning needs. Three additional system-level panels were convened to identify sector-specific resources. This approach also incorporated elements of the evidence-based approach (EB), which draws on education research to help determine how resources should be deployed in schools so students can best meet performance expectations. Resource specifications documented in educational research were used as a starting point for the PJ panel deliberations and to benchmark results.⁴ However, the study team did not undertake a full independent review of the evidence base.
- A successful schools study (SS), which provides information about the cost of serving students without identified learning needs in a general education setting with no special circumstances; the SS study does not provide information on students with identified learning needs. This approach was used to examine the spending of high-performing schools—both DCPS and public charter schools—as measured against DC academic performance standards, growth in student performance, and the whole school environment.

Additionally, the study team conducted several focus groups and individual interviews with key stakeholders, who contributed specific information to help fill gaps, clarify issues, and verify findings from other sources. Additional revenue and cost analyses were conducted using data provided by DCPS, the Public Charter School Board (PCSB), and various city agencies, including the :

- Department of General Services (DGS),
- Department of Health (DOH),
- Department of Behavioral Health (DBH),
- Department of Transportation (DDOT),
- Metropolitan Police Department (MPD),

⁴ Michael E. Goetz, Allen R. Odden, and Lawrence O. Picus, “Using Available Evidence to Estimate the Cost of Educational Adequacy,” *Education Finance and Policy*, vol. 3, no. 3 (2008): 374–97.

- Office of the Chief Financial Officer (OCFO),
- Office of the Attorney General (OAG),
- Office of Contracting and Procurement (OCP),
- Office of the Chief Technology Officer (OCTO), and
- Office of the State Superintendent of Education (OSSE).

The study also ensured broad outreach and participation among DC education audiences and constituencies at all stages of the work, including public officials in relevant positions across DC government (e.g., including the Executive Office of the Mayor, the DC Council), OCFO, OSSE, DCPS, PCSB, public charter school leaders and administrators, professional educators at all levels, and public and charter school advocates. Finally, the study team relied on an Advisory Group of national and local experts in education policy, education programs, and education finance to provide input on the design and execution of the study and on the interpretation of the findings.

School-Level Resource Specifications

The school-level professional judgment panels—informed by the evidence base—developed specifications on the quantity and types of resources required to provide an adequate education to all DC students at each school level⁵:

- Elementary Schools—prekindergarten for three- and four-year-olds, kindergarten, and grades 1 through 5
- Middle Schools—grades 6 through 8
- High Schools—grades 9 through 12
- Adult Education Programs
- Alternative Schools

For each school level, the panelists worked together to achieve consensus on resource requirements, including instructional staff, student support staff, and administrative staff, as well as other educational resources and technology hardware, for representative schools at each level. Throughout the panels’ deliberations, DCPS and public charter school educators and administrators consistently agreed on the general quantity, quality, and types of resources required for all students to succeed in representative schools, even though no one panelist might allocate resources specifically as they are listed. These resource specifications are not intended to serve as a prescription for how individual schools should be staffed and how school leaders should expend their budget. Instead, the resources identified by the PJ panels are specifications for the purpose of costing out education adequacy. In the best-case scenario, LEAs would receive adequate funding and school leaders would have discretion to allocate resources for staff and other direct costs according to their school’s specific needs and priorities.

The school-level PJ panels, using the education research evidence base as a point of departure, developed detailed resource specifications for instructional programs, student support services, administration, technology hardware, and other educational resources at each school level (i.e., elementary, middle, high, adult, and alternative). PJ panels for students with identified needs were appointed to specify additional school-level and other resources needed to educate students

⁵ The professional judgment panels did not develop specifications for special education schools. The weight for special education schools was held constant.

with identified learning needs, including English language learners (ELLs), students at risk of academic failure, and special education students, Levels 1-4.⁶ The judgments of these panels were supplemented with information from interviews and additional data analysis.

These school-level PJ panel resource specifications were subsequently reviewed by the system-level panels (the DCPS- and public charter school-specific panels that were composed of central office staff and other individuals who provide administrative support to DCPS and public charter schools). The results of all 10 PJ panels were subsequently reviewed by the Advisory Group. In some cases, the school-level specifications were adjusted based on the recommendations of other panels. The resource specifications were finalized based on the Advisory Group review and were adopted as the study recommendations for costing out purposes. They include extended-day and extended-year programs for at-risk students, summer bridge programs for transitioning 9th graders, and comprehensive technology to support differentiated classroom instruction (see Table 1).

**Table ES1: Instructional and Student Support Specifications
Included in the Proposed UPSFF Base Funding Level and Weights***

<ul style="list-style-type: none"> ● Small class sizes: 15:1 in K–grade 3 and 25:1 in all other grades (consistent with evidence-based work).
<ul style="list-style-type: none"> ● Block schedule in middle schools and high schools.
<ul style="list-style-type: none"> ● Teacher planning time (through use of nonclassroom teacher staffing at elementary schools and block schedule in secondary schools).
<ul style="list-style-type: none"> ● Librarians and media specialists.
<ul style="list-style-type: none"> ● Support for embedded educator effectiveness, including 3 to 5 additional days (13 to 15 days total) of professional development and instructional coaching for teachers.
<ul style="list-style-type: none"> ● A high level of noninstructional pupil support (counselors, social workers, and psychologists) for all students (280:1 in elementary school to 140:1 in high school).
<ul style="list-style-type: none"> ● School-level administration, including principals and at least a 0.5 assistant principal at each school (1.0 at high school), plus deans, department chairs, and data managers at the high school level.
<ul style="list-style-type: none"> ● Office support, including office managers, business managers, registrars, and additional clerical staff.
<ul style="list-style-type: none"> ● Full-time substitutes at the elementary school and middle school levels.
<ul style="list-style-type: none"> ● Additional staff to support special needs students---at-risk students, English language learners, and special education students. <ul style="list-style-type: none"> ○ At-risk students: additional teachers to lower class sizes for at-risk students in secondary schools; additional pupil support positions (roughly 100:1); interventionists (100:1); and district-level services. ○ English language learners: ELL teachers (15:1 for Levels 1 and 2, 22:1 for Level 3); pupil support positions (100:1); bilingual aides (50:1); bilingual service provider (ELL coordinator) positions; and district-level services.

⁶ Special education students are categorized into four levels of need, according to the number of hours per week they require specialized services.

**Table ES1: Instructional and Student Support Specifications
Included in the Proposed UPSFF Base Funding Level and Weights, continued***

<ul style="list-style-type: none"> ○ Special education students: Special education teachers (ranging from 22:1 to 8:1 by level of need); instructional aides for higher need levels; additional pupil support (psychologists and social workers) and therapist support (speech, occupational, and physical therapy); school-level special education coordinators; and district-level services.
<ul style="list-style-type: none"> ● Before- and after-school programs for at-risk students and ELL students (100% of at risk and Level 1 and Level 2 ELL students).
<ul style="list-style-type: none"> ● Summer school for at-risk and ELL students (100% of at-risk students and all Level 1 and Level 2 ELL students); and summer bridge programs for students entering 9th grade.
<ul style="list-style-type: none"> ● Prekindergarten for three- and four-year-olds (program the same for both age groups).
<ul style="list-style-type: none"> ● A technology-rich environment, including all classrooms with computer(s), document cameras, and SMART Boards/projectors; fixed and mobile labs; faculty laptops; and 1:1 mobile devices (tablets/netbooks) for high school students that can be used, for example, for blended learning and Partnership for Assessment of Readiness for College and Careers (PARCC) assessments.
<ul style="list-style-type: none"> ● District- level administration and services at current levels.

Note: * These specifications are not intended to be prescriptive for how individual schools should be staffed or how school leaders should expend their budget.

Sources: The recommendations are derived from both the professional judgment panel specifications resulting from panelists' deliberations and the evidence base found in Michael E. Goetz, Allen R. Odden, and Lawrence O. Picus, "Using Available Evidence to Estimate the Cost of Educational Adequacy," *Education Finance and Policy*, vol. 3, no. 3 (2008): 374–97.

School Sizes and Profiles for Costing Out

The PJ panels developed resource specifications for representative schools of two sizes at each level: elementary, middle, and high school. They also developed specifications for adult education and alternative schools/programs. These sizes were determined based on an initial review of DCPS and public charter schools at each level, which showed the size range and distribution. For example, the PJ panels provided resource specifications for an elementary school with 210 students (i.e., a small elementary school) and another for 420 students (i.e., a large elementary school).

Based on the profile of DC students citywide, these representative schools were assumed to have students with the following characteristics:

- 70 percent of students eligible for free and reduced-price school meals;
- 9 percent of students who are English language learners; and
- 17 percent of students who are identified as requiring special education and having individualized education plans (IEPs) designed to address their learning needs.

Class Sizes

Using a combination of information from the evidence base, legal mandates, and professional judgments, class sizes were identified for each grade level for costing out purposes. For elementary students, the PJ panel called for class sizes in pre-K3 and pre-K4 of 15:1, with a teacher and an aide. For kindergarten through grade 3, the panels specified a student class size of 15:1. For grades 4 and 5, the panelists called for a class size of 25:1. The middle school and high school panels also specified a class size of 25:1, with a block schedule that enables teachers to

have ample time for planning and coordinating with other teachers and specialists. For adult learning centers and alternative schools and education programs for students who have not been successful in regular high schools, panelists specified small class sizes of 15:1. In calculating the school-level base cost, the study team used the DCPS average salary scale.

Students At Risk of Academic Failure

Each school-level and identified learning needs panel specified additional instructional and student support resources for students at risk of academic failure because of different risk factors, including economic disadvantage and disconnection from families and other key institutional supports. Typically, in studies of this kind, these at-risk students are identified by low-income status based on their eligibility for free and reduced-price school meals. In the District, however, using such eligibility as a proxy for at risk is problematic. Many DC schools have a very high proportion of students who qualify for free and reduced-price school meals. Moreover, in recent years, the city has moved toward the Community Eligibility Option (CEO) under the National School Lunch Program (NSLP) and School Breakfast Program (SBP) and away from identifying individual students' eligibility for free and reduced-priced school meals. Adopting a presumptive community eligibility policy declares that entire schools can qualify to receive free meals if 40 percent or more of their student population receives Temporary Assistance for Needy Families (TANF) or Supplemental Nutrition Assistance (SNAP or food stamps), are homeless, or are in foster care.

As a result, the study team determined that a more targeted definition of at risk of academic failure is needed for purposes of allocating additional education funding beyond the base-level amount. Accordingly, the study team recommended a working definition based on three relevant criteria:

- Students who are in foster care;
- Students who are homeless; and
- Students who live in low-income families eligible for TANF.

Many stakeholders have expressed concern that these criteria are too narrow and will exclude some students who are genuinely at risk. Others remarked that using eligibility for free and reduced-price school meals as a proxy for at risk would overfund schools that have a high percentage of low- and moderate-income students who would qualify for subsidized meals but are not truly at risk of academic failure. The study team recognizes the deficiencies in the proposed working definition. Therefore, as it is ultimately a policy decision for the Mayor and the DC Council to define at-risk status, the study team urges DC education leaders to engage stakeholders further to help refine the definition of at risk so it is targeted to the District's needs; and align the criteria for determining eligibility with the early warning system for identifying students at risk of academic failure that OSSE is developing.

Across elementary, middle, and high schools, the PJ panels specified significant additional instructional, student support, administrative, and other personnel to be dedicated to serving and supporting students at risk of academic failure.

Students with Other Identified Learning Needs

Developing resource specifications for Levels 1–4 special education students proved difficult. In part, this reflects different professional perspectives on the levels and balance of additional instructional programming, student support, and therapeutic services these students need to be successful learners. However, based on the PJ deliberations; significant additional information and review by staff at OSSE, DCPS, and PCSB; and review by outside experts in special education programs, the study team concluded that increases above the base level of funding for general education students are needed to pay for additional instructional staff—special education teachers, instructional aides, and a part-time adaptive physical education teacher—as well as student support staff—social workers and specialized therapists (e.g., behavioral, occupational, and speech therapists) for Levels 1–4 special education students. Panelists also called for additional administrative support from a special education coordinator.

The PJ panel went through the same process for English language learners and adult education and alternative students, identifying specific resources needed to effectively support successful learning. This included adding additional instructional and student support resources as well as administrative resources.

The elementary and middle/high school identified learning needs PJ panels highlighted the importance of offering appropriate educational opportunities to gifted and talented students at each grade level as well as to those with other learning needs. Although the panelists did not offer detailed resource specifications for this category of students, they urged greater attention and investment in developing appropriate programs and learning opportunities for exceptionally able students and ensuring that adequate resources are available to fully implement them.

Technology and Hardware

All of the school-level PJ panels highlighted the importance of significant investments in computer technology hardware, software, and wireless capacity. Students need to develop computer literacy to be successful in a digital age. Technology plays an increasingly greater role in the classroom, in the workplace, and in all domains of daily life. The PJ panels for all school levels and for students with identified learning needs recognized that the use of technology can be an effective tool for instructional differentiation and engagement for students with different learning needs. Also, the elementary, middle, and high school PJ panels noted that, to administer the new Partnership for Assessment of Readiness for College and Careers (PARCC) exams, schools will need the capacity to have all students complete the assessments online. The adult education and alternative schools PJ panel called for the development of hybrid learning programs that enable students to complete coursework and testing virtually as well as in the classroom.

System-Level Resource Specifications

The system-level PJ panels were charged with identifying LEA support, services, and resources that are needed above those specified at the school level to ensure schools can address the learning needs of general education students and students with identified learning needs. All LEAs, regardless of size, have the same responsibilities to provide management, administrative, and oversight functions, such as governance, budgeting and financial management, human resources management, professional development, curriculum and program support, procurement

of textbooks and supplies, communications and outreach, risk management, and legal assistance. In addition, large LEAs also need funding for responsibilities related to coordination and communication across schools in a multicampus system.

Because DCPS and public charter schools are structured and managed so differently, the system-level PJ panels reviewed the work of the school-level panels and developed separate specifications for costing out resources needed for each sector rather than developing a single unified system-level cost estimate. The LEA-level resource specifications developed by the two system-level PJ panels were reviewed by the Advisory Group. Where the Advisory Group raised questions, the study team tried to gather relevant comparative data to refine the resource specifications that were the basis for the cost estimates. To develop uniform system-level costs across the sectors for the overall UPSFF base funding level, the study team calculated the average of projected system costs for DCPS and charter schools.

Facilities Maintenance and Operations Costs

The study team's analysis of system-level costs shows that facilities maintenance and operations (M&O) costs are a significant cost driver. Additionally, these costs vary significantly between DCPS and public charter schools, with DCPS M&O costs being much higher than those of public charter schools.

Some of this difference may be due to the fact that LEAs in the District do not use a uniform accounting protocol for categorizing M&O costs, which makes it difficult to isolate relevant expenditures and compare levels of spending across LEAs. For example, custodial services are underestimated in public charter school calculations because often they cannot be isolated from lease costs or other vendor contracts. Similarly, M&O costs are likely overestimated for DCPS because they include expenses for vacant and underutilized space in schools (see Table 2).

To some extent, M&O cost differences between the two sectors may also reflect the fact that DCPS uses union labor for all engineers, technicians, custodians, and other maintenance personnel and is subject to collective bargaining on compensation and work rules. In contrast, public charter schools have the flexibility to negotiate contracts with outside vendors based on lower wage rates.

To develop a uniform basis for calculating space costs for DCPS and public charter schools, the study team developed a per-square-foot M&O cost rate based on the current rate for DCPS schools. To derive an equitable per-student M&O cost at each school level, the study team applied the per-square-foot rate to the number of square feet of space recommended for students at each grade level in the DCPS design guidelines. It then used student enrollment data to determine the amount of funding that should be allocated to DCPS and public charter schools.

The study team used DCPS design guidelines⁷ to identify the number of square feet of school facility space per student that is needed to support an adequate education. These recommended space requirements, which differ depending on the school level, are based on space specifications that were developed for DCPS in conjunction with the DGS and are used to guide the construction of DCPS buildings. Following are total per-student space requirements:

⁷ "District of Columbia Public Schools Design Guidelines: 2009," as amended in 2012, www.dcps.dc.gov.

- Elementary schools: 150 square feet per student
- Middle schools: 170 square feet per student
- High schools: 192 square feet per student
- Adult education and alternative schools/programs: 170 square feet per student
- Special education schools: 192 square feet per student.⁸

The study team collected available M&O cost data for DCPS and public charter schools. Charter school M&O costs also include property taxes and property insurance that are not charged to DCPS. However, not all categories of maintenance and operations are reported uniformly for charters. Because it was not possible to calculate an accurate actual M&O cost for public charter schools, the study team used *the DCPS average cost per weighted square foot for an average elementary, middle, and high school to determine the relevant facilities M&O costs that should be factored into the UPSFF*. The cost was weighted by the total square feet for each school-level building.

The study team developed an average M&O cost for three grade levels: elementary, middle, and high school. (It applied either the middle school or the high school rate to other types of programs that were not specifically called out in the DCPS design guidelines, such as alternative and adult education programs/schools and stand-alone special education schools.) Following are the average M&O costs:

- \$1,071 for each elementary school student;
- \$1,209 for each middle school student;
- \$1,342 for each high school student;
- \$1,209 for each adult education and alternative student; and
- \$1,342 for students who attend stand-alone special education schools.

⁸ The design guidelines do not include a recommended amount of square feet per adult education or alternative student. After consulting with education experts, the study team determined the middle school specification was sufficient, because these programs do not require the larger space requirements of a full high school education. Stakeholders recommended that the high school specification be applied to special education schools.

Table ES2: Total Facilities Maintenance and Operations Costs for District of Columbia Public Schools and Public Charter Schools (Fiscal 2013 and Fiscal 2014 Budgeted Amounts)

Maintenance and Operations Cost Category	DCPS		Charter School Leased and Owned Buildings	
	Total Cost	Cost Per Student ¹	Total Cost	Cost Per Student ²
Custodial ³	\$22,705,916	\$493	N/A	N/A
Facility maintenance and Operations ³	\$45,503,000	\$988	\$12,620,844	\$263
Utilities	\$28,385,637 ⁴	\$616	\$7,542,441	\$440
Real Estate Taxes (if applicable)			\$553,784	\$19
Property Insurance			\$1,053,241	\$37
Total Maintenance and Operations	\$96,594,553	\$2,097*	\$21,770,310+	\$759

Notes:

- 1 Figure is based on projected DCPS enrollments for school year 2013–2014 of 46,059.
- 2 Figure is based on public charter school enrollment for school year 2012–2013 of 28,667 for schools with data.
- 3 Charter total M&O costs are underestimated, because custodial costs cannot accurately be determined.
- 4 Figure reflects costs for custodial and utilities in DCPS fiscal 2014 budget; utilities cost represents total for gas, water, and electricity for DCPS portfolio, excluding main office.

Sources: Department of general services fiscal 2014 budget for Facilities—Public Education; and public charter facilities data from the local educational agency’s annual report to the Public Charter School Board for 2012–2013.

Capital Investments

Although the study team examined information on facility and capital investments by DCPS and public charter schools, available financial data were insufficient to fully assess public charter school costs and develop a meaningful assessment of their adequacy. It was also impossible to develop a sound comparison to DCPS spending.

DGS provides funding for new DCPS construction, renovation, and upgrading of school buildings and grounds based on a capital improvement plan that prioritizes school improvement projects. During the 22-year period for which actual and projected expenditure information is available, the study team estimates DCPS capital investments of approximately \$4,961 per student per year.

Public charter schools receive an annual charter facilities allowance of \$3,000 per student to cover the acquisition, lease, and improvement of school facilities. Available data suggest that facility-associated investments and indirect costs in leased and owned buildings and grounds are approximately this amount on an annual per-student basis. However, facility investment and lease costs for public charter schools are much more difficult to discern, because no standard approach to investment or accepted method of accounting for costs exists. The lack of a single accepted chart of accounts for presenting expenditures, including those for facility and capital investment and leases, as well as facilities M&O, made it impossible for the study team to develop a reliable facility and capital cost estimate for public charter schools.

Due to these constraints, the study team determined it is not possible to effectively assess the adequacy of current levels of capital investment for DCPS and facilities capital investment and leases for public charter schools. Therefore, the District should maintain the current public charter school facilities allowance pending further financial analysis based on uniform data reporting by charter LEAs on their facility and capital expenditures.

Funding Outside the UPSFF

The system-level analysis examined how costs related to instructional operations and facilities M&O for both sectors are currently covered within and outside the UPSFF. Several school-level and system-level costs are covered—in whole or in part—by other DC government agencies for both sectors, including student health and mental health personnel, crossing guards, and school resource officers. Despite DC legal requirements that costs funded through the UPSFF should not also be funded outside the formula, DCPS receives additional outside funding for various administrative services. Moreover, DGS funds approximately 40 percent of DCPS facilities M&O costs (see Table 3). Table 3 shows that DCPS is projected to receive more support overall from these sources in school year 2013–2014, and it receives more than twice as much on a per-student basis as public charter schools. These differences affect system-level resource specifications and costs for DCPS and public charter schools.

**Table ES3: Comparison of Benefits Provided by DC Agencies to District of Columbia Public Schools and Public Charter Schools
(Projected Total Value and Per-Student Share in Fiscal 2013 and Fiscal 2014)***

DC Government Agency	Cost of Benefits Provided to DCPS	Cost of Benefits Provided to Public Charter Schools	Total
Department of Health	\$12,750,000 (\$277)	\$4,250,000 (\$114)	\$17,000,000
Department of Health and Behavioral Health	\$3,420,594 (\$74)	\$1,026,177 (\$27)	\$4,446,771
Office of the Attorney General	\$2,442,000 (\$53)		\$2,442,000
Office of Contracts and Procurement	\$2,280 (\$0.05)		\$2,280
Office of the Chief Technology Officer	\$1,914,110 (\$42)		\$1,914,110
Department of General Services	\$45,503,000 (\$988)		\$45,503,000
Public Charter School Board Appropriation		\$1,161,000 (\$31)	\$1,161,000
Total	\$66,031,984	\$5,276,177	\$71,308,161
Per-Student Share of Cost**	\$1,434	\$141	\$854

Notes:

*Additional resources to remain outside the UPSFF include school resource officers (SROs) allocated cross-sector, totaling \$8,186,239 in fiscal 2013; this includes 26 SROs allocated to DCPS, totaling \$2,149,921; 15 SROs allocated to public charter schools, totaling \$1,240,339; and 58 roving officers and officials assigned cross-sector, totaling \$4,795,979. It also includes department of transportation crossing guards allocated cross-sector, totaling \$3,050,000 in fiscal 2013.

**Figures are calculated based on 2013–2014 projected enrollment numbers.

Sources: Data from office of contracting and procurement based on annual costs; data from department of health and department of behavioral health based on fiscal 2013 costs; and data from Public Charter School Board, Office of the Attorney General, Office of the Chief Technology Officer, and Department of General Services based on fiscal 2014 budget.

Recommendations

At each stage of its work, from study design through data collection, analysis, and formulation of findings and recommendations, the TFP/APA study team was guided by the principles outlined in the introduction to this report. Of particular concern in formulating the recommendations was ensuring that suggested changes in the Uniform Per Student Funding Formula are clearly focused on achieving adequacy, equity, and transparency in education funding in the District of Columbia.

The Mayor and DC Council have increased funding for general education and for special education during the past several years. However, as shown in the successful schools study and the cost estimation based on the professional judgment panels, current funding through the UPSFF has not kept up with the cost of educating students in DCPS and public charter schools. This is due to several factors that impact education costs:

- *Characteristics of the student population.* The District has a high proportion of students from low-income, severely disadvantaged, and non-English-speaking families. These students require additional instructional resources and student support services to be successful learners.
- *High labor costs.* The high cost of living in the city and metropolitan area and the predominance of a unionized workforce in DCPS means the District has a relatively high wage scale for educators.
- *Education reform.* The District of Columbia, along with many states across the nation, is taking steps to implement the Common Core State Standards for kindergarten through grade 12. This will require significant investments in new and upgraded curricula, instructional programs, assessment, and professional development. It will also require increased coordination across grade levels and schools.
- *Commitment to equity between sectors.* By law, the District must provide operating funds through the UPSFF to both DCPS and public charter schools. Meeting this obligation requires additional resources because of past differences in funding between the sectors.

Despite the current level of education funding, the UPSFF will need to be increased to ensure all schools have the resources they need to enable students to successfully meet DC academic performance standards. The UPSFF should also include additional funding to address the learning needs of students at risk of academic failure.

DC education funding also is inequitable, as shown in the study team's analyses of current spending on DCPS and public charter schools. The School Reform Act requires uniform funding of operating expenses for both DCPS and public charter schools.⁹ Both DCPS and public charter schools depend on additional resources provided by other DC government agencies to cover the costs of some school-based programs and services (e.g., school nurses, social workers, school crossing guards, and school resource officers). To the extent additional services are available to DCPS, they must be equally available to public charter schools. However, DCPS receives

⁹ As noted in this report, there is no such requirement for capital expense.

significantly more than public charter schools, in total and on a per-student basis. Additionally, DGS funds approximately 40 percent of facilities maintenance and operations costs for DCPS schools and some of its administrative offices. Other city agencies subsidize or perform various central office functions for DCPS.

These disparities in funding are contrary to DC law, which mandates that DCPS and public charter schools be funded through the UPSFF for operating expenses, that services be provided by DC government agencies on an equal basis, and that costs covered by the UPSFF should not also be funded by other DC agencies and offices.¹⁰ The differences also have become a source of significant tension between the two sectors. Against this backdrop, the study team was keenly focused on ensuring that its recommendations for restructuring and resetting the UPSFF address these issues and create greater equity between DCPS and public charter schools. The study team also sought to ensure all schools are funded at a level that will enable *all* students to meet academic performance standards.

Recommendations based on the findings of the DC Education Adequacy Study are organized under six broad headings:

- Restructuring education funding through the UPSFF to explicitly address facilities maintenance and operations costs;
- Resetting the UPSFF base level and weights;
- Maintaining the capital facilities allowance for public charter schools pending further analysis;
- Ensuring local funding flows through the UPSFF with specific and limited exceptions;
- Creating greater transparency and accountability in education budgeting, resource allocation, and reporting; and
- Updating the UPSFF regularly.

Restructuring the UPSFF to Explicitly Address Facilities Maintenance and Operations Costs

Currently, the UPSFF includes funding to cover the per-student costs for both instructional operating allocations and facilities M&O allocations, though they are not disaggregated. However, to understand the relative impact of these costs, the study team analyzed the two components independently.

To develop a uniform basis for calculating space costs for DCPS and public charter school LEAs as required by law, the study team developed a per-square-foot M&O cost rate based on the current costs for DCPS schools at each grade level—elementary school, middle school, high school, and adult/alternative school. No established space standard exists for adult learning centers, alternative schools, and special education schools where students are ungraded, so the study team applied the middle school M&O cost rate for adult and alternative schools and the high school cost rate for stand-alone special education schools.

To derive a uniform per-student M&O cost at each school level, the study team applied the grade-level-specific per-square-foot cost rate to the number of square feet of space recommended

¹⁰ DC Official Code §§38-1804.01, 2902, and 2913.

for students at each school level in the DCPS design guidelines.¹¹ It is this grade-level-specific per-square-foot cost rate that is applied in the UPSFF and used to determine the amount of funding that should be allocated to DCPS and public charter school LEAs for each student. This approach provides the foundation for several related recommendations to restructure the UPSFF to explicitly address facilities M&O costs:

- The study team recommends that the two components of the UPSFF per-student payment (i.e., the instructional operating allocation and the facility M&O allocation) should be calculated and presented separately within the formula. The instructional operating allocation is structured as a base funding level. Weights added to the base address cost differences for students at different grade levels and students with identified learning needs (similar to the current configuration). The M&O allocation is structured as an actual grade-level-specific dollar amount to be added to the amount of the instructional base funding and weights for each student. Table 4 presents the recommended UPSFF, including both the instructional and facility M&O costs.
- The study team recommends that school-level-specific M&O costs should be structured as an actual per-student dollar amount rather than as a weight. Based on DCPS actual and fiscal 2014 projected M&O costs, the study team recommends the following per-student facilities M&O costs as a component of the UPSFF:
 - \$1,071 for each elementary school student;
 - \$1,209 for each middle school student;
 - \$1,342 for each high school student;
 - \$1,209 for each student attending an adult education program or alternative school; and
 - \$1,342 for each student attending a stand-alone special education school.
- Calculating the M&O costs in this way, based on actual costs applied to recommended space criteria, enables funding to flow through the formula on a per-student basis in a transparent way. However, given the different cost structures for DCPS and public charter schools, the study team recommends that DC leaders develop a uniform reporting structure for facilities M&O costs in both sectors so, going forward, the M&O payment can be built on cost estimates that include actual costs for DCPS and public charter schools.
- Paying facility M&O costs using the recommended per-square-foot-per-student allocation approach through the UPSFF will not cover the full costs of DCPS facilities M&O expenses, mostly due to the large amount of underutilized space in city-owned school buildings and grounds that must be maintained. Applying the recommended square footage per student to the school year 2012–2013 audited enrollment for DCPS shows that DCPS requires only about 7.4 million square feet, or roughly 70 percent, of the

¹¹ According to the “District of Columbia Public Schools Design Guidelines: 2009,” as amended in 2012, the total per-student space requirements are as follows: elementary schools: 150 square feet per student; middle schools: 170 square feet per student; and high schools: 192 square feet per student. The study team assigned adult education and alternative schools to the middle school rate of 170 square feet per student and special education schools to the high school rate of 192 square feet per student. See www.dcps.dc.gov.

approximately 10.6 million square feet of active school building space in its current portfolio.¹²

Yet DCPS operates as a system of right, which requires that schools be available across the city to serve every neighborhood at every grade level. In addition, though it is difficult to quantify the monetary value of benefits, DCPS school buildings and grounds represent community assets that serve diverse purposes for community residents beyond educating neighborhood children and youth. DCPS's pools, fields, and athletic spaces provide community recreation resources. Auditoriums, multipurpose rooms, and classrooms provide community performance and meeting space. Schools also house other community services, such as health care and child care, in school-based facilities, with their M&O costs attributed to DCPS.

Beyond increasing enrollment in DCPS schools, the study team recommends that city leaders aggressively pursue policies to use underutilized space in DC-owned school buildings and grounds more efficiently. Not only will this help defray DCPS's M&O costs in the long term, but it will also benefit the communities surrounding underutilized DCPS schools. As the first and most important step in this direction, *DCPS should, where appropriate, collocate with other LEAs, city agencies, or community-based organizations.* Although collocation requires substantial management and oversight, the city should aggressively move to lease space in underutilized DCPS buildings to other appropriate entities. It should also support DCPS and prospective tenants in planning for successful collocations.

- The study team recommends *a strong focus on more efficient use of DCPS buildings by releasing surplus buildings for use by charter schools and aggressively pursuing collocation opportunities, even as DCPS continues to work to build its enrollment. During a reasonable transition period, DGS should provide M&O services to make up the difference for some portion of DCPS's facilities M&O costs.*

Resetting Instructional Education Funding Levels Through the UPSFF

The process for developing the proposed instructional base funding level and weights was the result of a rigorous, multimethod analysis that included input and review by multiple local and national experts. The recommended formula is structured to take account of the resource needs of general education students and students with identified learning needs at every grade level—from prekindergarten for three-year-olds through grade 12—and the needs of adult learners. The UPSFF base-level funding and weights for students at different grade levels and students with identified needs are the same for all DC students, regardless of whether they attend DCPS or public charter schools. This includes costs for the full range of resources that students need to be successful in light of the District's performance standards, including those currently provided outside the UPSFF. Accordingly, the study team offers several related recommendations for resetting the UPSFF:

- The study team recommends that *the proposed UPSFF base funding level should reflect a combined cost of \$10,557 per student for instructional purposes and \$1,071 per student for facility maintenance and operations, totaling \$11,628* (see Table 4). This is equal to

¹² DCPS has approximately another 1.5 million square feet of space for DCPS future use, swing space, and administrative space.

the per-student base cost at the least costly grade level—kindergarten through grade 5. The instructional and facility M&O portions of the UPSFF are reported separately for purposes of transparency.

- The study team recommends that the instructional portion of the UPSFF should be adjusted in two fundamental ways:
 - The new instructional base funding level and weights should provide adequate resources to address the needs of all students to meet current academic performance standards and the new Common Core State Standards. This includes instructional programs, student support services, administrative capacity, and other educational resources, as described in Chapters 3 and 4.
 - The total costs of serving students, including those with identified learning needs, should be partially offset by federal categorical funding that flows from federal entitlement programs, formula grant programs, and other categorical programs that benefit students with particular needs and characteristics. As a result, in calculating the new UPSFF base funding level and weights, the study team deducted the projected amount of these federal funds from the estimated costs.

- Weights beyond the base level of funding represent additional percentages of the base for students at other grade levels and for students with identified learning needs that entail costs above the base. *In addition to grade-level weights, the study team recommends maintaining the current categories of special education and English language learners. These weights should continue to be cumulative.*

The recommended weights and levels of required funding, based on the cost analysis, are higher than current levels for English language learners. They also are significantly higher for adult education and alternative school students. These higher weights reflect the need for increased specialized resources. The special education Levels 1, 2, 3, and 4 weights are approximately the same as current funding levels. The weights appear higher than the current weights, but that is mostly due to the fact that they now incorporate the special education capacity fund weight that is consequently recommended to be eliminated. The total costs of serving students with identified learning needs is partially offset by federal categorical funding that flows from several federal entitlement programs, formula block grants, and other nonlocally funded categorical programs benefiting students with particular needs and characteristics. In calculating the net new base-level cost and weights, the study team deducted these funds from the gross cost figures.

- The study team recommends *adding a new weight of 0.37 for students at risk of academic failure.* An initial working definition of at risk should focus on three primary criteria:
 - Students who are in foster care,
 - Students who are homeless, and
 - Students who are living in low-income families eligible for Temporary Assistance for Needy Families.

This weight can be combined with weights for other applicable identified learning needs, except for alternative or adult education students because, by definition, these students are at risk and additional resources have been factored into their relevant weights.

Many stakeholders have raised questions about whether this set of criteria too narrowly limits the definition of educational risk, particularly the use of TANF eligibility, because the program sets income limits at 100 percent of the federal poverty level and families will eventually time out of the program. However, use of the traditional metric for low-income status—eligibility for free and reduced-price school meals—may be overly broad and result in overfunding some schools as the District moves toward the new community eligibility system. Under this system, information on students' income levels is no longer collected. Instead, the entire school population is deemed eligible when 40 percent or more of the students are eligible for Temporary Assistance for Needy Families and the Supplemental Nutrition Assistance Program or are identified as homeless or in the Child and Family Services system.

The study team recognizes the deficiencies in the proposed working definition. As it is ultimately a policy decision for the Mayor and the DC Council to determine the definition of at risk, the study team recommends that education leaders engage stakeholders further to decide on a definition of at risk that is targeted to the District's needs and that is based on available data sources. Additionally, as work by OSSE to develop an early warning system for identifying students at risk of academic failure is completed, the at-risk definition should take account of relevant evidence-based indicators that will be tracked (e.g., truancy, over-age, and behind-grade).

- The study team recommends *excluding two current weights and instead accounting for these needs in other weights*: the current summer school weight, which is accounted for in the new at-risk weight and in the ELL weight in the proposed UPSFF; and the special education capacity fund weight, because it is now accounted for in the proposed special education weights.
- The study team recommends *developing a weight for gifted and talented students*. The PJ panels did not outline comprehensive resource specifications for high-performing students as they did for other students with identified learning needs, though such a weight frequently is a component of a comprehensive weighted student funding formula. Accordingly, the study team recommends that the Office of the Deputy Mayor for Education explore the feasibility of developing and costing out specifications for additional specialized educational resources and opportunities for gifted and talented students.

**Table ES4: Recommended UPSFF Base Funding Level and Weights
(With Facilities Maintenance and Operations Payments)**

GENERAL EDUCATION AND ADD-ON WEIGHTING INCLUDING M&O						
Category	Current UPSFF Weight	Current UPSFF Per-Pupil allocation	Proposed UPSFF Weight After Revenue Adjustments	Proposed UPSFF Per-Pupil Allocations After Revenue Adjustments	Facility M&O UPSFF Per Pupil Allocations	Proposed UPSFF Per Pupil Allocations After Revenue Adjustments with M&O
Foundation		\$9,306		\$10,557	\$1,071	\$11,628
General Education						
Preschool	1.34	\$12,470	1.15	\$12,141	\$1,071	\$13,212
Prekindergarten	1.30	\$12,098	1.15	\$12,141	\$1,071	\$13,212
Kindergarten	1.30	\$12,098	1.00	\$10,557	\$1,071	\$11,628
Grades 1–3	1.00	\$9,306	1.00	\$10,557	\$1,071	\$11,628
Grades 4–5	1.00	\$9,306	1.00	\$10,557	\$1,071	\$11,628
Grades 6–8	1.03	\$9,585	1.01	\$10,663	\$1,209	\$11,872
Grades 9–12	1.16	\$10,795	1.10	\$11,613	\$1,342	\$12,955
Alternative ¹	1.17	\$10,888	1.73	\$18,264	\$1,209	\$19,473
Adult Education ²	0.75	\$6,980	1.00	\$10,557	\$1,209	\$11,766
Special Education Schools	1.17	\$10,888	1.17	\$12,352	\$1,342	\$13,694
Special Needs Add-on Weightings						
Special Education Level 1	0.58	\$5,397	0.88	\$9,290		
Special Education Level 2	0.81	\$7,538	1.08	\$11,402		
Special Education Level 3	1.58	\$14,703	1.77	\$18,686		
Special Education Level 4	3.10	\$28,849	3.13	\$33,043		
Special Education Capacity Fund	0.40	\$3,722	N/A			
English Language Learners	0.45	\$4,188	0.61	\$6,440		
At Risk	N/A	N/A	0.37	\$3,906		

Table ES4: Recommended UPSFF Base Funding Level and Weights, continued

SUMMER SCHOOL, EXTENDED SCHOOL YEAR, AND RESIDENTIAL				
Category	Current UPSFF Weight	Current UPSFF Per-Pupil Allocation	Proposed UPSFF Weight After Revenue Adjustments	Proposed UPSFF Per-Pupil Allocations After Revenue Adjustments
Foundation		\$9,306		\$10,557
Special Education Compliance				
Blackman-Jones Compliance	0.07	\$651	0.06	\$651
Attorneys' Fee Supplement	0.09	\$838	0.08	\$838
Summer School				
Summer School ³	0.17	\$15,820	N/A	N/A
Extended School Year Level 1	0.064	\$596	0.056	\$596
Extended School Year Level 2	0.231	\$2,150	0.204	\$2,150
Extended School Year Level 3	0.500	\$4,653	0.441	\$4,653
Extended School Year Level 4	0.497	\$4,625	0.438	\$4,625
Residential Add-Ons				
Residential Weight	1.70	\$15,820	1.50	\$15,820
Special Education Residential				
Level 1	0.374	\$3,480	0.330	\$3,480
Level 2	1.360	\$12,656	1.199	\$12,656
Level 3	2.941	\$27,369	2.592	\$27,369
Level 4	2.924	\$27,211	2.578	\$27,211
English Language Learner Residential	0.68	\$6,328	0.60	\$6,328

Notes:

- 1 The proposed weight assumes alternative school students would not receive an at-risk weight.
- 2 The proposed weight assumes adult education students would not receive an at-risk weight. The adult weight was also prorated to take into account that an adult full-time equivalent (FTE) student requires fewer hours and weeks in school than a full-time general education student.
- 3 Summer school is not assigned a specific weight in the proposed UPSFF because it is included in the at-risk and English language learner weight.

Sources: The recommendations are derived from both the professional judgment panel specifications resulting from panelists' deliberations and the evidence base found in Michael E. Goetz, Allen R. Odden, and Lawrence O. Picus, "Using Available Evidence to Estimate the Cost of Educational Adequacy," *Education Finance and Policy*, vol. 3, no. 3 (2008): 374–97.

Maintaining the Capital Facility Allowance for Public Charters Pending Further Analysis

Although the study team examined information on capital investments by DCPS and public charter schools, available financial data were insufficient to fully assess public charter school costs and develop a meaningful comparison to DCPS spending. DGS provides funding for new DCPS construction, renovation, and upgrading of school buildings and grounds based on a capital plan that prioritizes school improvement projects. Public charter schools receive an annual facilities allowance of \$3,000 per student to cover the acquisition, lease, and improvement of school facilities. However, capital investment and lease costs for public charter schools are much more difficult to discern, because no standard approach for investment or accepted method of accounting for costs exists. The lack of a single accepted chart of accounts for presenting expenditures, including those for capital investment, leases, and facilities M&O, made it impossible for the study team to develop a reliable capital cost estimate for public charter schools. Due to these constraints, the study team recommends that:

- The Mayor and DC Council should maintain the current capital allowance for public charter schools, pending further financial analysis based on uniform data reporting by charter LEAs on their capital and facility expenditures.

Ensuring Local Funding Flows Through the UPSFF with Specific and Limited Exceptions

To comply with current DC law, which requires that costs covered by the UPSFF should not also be funded by other DC agencies and offices, and to achieve greater funding equity between DCPS and public charter schools, the study team worked with the PJ panels to examine the flow of funding within and outside the UPSFF. One goal was to determine which student support services currently funded outside the UPSFF should be covered by funds that flow through the formula. A second goal was to determine whether any benefits should continue to be funded outside the UPSFF by other DC government agencies.

The study team recommends that the UPSFF provide comprehensive funding for all DC students that adequately covers instructional programs, student support services, administrative services, and other educational resource needs at the school and system levels as well as funding for facilities M&O costs. To ensure this happens, the study team recommends the following modifications to current arrangements that provide resources to DCPS and public charter schools through other DC government agencies:

- Most resources currently provided by city agencies to both DCPS and/or charter schools should be funded through the UPSFF. These resources are included in the recommended new base funding level for all students and in weights for students with identified learning needs. These services include:
 - School nurses for DCPS and public charter schools (Department of Health);
 - School social workers for DCPS and public charter schools (Department of Behavioral Health);
 - Public Charter School Board appropriation for charter schools (Public Charter School Board);
 - Technology systems for DCPS (Office of the Chief Technology Officer);
 - Procurement services for DCPS (Office of Contracting and Procurement);
 - Legal services for DCPS (Office of the Attorney General); and
 - Facilities maintenance and repairs for DCPS (Department of General Services).

In the future, DCPS and public charter school LEAs should be responsible for purchasing these services for their schools using UPSFF funds. If mutually agreeable arrangements are in place for other DC government agencies to supply services, DCPS and/or public charter schools can enter into a memorandum of understanding or contract with these agencies to continue the arrangements. LEAs should cover the costs through an interagency transfer.

- School safety resources provided to both DCPS and public charter schools should continue to be paid for and allocated by city agencies, outside the UPSFF. These include school resource officers supplied by the Metropolitan Police Department to prevent and respond to juvenile delinquency and school violence and school crossing guards supplied by the Department of Transportation to reduce pedestrian injuries and fatalities in traffic accidents. Because decisions on the allocation of these resources are based on considerations for student safety, local traffic patterns, neighborhood environments, school culture, and imminent threats of violence that have little to do with a per-student share of costs, they are less amenable to allocation through the UPSFF. Therefore, MPD and DDOT should continue to provide these services and should be accountable for funding them at a level that is adequate to meet the needs of DCPS and public charter schools citywide. In addition, MPD and DDOT should develop clear criteria to determine which LEAs or schools qualify for these services in order to reduce confusion and inequity between the two sectors.

Creating Greater Transparency and Accountability in Education Budgeting, Resource Allocation, and Reporting

The purpose of this research was not to undertake an audit of DCPS or public charter school income and expenditures. Nevertheless, the study team spent considerable time gathering and analyzing financial data and information provided by DCPS, PCSB, individual charter schools, and other DC government agencies and executive offices to inform the cost estimates presented in this report. As the study team learned in the course of its work, education budgeting, resource allocation, and financial reporting are not clear and easily traceable processes in DCPS or public charter schools. The state of financial recordkeeping makes it difficult to determine the total amount spent by cost category or to assess cost drivers and cost variations within and among DCPS and public charter schools. It is also difficult to trace funding from the source to the student and to understand the total amount of education spending in the city and how it is allocated to individual schools and to central office functions. These issues are particularly pronounced for facilities maintenance and operations costs and capital investments. Accordingly, the study team recommends that:

- The Public Charter School Board should require all charter schools to adopt a standardized chart of accounts that provides clarity and accountability and enables comparisons among charters and between DCPS and the charter school LEAs. Currently, all charter schools submit annual financial reports to the PCSB, but these reports are not standardized and account for spending inconsistently.

- The city should establish an online public education funding reporting system that provides annual education budget information (e.g., local and nonlocal sources of funding; allocation of resources to LEAs and from LEAs to individual schools; and individual school-level expenditures for instruction, student support services, administration, and other educational resources).

Updating the UPSFF Regularly

This education adequacy study represents the DC government’s first effort to undertake a rigorous analysis to develop a data-driven estimate of the costs of providing pre–K 3 through grade 12 students and adult education and alternative school students in the District of Columbia with an educational experience that will enable them to meet academic standards. To keep the UPSFF formulas and funding levels up to date, adequate, and equitable, the study team offers three related recommendations:

- OSSE should reconvene the technical work group (TWG) to monitor the base and weights of the UPSFF and identify, study, and make recommendations on any issues that impact the effectiveness and efficiency of these mechanisms and any concerns that raise questions about their adequacy, equity, uniformity, and transparency. The TWG should be composed of local educators, education finance experts, DCPS and public charter school representatives, DC government officials, and community leaders. It should serve as an advisory group to OSSE and the DME.
- The DC government should undertake a rigorous assessment of the adequacy of education funding through the UPSFF every five years. As conditions change in the city and as educational practice advances, city leaders should periodically assess the alignment of education funding with the city’s education goals and the adequacy of funding to achieve them. The Mayor and DC Council should consider restructuring and resetting the UPSFF based on changing economic and demographic conditions, evolving educational norms and best practices, and information on educational resource needs and spending. On a more frequent basis, the city should review the facility M&O costs portion of the UPSFF in order to update them based on actual costs for DCPS and public charter schools.
- In the interim years, the UPSFF should be updated based on an indexed cost-of-living adjustment that is relevant to the cost of living in the District of Columbia.

Implementation

Under any scenario, the path toward funding the study team’s recommendations will require a significant new financial commitment to education. Fully implementing these provisions is likely to be a multiyear process. The city’s leaders will have to wrestle with the real limitations of fiscal feasibility and educational need. As they consider a phase-in approach, they should take into account the parallel priorities of increasing the foundational level of resources to address new standards, targeting the highest-need students, and increasing equity between DCPS and public charter schools.