

**Memorandum of Understanding
Between the
U.S. Department of Education
and the
District of Columbia Government
Regarding Administration of the
D.C. School Choice Incentive Program**

I. Background

The DC School Choice Incentive Act of 2003 (Title III of Division C of the Consolidated Appropriations Act, 2004) creates a vitally important new initiative, the DC School Choice Program (Program), that will give low-income parents in the District of Columbia more options for the education of their children and will provide the Nation with a unique opportunity to test and evaluate the impact of enhanced educational choices. The Program is an element of a broader approach that involves increased federal support for traditional public and public charter schools in the city.

The DC School Choice Incentive Act of 2003 (the Act) provides an appropriation to the Secretary of Education for the operation of the Program and calls for the Secretary to carry out the Program, in cooperation with the Mayor of the District of Columbia, in accordance with a memorandum of understanding (MOU). By statute, this MOU is to address the design of the Program, the selection of eligible entities to receive grants under the Program, and the implementation of the Program. In addition, the Act requires the Secretary and the Mayor to select jointly an independent entity to conduct an evaluation of the Program.

The Program will be designed in a way that addresses the specific requirements of the Act in the particular and unique circumstances of education in the District.

II. Purpose

The purpose of this MOU is to establish initial agreements on the design and implementation of the Program and mechanisms for continuing cooperation between the U.S. Department of Education (Department) and the Government of the District of Columbia (D.C. Government), as required by the Act and the accompanying conference report. The MOU is intended to ensure the efficient and effective implementation of the Program, in a manner that incorporates the perspectives of both the Department and the D.C. Government. The MOU describes the officials and offices within the Department and the D.C. Government that will have lead responsibility for implementation of the Program, the issues and areas on which the Department and the D.C. Government will exchange information and collaborate, and specific collaborative activities that the Department and the D.C. Government will carry out. The Department and the D.C.

Government also anticipate reaching additional agreements as they continue their collaborative efforts on design and implementation of the Program.

III. Implementation of Agreement

For the Department, the Deputy Under Secretary for Innovation and Improvement (Deputy Under Secretary) will have lead responsibility for implementation of the Program and for carrying out cooperative activities with the D.C. Government. Such other officials of the Department as the Deputy Under Secretary may designate may act on her behalf in carrying out activities related to the MOU and the implementation of the Program, including cooperative activities with the D.C. Government. In addition, the Director of the Institute of Education Sciences will have lead responsibility for implementation of the mandated evaluation, including cooperative activities with the D.C. Government that are related to that evaluation, and may designate other officials of the Department to carry out those activities.

For the D.C. Government, the Mayor, through the Office of the Chief of Staff, will have lead responsibility for carrying out cooperative activities with the Department. Such other officials of the D.C. Government as the Mayor may designate may act on his behalf in carrying out activities related to the Program, including cooperative activities with the Department, nonprofit organizations, and stakeholders.

By holding meetings and through other forms of communication (initiated by the Deputy Under Secretary or the Mayor), the representatives of the Department and the D.C. Government will share ideas and work to reach agreement on issues related to the design and implementation of the Program.

Consistent with the Act and the conference report, this memorandum includes initial agreements in specific areas, including:

Selection of Grantee(s)

- The Department will award one or more grants or cooperative agreements to educational entities of the D.C. Government, nonprofit organizations, or consortia of nonprofit organizations to administer one or more scholarship programs in the District. To receive such an award, an entity must ensure that a majority of its voting board or governing organization members are residents of the District of Columbia.
- The Department will invite applications from eligible entities through a notice published in the Federal Register. The Department and the D.C. Government will cooperate in taking steps to disseminate information about the competition to eligible entities that may be interested in applying and to the public. The notice will establish funding criteria, priorities, and procedures consistent with the Act.

- Recipients of awards will be selected competitively, through a peer review process that will include full participation by D.C. Government representatives.

Selection of Participating Schools

- All private elementary and secondary schools operating lawfully within the District of Columbia that provide appropriate assurances that they will comply with statutory requirements, including, but not limited to, nondiscrimination requirements in the Act, will be given the opportunity to participate in the Program. An applicant that proposes to administer a scholarship program at a particular level of education – for example, at the elementary school level – must provide this opportunity to all private schools operating lawfully at that level. Each applicant must address in its application how it will seek out such schools to participate in the scholarship program and how it will ensure that participating schools will meet the requirements of the Act and provide information needed for the applicant, if selected for an award, to meet the reporting requirements of the Act.

Specifications for a Lottery System

- The Department will not approve an application from an eligible entity unless the application includes a description of the lottery system or systems that would be used to make random selections of scholarship applicants in the event that the scholarship program is oversubscribed and for making random admissions of scholarship recipients to each participating school if the school is oversubscribed. The lottery implemented by the grantee will be designed in such a way as to maximize the number of students receiving scholarships by matching accepted students with available slots at participating schools and allowing parents of eligible students and participating schools to participate in determining the appropriate school and grade-level placements for eligible students. The application must describe how such lottery system(s) will give extra weight to applicants who attend a D.C. elementary or secondary school identified for school improvement, corrective action, or restructuring under Section 1116 of the Elementary and Secondary Education Act, and how the applicant will give priority to applicants whose families lack the financial resources to take advantage of available educational options. Scholarship recipients may be admitted to a participating school without regard to the lottery if they are siblings of students already admitted to, or attending, that school. In implementing the lottery system, the grantee must work closely with the contractor selected to carry out the evaluation.

Methodology for Determining Tuition and Fees

- As required under Section 307(a)(1) of the Act, the amount of tuition and fees charged by a participating school to a scholarship student under the Program may not exceed the amount of tuition and fees that the school customarily charges to students who do not participate in the Program. An eligible entity that receives an award under the Program will be responsible for ensuring compliance with this requirement by each participating school.

Teacher Quality Criteria and Other School Information

- An application for a grant or cooperative agreement under the Program must describe how the entity will notify parents of eligible students of the expanded educational opportunities that the Program will offer and must also describe how the entity will allow parents to make informed decisions. Each recipient of a grant or cooperative agreement must provide parents with information that includes, but is not necessarily limited to, information on each participating school, including the qualifications of its teachers; the educational philosophy and available courses and programs of the school; the achievement of the school's students; student expectations (such as uniforms, discipline policy, honor code, and required classes); and the safety and school environment of the school.

Evaluation

- The Department and the D.C. Government, using a competitive process conducted by the Department, will jointly select an independent entity to evaluate annually the performance of students who receive scholarships under the Program and will make the evaluations available to the public, upon request, without disclosing personally identifiable student information. Based on the joint selection, the Department will award a contract consistent with Section 309 of the Act.

Oversight of the Program

- The Department and the D.C. Government will jointly oversee operation of the Program to ensure that it is being carried out in a manner that is consistent with statutory requirements, the approved application or applications, and sound management and educational principles. Consistent with Section 310 of the Act and with generally applicable grant regulations, the eligible entity or entities that receive an award to administer the Program will be required to provide annual program reports and periodic financial reports to the Department, and the Department will share these reports with the D.C. Government.

In addition, this MOU provides for the continuing cooperation of the Department and the D.C. Government in the following areas:

- The Department and the D.C. Government agree that success of the Program will require efforts to ensure that parents have the appropriate tools to choose schools carefully that appropriately meet the particular needs and interests of their children. Recipients of the award must demonstrate a capacity to collect and disseminate information about participating schools as well as provide counseling and otherwise be a resource for families interested in the Program.
- For purposes described in the preceding paragraph and for other purposes, the grantee must be willing and able to work cooperatively with other entities affiliated with the federal and D.C. governments, as well as other organizations that might conduct activities integral to the success of the Program, including, as appropriate, incorporating and building on any preparatory work conducted by other interested organizations, such as outreach activities to families of students eligible to participate in the Program and private schools.

IV. Additional Responsibilities of the Department and the D.C. Government

Through this MOU, the Department agrees to:

- Reach agreement with the D.C. Government on the contents of the application instructions for the competitions that the Department will conduct to select entities to operate and evaluate the Program.
- Work with the D.C. Government, in its joint oversight capacity, to develop the appropriate standards of accountability and performance measures for all entities awarded grants under the Act.

The D.C. Government agrees to:

- Carry out an outreach process in the District of Columbia, designed to elicit input from parents, private schools, and other stakeholders on the design of the Program, and submit a report to the Department on the information gathered through that process. In particular, the District government, in coordination with the Department, will work with nonpublic schools to establish protocols that ensure the continued autonomy and independence of participating schools.
- Assist the Department (and its grantees and contractors) in obtaining, from D.C. Public Schools (DCPS) and District charter school officials or from other sources, information needed to carry out the Program and the evaluation, including ensuring the availability, on a timely basis, of baseline assessment and other data for scholarship recipients and for public school students who do not receive scholarships.
- In consultation with the Department, identify a community-based nonprofit organization to conduct activities, prior to award of the grant(s), related to time-

sensitive matters, the delay of which would adversely affect the successful launching of the Program for the 2004-2005 school year. Such activities may include outreach to parents, private schools, and the larger D.C. community. Such organization may not provide non-public information selectively to competing applicants for a grant under this Program and may not itself compete for the grant. In addition, such organization may not make commitments or provide interpretations of its own regarding the Program to parents, private schools, or the larger D.C. Community.

- Work with the Department, in its joint oversight capacity, to develop the appropriate standards of accountability and performance measures for all entities awarded grants under the Act.

Both the Department and the D.C. Government agree to:

- Carry out their responsibilities under this MOU in an expeditious manner, so as to ensure successful implementation of the Program.
- Grant each party access to any and all data and other information collected for evaluation purposes.

V. Effective Date

This Memorandum of Understanding is effective upon signature of all parties.

VI. Amendments

This Memorandum of Understanding may be modified or amended by written agreement between the Department and the D.C. Government.

VII. Disclosure of Information

Subject to the Freedom of Information Act (5 U.S.C. 551), decisions or disclosures of information to the public regarding activities undertaken pursuant to this MOU will be made following consultation between the Department and the D.C. Government.

VIII. Duration and Termination

This Memorandum of Understanding shall be effective beginning with the date of the last signature hereon and ending five (5) years after that date, upon the expiration of the Program, or upon mutual agreement of the parties, whichever occurs first.

Rod Paige
U.S. Secretary of Education

Anthony A. Williams
Mayor of the District of Columbia

Date: _____

Date: _____