CHARTER SCHOOL CLOSURE POLICY

Introduction

The Office of the State Superintendent of Education (OSSE) is responsible for all state-level educational functions as the State Educational Agency (SEA) for the District of Columbia. The State Superintendent represents the District in all matters before the United States Department of Education and is responsible for establishing statewide policies within the functions of an SEA under federal and local law. D.C. Official Code § 38-2601 et seq.

The purpose of this policy is to set expectations and provide guidance and technical assistance with regard to the state-level issues related to the closure of a District of Columbia public charter school, also referred to as a Local Educational Agency (LEA).

A charter school may close for a variety of reasons including, for example, voluntary relinquishment of a charter, charter revocation, or nonrenewal of a charter by the authorizing authority. A charter school closure is governed by applicable laws and regulations, and appropriate procedures established by the charter authorizing authority, including the District of Columbia Public Charter School Board (PCSB).

This policy highlights the following state-level concerns:

I. Notification of Closure Status
II. Student Records and Retention
III. Students with Disabilities
IV. Students attending a Non Public School
V. Financial and Grants Closeout
VI. Dispersal of Unspent Funds
VII. Disposition of Assets
VIII. Data Collection and Reporting
IX. Consolidations and Mergers
X. UPSFF Payments and Remittance
I. Notification of Closure Status

The closing charter school must provide OSSE with written notification of the closure of one or more physical locations within ten (10) calendar days of any official action taken by the public charter school’s authorizer. The notification and other related correspondence should be sent to:

Office of the State Superintendent of Education (OSSE)  
Office of Grants Management and Compliance  
810 First Street, NE, 9th floor  
Washington, DC 20002  
Email: osse.grantscompliance@dc.gov

The Notice shall include the following information:

a. Name of the charter school/organization;

b. Names and contact information for person(s) responsible for the school’s dissolution process; Names of the members and officers of the school’s governing body; and person(s) in charge of communication among internal and external parties;

c. Effective date of closure/campus consolidation;

d. Facility location (if change is applicable);

e. Information describing the school’s assets, including facility ownership, copies of leases, if any, and copies of any outstanding debt obligations including loans supported by OSSE’s Office of Public Charter School Financing and Support (OPCSFS);

f. The location of and arrangements for student and personnel records, Federal and Local Grants and Appropriations; and

g. Inventory of property purchased with federal or local funds.

In addition, the closing charter school is required to submit a closure plan to the charter authorizer, and such articles of dissolution with the Mayor and notification to the Attorney General for the District of Columbia as required pursuant to D.C. Official Code §§ 38-409 – 412.

II. Student Records and Retention

Pursuant to D.C. Official Code § 38-1802.13a(e), the PCSB, in consultation with the closing public charter school’s governing body, shall arrange for the transfer and storage of student records in possession of the charter school, consistent with applicable laws and regulations, including without limitation, the Individuals with Disabilities Education Act (IDEA) and the Family Educational Rights and Privacy Act (FERPA), 20 U.S.C. § 1232g; 34 CFR Part 99.

Closure procedures included in the charter school closure plan must include the following
components:

1. Transfer and maintenance of personnel records consistent with federal grants requirements;

2. Provision of student transcripts, including each student's grade level and respective classes each student has completed;

3. Transfer and maintenance of all other students records, including without limitation a student’s performance on annual state assessment tests; and

4. Transfer and maintenance of any specialized education records.

III. Students with Disabilities

Pursuant to Section 2202 of the District of Columbia School Reform Act of 1995 (School Reform Act), approved April 26, 1996 (Pub.L. 104-134; 110 Stat.1321, as codified at D.C. Official Code § 38-1802.02(19)), each public charter school may elect to either: (a) Have the District of Columbia Public Schools serve as its local education agency (LEA) for purposes of IDEA 20 USC § 1400 et seq. (a District Charter); or (b) Be an independent local education agency (an LEA Charter).

OSSE is responsible for monitoring LEAs for compliance with the IDEA, and for ensuring that students with disabilities receive a free and appropriate public education. The following closeout actions must be undertaken with regard to special education services and funding. Any closing District Charter must contact the Office of Special Education at DCPS in order to coordinate the activities; whereas an independent LEA, for special education purposes, is directly responsible for the closeout actions below.

A. Notify all parents of special education students of their due process rights and responsibilities under the IDEA: Following notification to all parents that the charter school will be closing, a separate letter must be sent to parents of students with disabilities informing them of their due process rights and responsibilities and providing them with a copy of the Notice of Procedural Safeguards. The letter must:

1. Inform parents of their responsibility, under the District of Columbia compulsory school attendance law, (D.C. Official Code §38-202), to enroll the child in another school, including a DCPS school or another public charter school. This obligation applies to ALL students, including special education students who have been placed by the closing charter school in a nonpublic special education school.

2. Provide assistance to parents in obtaining information about available school options and to enroll their child in a new school.

3. Inform parents as to how their child’s Individualized Education Program (IEP) will be viewed by the child’s next school. Sample language:
a. Does my child’s next school have to follow my child’s current IEP? If you enroll your child in a new public school in the District, the school is required to immediately provide your child with a Free and Appropriate Public Education (FAPE), including services comparable to those in your child’s IEP. These services may not be identical to the services in your child’s current IEP but must be comparable enough to provide FAPE. Then, the school must either adopt and fully implement your child’s current IEP or it must convene an IEP team to develop and implement a new IEP.

b. What happens to my child’s IEP now? How will the next school know what is in it? If you enroll your child in a new public school in the District your child’s new school will be able to access all of the electronic special education records the previous school entered in the citywide Special Education Data System (SEDS). In addition, the previous school must provide you with a paper copy of your child’s IEP for your records.

4. Encourage the parents of all special education students to make an enrollment decision as early as possible in order to ensure a smooth transition and a continuously-implemented IEP. Strongly encourage parents of students who require Extended School Year (ESY) services to enroll their child in a new LEA school as soon as possible, but no later than July 1st, in order to ensure that the new LEA has an opportunity to provide ESY services over the summer.

5. Encourage parents to inquire about the status of their child’s IEP during the summer.

6. Inform parents (or adult students where educational rights have transferred) of 12th grade special education students’ rights to continue their education in the public school system up to the age of 22 if they are not graduating.

7. Encourage parents to contact the Public Charter School Board (PCSB) if they experience difficulty or resistance in enrolling their child at another DC Public Charter School.

B. Ensure that all IEPs are updated (i.e. not expired or about to expire) and that all information is entered into the Special Education Data System (SEDS). All charter schools are required to use and update SEDS regularly; however, if there are any other special education documents maintained in the student’s hard copy file, they must be faxed into the SEDS system using the appropriate SEDS fax cover sheet or the miscellaneous cover sheet. At a minimum, up-to-date SEDS files must include:

1. Students’ current IEPs, including Behavior Intervention Plans (BIPs) if appropriate, entered into the SEDS interface (please note: a hard copy paper IEP faxed into the system is not sufficient);

2. IEP and Multi-Disciplinary Team (MDT) meeting notes;

3. IEP report cards/progress reports;
4. All evaluations completed within the past 3 years (including Functional Behavioral Assessments (FBAs), if appropriate); and

5. All service trackers.

C. Provide a copy of the student’s file to his/her parent(s) to facilitate the transition of special education students to their new schools. By providing files to parents, they can furnish a physical copy of the file to the student’s new school, documenting the services the child’s needs.

D. Establish a list of 12th graders or seniors in high school who are NOT graduating: Send a letter to parents (or adult students where educational rights have transferred) of these students informing them of their child’s right to continue school until age 22.

E. For District Charters for special education purposes, identify students needing ESY and send the list to DCPS.

1. For District Charters for special education purposes, ensure SEDS is updated with required information.

2. Ensure all other plans are transferred including without limitation, a Section 504 Plan developed pursuant to the Rehabilitation Act of 1973 (29 U.S.C. §794), and/or the Americans with Disabilities Act (42 U.S.C. § 12132 et seq.).

3. Review a student’s records for the existence of a Hearing Officer’s Determination (HOD) or Settlement Agreement resulting from an IDEA due process complaint and ensure transfer to the new LEA for continuing implementation.

4. Address all outstanding student-level findings of noncompliance with IDEA that have been identified by OSSE through on-site monitoring, database review, or other means. The LEA must at a minimum provide OSSE with a status report of all outstanding student level findings prior to the LEA’s closure.

IV. Students with Disabilities Enrolled at a Nonpublic Special Education School

Students attending nonpublic schools may remain at that school, but must enroll in another District of Columbia Public School or Public Charter School to maintain District funding and appropriate oversight by a Local Education Agency (LEA). Even though a student is attending a nonpublic program, his or her educational placement must be supervised by an LEA within the District of Columbia.

V. Financial and Grants Closeout

Upon receiving notification of the closure, OSSE will review the applicable grants and funding documents, and notify the charter school and the PCSB of its findings with regard to liabilities, including unpaid loan funds, grants, credit enhancement, and/or other liabilities.
If OSSE determines that funds are owed to the District, the charter school shall promptly remit such funds by check submitted to the Grants Management Office at OSSE, and payable to the District of Columbia Treasurer. OSSE shall invoice the school and/or the Public Charter School Board for any direct expenses incurred as a result of enforcing or complying with this policy.

Many public charter schools receive federal and local grants directly from OSSE. In order to ensure proper closeout of all grants, the closing charter school must take the following steps:

A. Ensure that all applications for entitlement funds (i.e. Title I, Part A, IDEA, Part B) have been finalized and approved;

B. Submit reimbursement requests for all expenditures allowed under federal and local grants;

C. Provide supporting documentation with reimbursement requests for all grant funds;

D. Provide a spending plan to identify possible amount of funds that may lapse, and establish a timeline for submitting reimbursement requests; and

E. Prepare and submit any and all financial, performance, or other audits or reports required under the terms of the grant.

A charter school must comply promptly with the respective federal grant award notices and regulations governing the methodology related to grants management. OSSE Office of Grants Management and Compliance is available to provide technical assistance in this process osse.grantscompliance@dc.gov.

VI. Dispersal of Unspent Funds

Closing charter schools should follow the standard process for expending funds. Final reimbursement requests should be submitted 45 days after the final day of operation. Approved charter school staff and representative should submit the program appropriate workbook to OSSE.Reimbursement@dc.gov email in box. The following actions will occur:

1. A program processor checks the request for completeness and saves it to OSSE’s internal Payment Tracking System;

2. A program specialist reviews the reimbursement request, follows up with the sub grantee if necessary, and indicates the amount of the request that is allowed and, if applicable, the amount that is disallowed;

3. The program manager reviews the reimbursement request and, if applicable, validates the amount allowed;

4. A program processor links the request to the purchase order that has been created for the sub grantee’s allocation for the relevant grant award;
5. An OCFO staff member verifies that the allowed amount is less than or equal to the subgrantee’s remaining balance for the grant program;

6. An operations staff member links the reimbursement request to District’s financial system;

7. An OCFO payment technician creates a payment voucher for the allowed amount;

8. The OCFO payment technician manager approves the payment voucher; and

9. A payment for the allowed amount is sent to the subgrantee by ACH payment or check.

Reimbursement requests not received 45 days after the final day of operation will not be eligible for a grant reimbursement. Effected charter schools should allow for unforeseen circumstances and submit reimbursement requests as early and frequently as possible to prevent a lapse of funds.

VII. Disposition of Assets

Pursuant to the U.S. Department of Education General Administrative Regulations (EDGAR) 34 CFR § 80.32, OSSE is responsible for monitoring federal grant recipients to ensure compliance with federal law and regulations regarding the disposition of assets purchased with federal funds. See also, City-Wide Grants Manual and Sourcebook. Accordingly, the LEA closure plan must include the disposition plan for all liabilities and assets consistent with applicable federal laws and regulations.

The LEA should also ensure that it has reviewed and complied with local laws including the Nonprofit Corporation Act of 2010 and its provisions on dissolution of non-profit corporations. (D.C. Official Code §§ 29-409.01 — 29-412.01.)

Facilities

Upon the closure of a public charter school, the disposition of public charter school facilities (school building) is governed by the terms and conditions of its acquisition. If the charter school purchases the school building, generally, there are several lenders—senior and subordinate. If public resources comprise part of the acquisition financing, that financing is facilitated pursuant to a Direct Loan Fund for Charter School Improvement, administered by the D.C. Office of Public Charter School Financing and Support (OPCSFS) - D.C. Official Code § 38-1833.02.

The disposition of a school building that is not owned outright by the school is determined by the terms and conditions of the loans that financed its acquisition. This process is governed pursuant to the loan agreements of each lender and an attendant Subordination and Inter-creditor Agreement by and between all lenders.

When a public charter school occupies a school building pursuant to a lease, the disposition of the building is governed pursuant to the terms and conditions of the lease agreement.

If the facility was purchased using federal grant funds, the provisions of 34 CFR § 80.31 of the Education Department’s General Administrative Regulations (EDGAR) mandate that the purchasing entity request disposition instructions from the federal awarding agency, the U.S. Department of Education.

**Property**

The District of Columbia grants manual\(^2\) requires District agencies to track equipment purchased with local competitive grant funds.

Property purchased with federal grants in excess of $300 (and computers, personal digital assistants (PDAs), cell phones, and other equipment) remains property of OSSE, unless OSSE declares the property to be “excess” or designates it as “exempt property”. Closing charter schools must submit to OSSE a log of all equipment and supplies purchased with federal grants to date.

Property purchased with federal funds cannot be liquidated and must be transferred according to the following procedures:

1. Similar public charter schools with same federal grant entitlements have 48 hours from the time of publication of a list of the property to request items;

2. Other public charter schools can claim the property after the first 48 hours; and

3. In the event that no public charter schools claim the property, such property will be transferred to District of Columbia Public Schools.

Equipment purchased with non-federal grant funds may have stipulations specified in the award agreements regarding the disposition of these assets. OSSE (or grantor) will assist with any technical questions about the dispersal of such property.

The charter school must secure and store the property and any other assets that belong to others in order to protect these assets against theft, misappropriation, or deterioration. The charter school leadership and school governing authorities must immediately take steps to secure all the building(s), furniture, fixtures, and equipment and maintain daily security over those assets until disposed.

OSSE will review and verify the equipment/inventory log (sample attached) in coordination with the PCSB and the charter school’s independent auditor; and will coordinate with the PCSB about the proper procedure for liquidating the assets, consistent with federal regulations. The inventory log must include:

1. Each item in excess of $300 (computers, PDAs, cell phones, and other equipment);
2. An identification number that corresponds to a tag on that item;
3. The cost of the item, purchase date, and grant source of funds;

4. The physical location of the item in the PCS; and
5. Name and contact information for person(s) handling liquidation.

The Inventory Log must be submitted to OSSE at least 45 Days prior to the Revocation or Relinquishment Date during which time the following will take place:

1. Review of inventory log;
2. Visit schools to audit items; and
3. Contact schools about inventory and/or post remaining inventory in PCSB newsletter.

VIII. Data Collection and Reporting

The closing charter school must complete its reporting obligations by providing OSSE with required state and federal data. This includes, without limitation, demographic, enrollment, and withdrawal information. Program related material may include information for students with disabilities in the Special Education Data System (SEDS) and related data systems, and records information related to transfer students.

OSSE requires collection of all school data points prior to closing. This requirement includes any data that was not submitted during the year, and all data with later due dates, such as the National Public Education Financial Survey (NPEFS). While the deadline for fulfilling the data requirements may be after the close of the school year, public charter schools must address these data requirements and supply OSSE with data available to the school and mandated for reporting within the year in which the school is closing and earlier than the normal due date – to ensure all appropriate data is provided to OSSE prior to departure of the school’s key personnel acquainted with and responsible for collecting and reporting this data to OSSE.

There are five types of required data:

1. Student (including student-level discipline and assessment data),
2. Staff and Teachers data,
3. School-specific data;
4. LEA-specific data; and
5. Fiscal (including meal claims for the Federal Free and Reduced Meals program).

IX. Consolidations and Mergers

OSSE will consider charter school consolidations, mergers, and acquisitions on a case-by-case basis. If a charter school wishes to engage in any of the above mentioned activities, which directly involve
grants, loans, and assets purchased from federal grants, subgranted by OSSE, a joint, formal amendment request by both the closing and receiving schools should be made to OSSE within five (5) days of the school closure notification.

As a condition of accepting federal funds, the charter school is required to request either a formal amendment to grants and loans that were awarded by OSSE (34 C.F.R. § 80.30(d)) or to request termination of those grants (34 C.F.R. § 80.44).

If the effects of a consolidation, merger, or acquisition begin prior to the end of the grant year, the contact person named in the Grant Award Notice and grant application will remain the responsible person that is accountable for all oversight and management of federal grants until a formal grant amendment is received and approved by OSSE.

Charter schools must provide an amendment request that addresses grants for the current fiscal year and include Tydings carryover funds from previous fiscal years. Specifically, the request for amendment shall include the following:

1. Programmatic changes (34 C.F.R. § 80.30(d))
2. Changes in key personnel (34 C.F.R. § 80.30(d)(3))
3. Revisions to the scope of changes of the program (34 C.F.R. § 80.30(d)(1))

If the request is to transfer these funds to another local charter school, the receiving school must be an authorized charter school in the District of Columbia (to operate at the same grades) and the amendment request must include the signature of the responsible contact person at the receiving school. Once OSSE receives either a request for an amendment or a termination, it will provide a decision to the LEA in writing. OSSE reserves the right to accept in whole, partially, or deny the request. OSSE will review amendment applications from a review panel comprised of representatives from the Office of Grants Management and Compliance, Division of Special Education, Division of Elementary and Secondary Education, General Counsel, Office of Data Management and Office of Public Charter School Financing. Amendment requests should be sent the OSSE Office of Grants Management and Compliance at osse.grantscompliance@dc.gov.

X. UPSFF Payments and Remittance

Annually, OSSE conducts an annual enrollment audit, which is the basis of the Uniform Per Student Funding Formula (UPSFF) (D.C. Official Code § 38-1804.02). This funding provides the per-student base foundation funding, as well as weighting factors per grade level. The UPSFF assigns additional funds for special education categories, summer school, and English language learners through add-on weights. Payments are made quarterly and, in some instances, through supplemental funding opportunities (D.C. Official Code § 38-2906.02).

Once a closing charter school reconciles all financial debts and obligations at the dissolution and/or relinquishment of the charter, all remaining UPSFF funds shall be returned to the District of Columbia. The UPSFF balance shall be repaid to the DC Treasurer and may not be used or transferred.
for purposes outside of the operation and business of the closing charter school. Payments should be addressed to “DC Treasurer” and mailed to:

Office of the State Superintendent of Education (OSSE)  
Office of Grants Management and Compliance  
810 First Street, NE, 9th floor  
Washington, DC 20002

XI. Conclusion

An orderly school closure is in the best interest of all affected parties. The school’s governing officials are responsible for implementing the school closure process consistent with local and federal laws and regulations: protecting school assets; maintaining corporate and student records; developing an inventory of property and other assets; ensuring appropriate disposition of the facility and other property and compliance with state and federal funding. This policy highlights state level issues a closing charter school must address in a short period of time to ensure a smooth transition and as little disruption as possible to their students’ education.