



**WASHINGTON SCHOLARSHIP FUND  
OPPORTUNITY SCHOLARSHIP PROGRAM**

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**Submitted To:** United States Department of Education  
Margo Anderson, *Associate Assistant Deputy Secretary*  
Anna Hinton, *Director, Parental Options and Information*  
Michelle J. Armstrong, *Management Analyst, Parental Options and Information*

**From:** Washington Scholarship Fund  
Gregory M. Cork, *President and CEO*  
Jennifer J. Brown, *Chief Program and Operating Officer*

**Date:** December 7, 2009

**RE:** Letter to Education Secretary Duncan alerting ED of the effects of the OSP uncertain future on the low-income families it is currently serving

**Grant Award #:** U370A04001

**Program:** D.C. Opportunity Scholarship Program (OSP)

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WSF and its Board of Directors continue to be committed to the families that we serve through the DC Opportunity Scholarship Program (OSP). It is with great frustration, sadness and disappointment that the current environment, both political and economic, is threatening our ability to continue to administer OSP after the 2009-2010 school year. Our families are our primary concern, and to ensure a minimum of disruption to their lives and to their children's education, we felt it necessary to notify the U.S. Department of Education (ED) of the challenges that the program and the organization are facing. We, therefore, sent the enclosed letter to Secretary Duncan so that there would be sufficient time to plan for any changes in program administration that might become necessary as a result of the legislative process.

Rest assured that WSF fully supports a robust reauthorization of the Opportunity Scholarship Program and is hopeful that Congress and the President will permit new students into the Program, provide increases in scholarships in future years and provide adequate resources to support the Program. We are also hopeful that Congress will act to do so in a timely manner – namely, in time for WSF to renew donor support and to rebuild staff so that we are in a position to apply to continue as the administrator of the program.

If it does become necessary for WSF to refrain from applying to run the OSP after the 2009-2010 school year, WSF will do whatever it can to transition the Program seamlessly to an alternative administrator chosen by the ED. We are committed to continuing to support OSP families and schools and to working with federal and local legislators and agencies to make this program work for as many families and schools as practicable so long as we are able to do so.

**Challenges we are facing:**

There are two primary challenges that WSF is facing which have brought us to this moment: the legislative status of the OSP – which remains uncertain – and the effects that different legislative scenarios may have on WSF's ability to administer the program; and the current economic down-turn.

WSF simply cannot obtain the funding commitments required to serve families and fulfill school oversight responsibilities in a wind-down, declining-enrollment environment. The uncertainty of the program's future, exacerbated by the downturn in the economy, has significantly impacted our ability to obtain sufficient funding to run the program if it is not fully reauthorized as a robust program. And participating schools are unable to raise the increasing funds needed to cover the increasing per-student costs resulting from declining private school enrollments and static OSP scholarship stipend levels. Donors simply will not commit aggressively to a decaying program, particularly in the current economic environment, either to WSF or to the financial aid programs of participating schools. This is a tragic result for the children to whose future we are both committed, but it is an unfortunate reality.

We see three possible scenarios in the current legislative process:

- ***A full and robust reauthorization of the OSP:*** Reauthorization by Congress in the current 2010 legislative process by January 31, 2011. New and existing families will be allowed to obtain scholarships for their children. This is, as you know, the scenario to which WSF is committed, which it is supporting and which, if it is achieved, will incent us to refresh our own commitment and to re-apply to serve as OSP administrator.
- ***The program is not reauthorized but students currently in the OSP are allowed to apply for scholarships in the coming year:*** Those students already in the program will be able to apply to receive OSP funding for the 2010-11 school year but will have no assurance regarding future years. We anticipate that many current OSP students will be indirectly forced out of the program and, in the context of this rapid wind-down in what will be viewed as a terminal program, WSF will not be in a position to obtain the resources or staff to reapply to serve as administrator.
- ***No funding for the program is provided (for current or new students):*** In this scenario, current students will no longer have funding through the OSP, and there will be no need for program administration.

### **Not fully and robustly reauthorizing the OSP will disrupt the education of the more than 1,300 current OSP students**

1. There may not be sufficient seats in OSP schools to serve current OSP students as some schools may close from rapidly dwindling enrollment and static scholarship stipend levels in the face of increasing costs:
  - Fewer families will be able to afford the private schools which operate in some of the poorest neighborhoods in the District, as schools will have less financial aid available. Next to the quality of education and safety environment of the school, proximity to their homes is the largest influencer of parental choice of school for low income parents. Most do not have cars and have challenging lives that make long commutes counterproductive.
  - Schools will not be able to fill OSP seats with new OSP recipients, made available as current OSP students graduate, implying a declining enrollment and diminishing financial support.
2. Many families will lose their children's scholarships because they are not able to complete their annual financial eligibility process without the support of case managers.
  - WSF no longer has sufficient capacity (the program staff is already down 70%) to begin implementation activities for 2010 with current year funding (i.e. financial eligibility renewal and school outreach) as it has in the past.

- In the current uncertain political environment, our own financial support has dwindled, and, absent robust reauthorization, WSF will be forced to shut down by June 30, 2010. The capacity to provide transition support to families and work with a new administrator will be gone by March 15, 2010 – when only three staff would remain to complete the organization’s closure.

**Families (and WSF) must have information on the future of the program by January 31, 2010**

1. Public and private school deadlines are nearing. Any students who must find an alternative school for next year will have severely limited options if they do not start the process **now**:
  - Many private schools are making their financial aid decisions for 2010-2011 **now**, and schools must estimate student enrollment and student financial aid requirements now in order to make their own financial plans for the next school year.
  - Applications for public school options (charter schools, transferring out of boundary) are typically completed in March, therefore families must research and apply for these options in February.
2. It requires five to six months to complete the annual legislatively mandated financial renewal process:
  - The extremely low income status of our families, who have multiple income streams, can often require substantial documentation (our families have an average income level well below the required 185% of poverty). Renewal results in approximately 70,000 pages of information/documentation per year.
  - The complex nature of our families lives result in multiple contacts from staff to complete the renewal process (WSF made more than 20,000 calls a year with families).
3. WSF will require sufficient time to raise needed operating funds required to run the program effectively.
  - Funders will be committing their 2010 budgets beginning in January. If WSF cannot appeal to donors and submit funding proposals in a timely fashion, we will have fewer funding options.
4. A new administrator will require ample time to put in appropriate infrastructure to administer this \$12.5 million program.
  - As pointed out by the GAO report on the OSP, the short amount of time (five months) WSF had to launch the program – while running it – caused significant delays in upgrading infrastructure to serve the thousands of D.C. families who have applied for scholarships.
  - Though a new administrator will have the benefit of running a program that has already been launched, WSF will not be able to provide support after March 15, 2010, when WSF will only be staffed administratively to complete the organization’s close.

When we meet in January 2010, we would like to begin a dialogue about alternatives for program administration and how WSF might assist ED and the OSP families to make as seamless a transition to a new OSP administrator as practicable in the current circumstances.

We value your partnership, and will continue to keep you apprised as the situation unfolds. And again, let us emphasize, we are fully supportive of a robust and timely reauthorization of this Program and being able in that case to continue to serve you and the families and children of the Opportunity Scholarship Program.



**Washington  
Scholarship  
Fund**

December 3, 2009

**VIA HAND DELIVERY**

The Honorable Arne Duncan  
United States Secretary of Education  
U.S. Department of Education  
400 Maryland Avenue, SW  
Washington, D.C. 20202

Dear Secretary Duncan:

It has been a deeply satisfying experience to have stewarded Federal contributions for the benefit of school-age children in the District of Columbia through the D.C. Opportunity Scholarship Program (the OSP) for the past six years. Since the OSP's inception in 2004, we have witnessed, on a daily basis, the profound positive transformation in the lives of low-income D.C. students and their families who have received an aptly-named Opportunity Scholarship. Until this last year, the U.S. Department of Education has been a vital and sustaining partner in this ground-breaking initiative.

Now, however, this special program finds itself in a potentially fatal position because of the lack of support from the Department and the inability of Congress to act on the pending bills to reauthorize and strengthen the program. Given the persisting political uncertainties around the OSP's continuation, schools are unable to plan for their enrollment and financial prospects for the 2010-2011 school year.

In addition, existing children and families in the OSP do not know whether they will have access to an Opportunity Scholarship next year, and children and families not now in the program do not know whether they will have the opportunity to participate next year. This makes it virtually impossible for children, families, schools, and WSF to prepare for the time-intensive application and renewal processes so critical to the OSP's sound administration for the 2010-2011 school year. Moreover, it denies these families any educational choice because more often than not, charters are not an option. The inaction also affects donors to the program who cannot confidently make the philanthropic commitments necessary to effectively administer the program.

The Honorable Arne Duncan  
United States Secretary of Education  
U.S. Department of Education  
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Accordingly, we are hereby notifying the Department of Education that, absent Congressional action during the Fiscal Year 2010 budget process, or January 31, 2010, that provides for a sustainable Opportunity Scholarship Program, WSF cannot and will not apply to be the administrator of the OSP beyond the current 2009-2010 school year.

We believe that the termination of the OSP, through action or inaction, will be tragic. The result will likely be school closures, which affect not only participating OSP students, but non-OSP students, with the consequence of losing the benefit of private financial aid and requiring the District to absorb the additional fiscal costs of educating both groups of students. And, as DCPS Chancellor Michelle Rhee recently testified before the Senate Appropriations Subcommittee on Financial Services and General Government, DCPS is currently unable to offer an adequate and effective alternative educational experience to children in the Opportunity Scholarship Program. She has called for a five-year reauthorization of the OSP. Effectively, Congress's failure to act to reauthorize this program will send well over 1000 children to failing and, too often, unsafe schools. That result would, in our view, constitute a moral failing of the highest order on all of our parts.

Absent reauthorization, the addition of new children, and increased scholarship amounts, the Opportunity Scholarship Program dies. A program that serves only existing children and shrinks each year cannot be effectively administered by a non-profit organization, nor can it be effectively evaluated by the Department of Education's Institute of Education Sciences (IES).

The OSP has served over 3,300 low-income children, and nearly 9,000 have applied for a scholarship since the program's inception. The District's Mayor, Public Schools Chancellor, and a majority of its City Council support continuation of the OSP with new children. Comprehensive studies and evaluations from the School Choice Demonstration Project and the IES have clearly shown that OSP parents are overwhelmingly satisfied with the OSP, and that students are making academic progress. As you know, Mr. Secretary, the evaluation of the OSP is one of the few IES studies to show positive results. In sum, this is a program that "works".

Copied on this letter, along with appropriate others, are Congressional leaders who we hope will act to preserve the OSP and to support the low-income D.C. children and families whose lives have been and can in the future be irrevocably changed for the better by virtue of their participation in this watershed education program.

We believe passionately that a quality education should be a right, not a privilege; we believe passionately that all paths to that end that "work" should be pursued; we believe passionately that this program "works" for kids and parents; and we believe passionately that the United States Department of Education should be a partner in supporting this program and igniting the power of children to achieve their dreams.

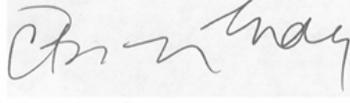
The Honorable Arne Duncan  
United States Secretary of Education  
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We look forward to your support in obtaining Congressional action to renew the Opportunity Scholarship Program.

Sincerely,



Joseph E. Robert, Jr.  
Chairman and CEO  
J.E. Robert Companies  
*WSF Chairman*



C. Boyden Gray  
Former U.S. Ambassador to the  
European Union  
*WSF Vice Chairman*



Lawrence C. Nussdorf  
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George Vradenburg  
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Gregory M. Cork  
President and CEO  
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*Note: Business affiliations of signatories to this letter are indicated for identification purposes only.*

cc: Members of the United States Senate Appropriations Subcommittee on Financial Services and General Government  
Senator Joseph Lieberman and Senate Co-Sponsors of S. 1552, the Scholarships for Opportunity and Results (SOAR) Act  
James Shelton, Assistant Deputy Secretary for U.S. Department of Education Office of Innovation and Improvement  
District of Columbia Mayor Adrian Fenty  
District of Columbia Public Schools Chancellor Michelle Rhee  
District of Columbia Deputy Mayor for Education Victor Reinoso  
District of Columbia City Council Members  
District of Columbia Families Participating in the D.C. Opportunity Scholarship Program  
District of Columbia Schools Participating in the D.C. Opportunity Scholarship Program