

AN ACT

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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

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To amend, on a temporary basis, the Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Act of 1998 and the District of Columbia School Reform Act of 1995 to provide a definition for resident student, to clarify the dates of the pupil counts to which appropriations under the Uniform Per Student Funding Formula apply for District of Columbia public schools versus that for public charter schools, to require the Mayor to establish a committee to adopt a policy governing proof of District residency for school enrollment purposes, to define requirements and responsibility for audits of enrollment at District of Columbia public schools and public charter schools, to provide for quarterly payments to the public charter schools, to define their schedule and basis in enrollment, to clarify the effect the annual enrollment audit is to have upon the schedule and amount of payments, to make conforming amendments regarding the definition of nonresident and quarterly enrollment reporting Funding Formula, to require that the Mayor be responsible for collecting enrollment reports until the State Education Office assumes the role to eliminate redundant or inconsistent audit provisions, to make conforming amendments to the fund transfer provisions for public charter schools, and to clarify the definition of new schools.

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

Sec. 2. The Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Act of 1998, effective March 26, 1999 (D.C. Law 12-207; D.C. Official Code § 38-2901 *et seq.*), is amended as follows:

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

Note,  
§ 38-2901

“(10A) “Resident student” means a minor enrolled in a District of Columbia public school or public charter school who has a parent, guardian, or custodian residing in the

District of Columbia or an adult enrolled in a District of Columbia public school or a public charter school who resides in the District of Columbia.”.

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

Note,  
§ 38-2906

"(a) Annual appropriations for the DCPS pursuant to the Formula shall be based on the number of resident students enrolled in the DCPS on October 5 in the year preceding the fiscal year for which the appropriation is made. This count shall be verified as provided in subsection (e) of this section.

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

"(1) The number of resident students enrolled in all public charter schools combined as of October 5 in the year preceding the fiscal year for which the appropriation is made, and verified as provided in subsection (e) of this section, plus or minus;

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

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

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

"(c) The Mayor shall establish a committee to develop and implement, within 90 days of the effective date of the Public School Enrollment Integrity Congressional Review Emergency Amendment Act of 2001, effective November 29, 2001 (D.C. Act 14-19; 48 DCR 11239), a policy governing proof of District residency for the purposes of this section and the District of Columbia Nonresident Tuition Act, approved September 8, 1970 (74 Stat. 853; D.C. Official Code § 38-302 *et seq.*). The committee shall be composed of the Mayor, the Chair of the Council Committee on Education, Libraries and Recreation, the Superintendent of District of Columbia Public Schools, a representative of each of the eligible chartering authorities, and a representative of the D.C. Charter Public School Coalition. Upon establishment of a state education office, the Mayor shall transfer this function to that office.

"(d) The residency policy developed pursuant to subsection (c) of this section shall apply to students in DCPS and the public charter schools.

"(e) The student counts reported for October 5 of each year shall be verified by an independent contractor commissioned by the Mayor. The independent contractor shall perform a census on the student enrollment of each DCPS and of each public charter school. The verification process shall begin no later than one week following the day on which the count is

taken. The verification shall cover the information required by section 2402 of the District of Columbia School Reform Act of 1995, approved April 26, 1996 (110 Stat. 257; D.C. Official Code § 38-1804.02) ("School Reform Act"), and shall be transmitted by the Mayor to the Council, the Authority, the Comptroller General of the United States, and the appropriate congressional committees no later than the following December 31. Until the verification is transmitted, the unaudited October count shall serve as the basis for the annual appropriation for the following fiscal year and for quarterly payments.

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

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

Note, New  
§ 38-2906.01

"Sec. 107a. Payments.

"(a) Except as provided in subsection (b)(2) of this section, following the enactment of an act making appropriations for the District of Columbia each fiscal year, the Mayor shall provide to DCPS the full amount of its appropriation in accordance with standard procedures for independent agencies. The Mayor shall make payments to each public charter school from the escrow account established under section 2403 of the School Reform Act to a bank designated by each school. The annual payment shall be made in the form of four equal quarterly payments calculated in accordance with subsections (b), (c) and (d) of this section, provided; however, that the entire annual payment for facilities pursuant to section 109 shall be included in the first payment of the fiscal year and that any payment for new charter schools pursuant to section 2403 of the School Reform Act shall also be included in the first payment of the fiscal year. The first payment shall be made no later than July 15; subsequent payments shall be made no later than October 15, January 15, and April 15.

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

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

"(c) Payments shall not be reduced or delayed pending the conduct and results of the audit prescribed by section 107(e). If the audit finds that the number of verified resident students in enrollment at any public charter school differs from that on which its July 15 and October 15

payments were based, the Mayor shall recalculate the appropriate amount of subsequent payments accordingly, adjusting them by the amount of the discrepancy.

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

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

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

(a) Section 2002(25)(A) (D.C. Official Code § 38-1800.02(25)(A)) is amended by striking the word "parent" and inserting the phrase "parent, guardian or custodian" in its place.

Note,  
§ 38-1800.02

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

Note,  
§ 38-1804-.02

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

"(a) *Quarterly reporting requirement.* – On June 30, October 15, December 15, and March 30 of each year the District of Columbia public schools and each eligible chartering authority shall submit a report to the Mayor containing the information described in subsection (b) of this section that is applicable to their schools; provided, however, that in the case of the June 30 report, the information submitted by each eligible chartering authority shall be in the form of estimates of the number of students who will fall into each category on the following October 5."

(2) Subsection (b) is amended by striking the phrase "*Calculation of the number of students.* -- Not later than 30 days after April 26, 1996, and not later than October 15, of each year thereafter, the State Education Office shall calculate the following:" and inserting the phrase "*Information required.* -- The reports described in subsection (a) of this section shall contain the following information:" in its place.

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

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

(4) Subsection (d) is repealed.

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

Note,  
§ 38-1804.03

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

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

“(A) *Initial payment.* --

“(i) *In General.* -- Except as provided in sub-subparagraph (ii) of this subparagraph, no later than July 15, October 15, January 15, and April 15 of each year, the Mayor shall transfer, by electronic funds transfer, the quarterly payments for each public charter school as prescribed in section 107a of the Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Act of 1998, passed by the Council on an emergency basis on September 16, 2003 (Enrolled version of Bill 15-431), to a bank designated by such school.

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

(B) Subparagraph (B) is repealed.

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

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

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

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

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

(3) A new subsection (d) is added to read as follows:

“(d) *Additional payment to new schools.* – Until section 441 of the District of Columbia Home Rule Act is amended to establish the first day of the fiscal year for D.C. Public Schools and Public Charter Schools as July 1, the amount of payment to a public charter school described in subsection (b)(5)(B) of this section, shall be increased by 1/12 of the total dollar amount to which the public charter school is entitled for the fiscal year based on its unaudited October 5 enrollment.”.

#### Sec. 4. Repealers.

(a) The Public School Enrollment Integrity Emergency Amendment Act of 2003, effective July 29, 2003 (D.C. Act 15-139; 50 DCR 6866), is repealed.

(b) The Public School Enrollment Integrity Temporary Amendment Act of 2003, passed on second reading on September 16, 2003 (Enrolled version of Bill 15-404), is repealed.

Sec. 5. Fiscal impact statement.

The fiscal impact statement is attached.

Sec. 6. Effective date.

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

(b) This act shall expire after 225 days of its having taken effect.

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Chairman  
Council of the District of Columbia

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Mayor  
District of Columbia