

Retirement System, DC Public Schools, and DC Charter Schools. Cluster-level funding for Fiscal Year (FY) 2008 and 2009 is outlined in the table below. More specific detail is provided in Appendix F1.1.

**Table F1.1 Education Funding as Percent of Total Budget, FY 2008-09**

	<b>FY08</b>	<b>FY09</b>
<b>Education Cluster</b>	\$1,284,308,000	\$1,401,649,000
<b>Total Budget</b>	\$5,767,841,000	\$5,964,091,000
<b>Education as Percent of Total</b>	<b>22.3%</b>	<b>23.5%</b>

Taking into account only local funds for LEAs (DCPS plus public charter schools) and higher education, the trend of increased revenue continues:

**Table F1.2 Elementary, Secondary and Higher Education Funding as Percent of Total Budget, FY 2008-09**

	<b>FY08</b>	<b>FY09</b>
<b>Elementary and Secondary</b>	\$801,808,655	\$855,204,181
<b>Higher Education</b>	\$62,569,786	\$62,070,000
<b>Total Budget</b>	\$5,767,841,000	\$5,964,091,000
<b>Elementary, Secondary and Higher Education Funding as Percent of Total Budget</b>	<b>15.0%</b>	<b>15.4%</b>

Education is of the highest priority in DC, as reflected by this budget. DC is clearly committed to education reform as demonstrated by increased school funding, even in difficult economic times. In fact, city agencies within the District have recently been directed by the mayor to absorb deeper budget cuts in an effort to hold school as harmless as possible within the context of broader city-wide budget reductions. With the help of federal stimulus funds, DC's education spending increased in the FY2009 and FY2010 budgets, despite projected revenue declines. In fact, in FY2009 and FY2010 budgets, education spending was the only budget area with

consistent or increased funding.

**(F)(1)(ii) Making Education Funding a Priority: Equitable Funding**

Equitable DC education funding is achieved via the Uniform Per Student Funding Formula (UPSFF), as outlined in DC Official Code § 38-2901 to 2912. The UPSFF is neutral among LEAs, as it determines the annual operating funding for each LEA in DC based on specific per-pupil amounts. Every student generates funding for its LEA in the same manner and in the same amount, whether the student chooses to attend DCPS or a charter LEA. Funding under the UPSFF is a straightforward process: each student receives a ‘foundation level’ of funding, established by law at \$8,770 for FY2010 (and established annually through legislation to approve the overall budget). Although the foundation level is the same for all students, DC’s comparatively higher level of per-pupil funding reflects the District’s disproportionately high level of high-poverty students. Additional individual student weightings are applied based on grade level, special education level, and limited/non-English proficiency, as appropriate (a complete description of the UPSFF weightings is provided in Appendix F1.2). Additional Title I funds flow through OSSE to District LEAs serving children living at the greatest poverty levels.

In a 2006 *Ed Week* ranking of per pupil expenditures across the nation, DC ranked 13<sup>th</sup> in the nation, even after adjustments for regional cost differences. DC invests significantly in education and is working on improving its resource efficiency and collaborative strategies to support meaningful reform. Ultimately, RTTT funds will serve as a strategic investment in the development of systems and processes that enable funding dollars to be leveraged for results.

**(F)(2) Ensuring successful conditions for high-performing charter schools and other innovative schools (40 points)**

The extent to which—

(i) The State has a charter school law that does not prohibit or effectively inhibit increasing the number of high-performing charter schools (as defined in this notice) in the State, measured (as set forth in Appendix B) by the percentage of total schools in the State

that are allowed to be charter schools or otherwise restrict student enrollment in charter schools;

(ii) The State has laws, statutes, regulations, or guidelines regarding how charter school authorizers approve, monitor, hold accountable, reauthorize, and close charter schools; in particular, whether authorizers require that student achievement (as defined in this notice) be one significant factor, among others, in authorization or renewal; encourage charter schools that serve student populations that are similar to local district student populations, especially relative to high-need students (as defined in this notice); and have closed or not renewed ineffective charter schools;

(iii) The State's charter schools receive (as set forth in Appendix B) equitable funding compared to traditional public schools, and a commensurate share of local, State, and Federal revenues;

(iv) The State provides charter schools with funding for facilities (for leasing facilities, purchasing facilities, or making tenant improvements), assistance with facilities acquisition, access to public facilities, the ability to share in bonds and mill levies, or other supports; and the extent to which the State does not impose any facility-related requirements on charter schools that are stricter than those applied to traditional public schools; and

(v) The State enables LEAs to operate innovative, autonomous public schools (as defined in this notice) other than charter schools.

*In the text box below, the State shall describe its current status in meeting the criterion. The narrative or attachments shall also include, at a minimum, the evidence listed below, and how each piece of evidence demonstrates the State's success in meeting the criterion. The narrative and attachments may also include any additional information the State believes will be helpful to peer reviewers. For attachments included in the Appendix, note in the narrative the location where the attachments can be found.*

Evidence for (F)(2)(i):

- A description of the State's applicable laws, statutes, regulations, or other relevant legal documents.
- The number of charter schools allowed under State law and the percentage this represents of the total number of schools in the State.
- The number and types of charter schools currently operating in the State.

Evidence for (F)(2)(ii):

- A description of the State's approach to charter school accountability and authorization, and a description of the State's applicable laws, statutes, regulations, or other relevant legal documents.

- For each of the last five years:
  - The number of charter school applications made in the State.
  - The number of charter school applications approved.
  - The number of charter school applications denied and reasons for the denials (academic, financial, low enrollment, other).
  - The number of charter schools closed (including charter schools that were not reauthorized to operate).

Evidence for (F)(2)(iii):

- A description of the State’s applicable statutes, regulations, or other relevant legal documents.
- A description of the State’s approach to charter school funding, the amount of funding passed through to charter schools per student, and how those amounts compare with traditional public school per-student funding allocations.

Evidence for (F)(2)(iv):

- A description of the State’s applicable statutes, regulations, or other relevant legal documents.
- A description of the statewide facilities supports provided to charter schools, if any.

Evidence for (F)(2)(v):

- A description of how the State enables LEAs to operate innovative, autonomous public schools (as defined in this notice) other than charter schools.

*Recommended maximum response length: Six pages*

**(F)(2)(i) Ensuring successful conditions for high-performing charter schools and other innovative schools: Growth of charters**

Enacted by Congress for the District in 1995, the School Reform Act (codified at D.C. Official Code §38-1800 et seq.) has provided the framework for innovate and effective charter options. According to the Center for Educational Reform’s publication, *Race to the Top for Charter Schools: Which States Have what it Takes to Win* (2009), the District of Columbia boasts the strongest charter laws in the US, receiving an “A” for its laws governing charter schools. DC’s vibrant network of charter schools reflects this favorable environment. With 57 charter LEAs and 96 charter campuses serving 28,066 students in DC, 38.0% of public school children attend

public charter schools and 42.5% of DC schools are charters (both percentages are higher than any other urban district except New Orleans). Given the combined funding streams from RTTT dollars that are available to LEAs via formulaic allocation and competitive grant processes, DC charter schools are eligible to access \$40.1MM, or 36%, of the total requested grant award, setting the stage for DC to serve as a model of cross-sector education reform.

DC's charter schools also reflect a diverse portfolio of schools that serves various student groups / grade levels based on each charter's guiding philosophy. An overview of DC charter types by grade levels is below:

**Table F2.1 Charter Schools by Type, School Year 2008-09**

<b>Charter School Type</b>	<b>Number of Schools</b>	<b>Charter School Type</b>	<b>Number of Schools</b>
Early Childhood	11	Middle School	8
Early Childhood/Elementary	11	Middle/High School	6
Early Childhood/Adult	1	High School	11
Elementary School	15	High School/Adult	3
Elementary/Middle School	22	Adult	1
Elementary/Middle/High School	4	<b>Total for 2008-09</b>	93

DC Official Code § 38-1802.03 allows eligible chartering authorities to approve up to twenty annual petitions to establish a public charter school. As demonstrated in the chart below, this Congressionally-adopted cap is well above demand for charter school approvals and has not in any way stifled demand or led chartering authorities to limit the number of petitions approved (the number of petitions has never exceeded 20). The high percentage of DC students who attend charter schools has also demonstrated that the School Reform Act provision has had no negative impact on charter growth. Between 2004 and 2008, an average of five charter schools were approved each year. Moreover, with no cap on expansion campuses, successful charter schools can easily increase capacity or replicate their models with approval from the charter authorizer without counting against the cap. The ratio of charter to

DCPS campuses is 1.34, and DC also boasts 15 multi-campus charter LEAs. Ultimately, there is no practical limit to growth of the charter sector and no legal or practical limit to the number of students who can be served by charter schools, highlighting an unfettered opportunity for DC's ongoing charter expansion. The District's strong support of charter schools as models of innovation and autonomy extends even further, as DCPS Chancellor Rhee is considering requesting chartering authority for DCPS. This move would allow DCPS to engage more readily in school restarts and to use charters for turnaround efforts.

**(F)(2)(ii) Ensuring successful conditions for high-performing charter schools and other innovative schools: Charter law**

The District's mature charter law provisions explicitly outline how charter authorizers approve, monitor and oversee, hold accountable, reauthorize, and, as needed, revoke charters [see D.C. Official Code §38-1802.01 -03 (approval), §38-1802.13 §38-1802.11 (oversight), §38-1802.12 (renewal), §38-1802.13 & 13a (revocation)].

DC Code § 38-1802.06 establishes DC's public charter schools as open-enrollment institutions, open to all DC resident children. This statutory provision explicitly prohibits public charter schools from limiting enrollment on the basis of a student's race, color, religion, national origin, language spoken, intellectual or athletic ability, measures of achievement or aptitude, or status as a student with special needs (although public charter schools may limit enrollment to specific grade levels). In cases where student applications exceed capacity, local statute requires that public charter schools use a random selection process or lottery to admit students. DC's public charter schools currently serve 88% African-American, 8% Latino(a), and 80% economically disadvantaged students, which reflect higher concentrations of minority and economically disadvantaged than enrollments in DCPS schools. Since its creation, OSSE has taken significant steps to encourage and ensure compliance with the IDEA (Individuals with Disabilities Education Act) requirements among all LEAs. Public charter schools, like DCPS, are required to provide a continuum of services and serve all students regardless of special needs. OSSE issued guidance on charter admissions practices this past year to specifically underscore an LEA's obligation to admit students regardless of a child's special needs and also to outline prohibited

discriminatory practices.

Charter school accountability in the District of Columbia is strong. Charter schools are subject to annual monitoring by PCSB (currently the District’s only charter authorizer), as well as a comprehensive review process every five years to ensure charter compliance, as outlined in DC Official Code § 38-1802.12. Under §38-1802.13, a chartering authority may revoke a charter if it is determined that the school has: violated the charter agreement, including violations related to the education of students with disabilities; “failed to meet the goals and student academic achievement expectations set forth in the charter;” or presented a case of fiscal mismanagement. Although this process is already rigorous, PCSB continues to pursue rigorous accountability with the introduction of the Performance Management Framework, a common framework that is used to evaluate charter school performance against rigorous standards. The table below provides a five-year history of charter school applications, withdrawals, approvals, denials, and measures taken to close non-performing charter schools.

**Table F2.2 DC Charter Authorization History, 2004-08**

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>Total</b>
<b>Total Applications</b>	19	19	17	13	10	N/A	<b>78</b>
<b>Denials</b>	9	13	14	7	8	0	<b>51 (65%)</b>
<b>Approvals</b>	10	6	3	6	2	0	<b>27 (35%)</b>
<b>Replications Approved</b>	0	4	5	2	7	7	<b>25</b>
<b>Charter Revoked</b>		0	2	1	1	0	<b>4</b>
<b>Charter Relinquished</b>	1	0	3	1	2	1	<b>8</b>

Charter school accountability in the District is strong. Between 2004 and 2009, 27 new DC charters were approved, 51 were denied, and four were revoked. This approval rate is consistent with historical trends, as PCSB has historically approved only 34% of all applications, demonstrating a commitment to ensuring that only petitions for high-performing charters are approved in the first place. Over the last five years, 12 charter schools were closed. Of these closures, four charters were revoked, and eight were relinquished after an intensive monitoring and review process. The Center for Education Reform’s 2009 Accountability Report cites operational, management, academic performance and financial challenges as reasons for most charter school closures in DC and concludes by lauding the PCSB as having “created the gold standard in charter school accountability.”

**(F)(2)(iii) Ensuring successful conditions for high-performing charter schools and other innovative schools: Funding**

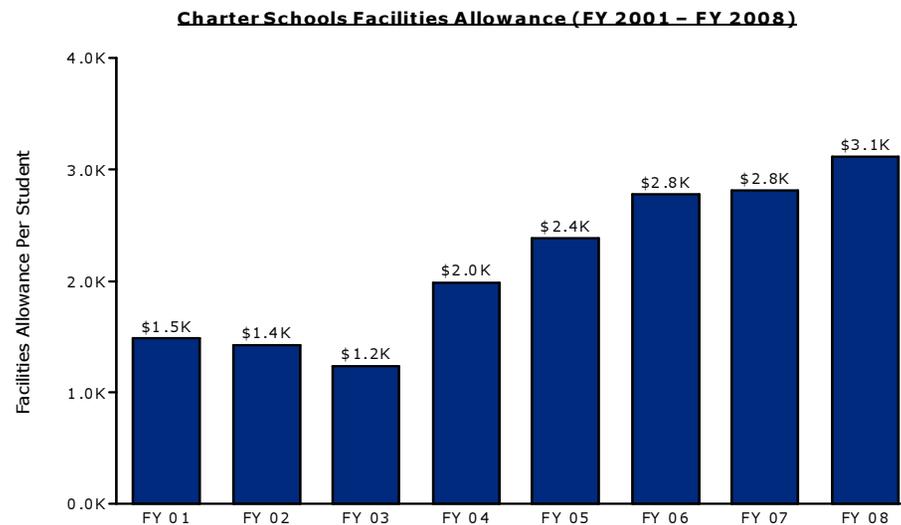
As outlined in F1(ii), above, DC’s UPSFF ensures equal funding for every public school student, regardless of the type of LEA in which a student is enrolled. Both charter LEAs and DCPS are funded according to the same student-based formula, where total funds are based on October 5 enrollment counts submitted by LEAs and audited by an independent auditing firm commissioned by OSSE. All District charter schools qualify as Local Educational Agencies (LEAs) or otherwise eligible sub-recipients under federal education statutes and therefore receive equitable access to major federal education formula grant (with the exception of three charters that exclusively serve 3- and 4-year old students who do not qualify for Title I funding but who instead qualify for local Pre-K innovation grant funding).

**(F)(2)(iv) Ensuring successful conditions for high-performing charter schools and other innovative schools: Facilities funding**

In addition to UPSFF funding, public charter schools also receive a per-student facilities allowance, established by DC Official Code § 38-2908. In FY 2010, this amount is \$2,800 per pupil, which can be used for facilities leasing, purchase, financing,

construction, maintenance, and repair. DC Official Code § 38-1804.01 further allows the Mayor and the District of Columbia Council to “adjust the amount of the annual payment ... to increase the amount of such payment for a public charter school to take into account leases or purchases of, or improvements to, real property, if the school...requests such an adjustment.”

The chart below illustrates Charter School Facilities per-pupil funding amounts for non residential charter schools for 2001-2008.



*Figure F2.1 Charter School Facilities Allowance, FY 2001-08*

Enhanced funding streams for public charter school facilities have been made possible through the education component of DC’s annual federal payment from the federal government, which supports several public charter school facilities programs. These include: (1) a \$30 million Direct Loan Fund that provides low-cost real estate backed loans of up to \$2 million; (2) a \$22 million Credit Enhancement Fund that provides loan and lease guarantees to facilitate financing and encourage commercial bank lending; (3) the City Build Incentive grant program, which has invested approximately \$14 million in the form of grants of up to \$1 MM to encourage the location of quality public charter schools in strategic neighborhoods; and (4) the Public Facilities Grant program,

which has invested \$6.5 million in former DCPS buildings leased to public charter schools. In addition, OSSE manages the Charter School Incubator Initiative (CSII), an innovative public-private partnership supported through a \$5 million Credit Enhancement grant awarded by the US Department of Education. The CSII provides “incubator space” for new public charter schools in need of space, which allows them to grow and stabilize before taking on greater facility and financial responsibilities.

DC public charter schools also benefit from various programs managed through the DC Office of the Deputy Mayor for Planning and Economic Development (DMPED). The largest and most widely used program is the District’s Industrial Revenue Bond program, which enables non-profit organizations, including public charter schools, to access low-cost, tax-exempt bond financing for commercial real estate projects. In addition, DMPED has awarded Qualified Zone Academy Bonds, Qualified School Construction Bonds, and grants from the Neighborhood Investment Fund to public charter schools in support of facilities projects. The Office of Public Charter School Financing and Support within OSSE oversees these various financial options and provides guidance to public charters navigating the system.

In efforts to make public school facility space more accessible to charter schools, DC Official Code § 38-1802.09 gives the “right of first offer” for any current or former public school property to “an eligible applicant whose petition to establish a public charter school has been conditionally approved.” This same law also states, “Any District of Columbia public school that was approved to become a conversion public charter school ... shall have the right to exclusively occupy the facilities the school occupied as a District of Columbia public school under a lease for a period of not less than 25 years, renewable for additional 25-year periods as long as the school maintains its charter at the appraised value of the property based on use of the property for school purposes.” DC Official Code § 38-1831.01 extends a similar right of first offer to charter schools for leasing space within underutilized DCPS school facilities. Both the Mayor and DCPS Chancellor maintain a strong interest in providing an incentive to high-achieving charters by helping to address critical facilities needs. For example, the Mayor’s Office is exploring the possibility of linking facilities leasing opportunities to student academic performance, as a means of providing incentives and rewards to high-achieving

schools. Together, these funding streams provide a significant and accessible resource for public charter schools to build or lease and maintain quality school facilities.

**(F)(2)(v) Ensuring successful conditions for high-performing charter schools and other innovative schools: Autonomous schools**

School autonomy as a condition for reform and innovation is key component of the District’s education reform landscape, as evidenced by the large proliferation of charter schools. School autonomy is important to charter success and growth, and DC seeks to support such autonomy wherever possible (for example, through OSSE policies and LEA guidance or the minimal restrictions on how charters use funding).

School autonomy is also relevant for DCPS efforts. As the District’s only traditional geographic LEA, DCPS has benefitted from a mayoral priority to support district-wide school innovation, including school autonomy. Chancellor Rhee created DCPS’ Office of School Innovation (OSI) to increase the level of diversity and innovation in DCPS’ school portfolio. This office, led by Josh Edelman (former Chicago Public Schools school portfolio office manager who helped launch that city’s turnaround strategy), pursues a relentless focus on innovative and effective whole school reform initiatives and models that contribute directly to improving student academic achievement. For example, a third grade student from one of DC’s high-poverty neighborhoods who loves math should have the opportunity to attend a STEM elementary school near her home. DC’s rapid reinvention of its school system is focused on ensuring that all children, irrespective of test scores or where they live, have access to innovative schools that meet their unique needs.

OSI is currently focused on the development and implementation of nine different innovative school models, three of which are autonomous school models: Autonomous Schools, DC Collaborative for Change (DC3), and Partnership Schools. Currently, 17 DCPS schools operate under one of these three autonomous projects, described below:

- **Autonomous Schools (four schools):** designed to provide schools that have demonstrated academic success with the

structural space to innovate as a means of further increasing student academic achievement. Schools that are granted autonomy receive enhanced flexibility in five core areas: budget, instructional program, professional development, schedule (within parameters), and textbooks. Eligibility for autonomous status requires that 75% of a school's student body be proficient in math and reading or have averaged more than 10% growth in both reading and math over the previous three years. In order to qualify, a school must also complete a letter of intent and receive a score of at least three in each area of a Quality School Review (QSR), and a score of four in "Leadership" or "Teaching and Learning."

- **DC Collaborative for Change (DC3) (10 schools):** DC3 brings together principals from ten elementary schools with a diverse set of challenges for the purpose of creating a citywide cluster of likeminded elementary schools. DC3 relies on a shared culture of achievement and shared resources to (a) improve teaching practice, (b) improve leadership capacity across schools, and (c) increase teacher retention with the ultimate goals of enhancing equity among DCPS schools and improving student achievement. DC3 schools are granted more autonomy in the areas of budget, instructional program, professional development, scheduling, and textbooks. This model has acted as a foundation for the Professional Communities of Effectiveness (PLaCEs) described in Section D5.
- **Partnership Schools (three schools):** Partnership schools are designed to improve school culture and student achievement at chronically low-achieving high schools through relationships with turnaround organizations that have practical – and successful – experience in turning around high schools. Currently, Friendship Public Charter Schools, which serves over 4,000 students in DC and Maryland public and public charter schools, is managing turnaround efforts in Anacostia High School. Friends of Bedford, the organization behind NY's Bedford Academy High School (ranked in 2009 as one of New York State's best high schools), is playing the same role in DC's Coolidge High School and Dunbar High School. These partnerships exemplify the promising potential for innovative collaboration between DC's charter sector, DCPS, and external partners and underscore the ability of charter and DCPS partners to work together turn around DC's lowest-achieving schools. Ultimately, such tangible examples of collaboration are a common priority in DC's educational reform