



2013-14 Charter Renewal Report

Arts and Technology Academy Public Charter School

January 8, 2014

DC Public Charter School Board
3333 14th Street, NW, Suite 210
Washington, DC 20010
(202) 328-2660
www.dcpsb.org

TABLE OF CONTENTS

FINDINGS AND RECOMMENDATION	Error! Bookmark not defined.
INTRODUCTION.....	1
ANALYSIS	5
<u>SECTION ONE: GOALS AND ACADEMIC ACHIEVEMENT EXPECTATIONS</u>	6
<u>SECTION TWO: COMPLIANCE WITH APPLICABLE LAWS</u>	9
<u>SECTION THREE: FISCAL MANAGEMENT AND ECONOMIC VIABILITY</u>	27

PCSB BOARD DECISION

After reviewing the renewal application¹ submitted by the Arts and Technology Academy Public Charter School (“ATA PCS”), as well as the school’s record established by the District of Columbia Public Charter School Board (“PCSB”), PCSB has determined that ATA PCS has not met its goals and student academic achievement expectations, and, as such, does not meet the standard for charter renewal set out in the District of Columbia School Reform Act of 1995 (the “School Reform Act” or the “SRA”).²

Based on the above determination, the PCSB Board voted 7-0 on January 8, 2014 to deny ATA PCS’ renewal application.

INTRODUCTION

School Overview

ATA PCS began operating in 1999 under the chartering authority of PCSB, starting with a pre-kindergarten-4 through fifth grade program, and expanding to the sixth grade in its second year of operation.³ In 2010, the school amended its charter to offer pre-kindergarten-3, and at the same time discontinued its sixth grade programming.⁴ It admits students at any grade level. Overview information about the school is included in the table below.

Ward	Year Opened	Grades Currently Served	2013-14 Enrollment ⁵		Low Income	Special Education	English Language Learners
7	1999	PK3-5th grade	PK3-2nd grade	456	95.0%	10.5%	0.6%
			3rd-5th grade	168			

In 2011-12 and 2012-13, ATA PCS was designated as a “Tier 3” (low-performing) school on PCSB’s Performance Management Framework (“PMF”), a system by which PCSB evaluates a school’s performance in both academic and non-academic areas, such as reading proficiency and attendance.

¹ See ATA PCS Renewal Application, attached to this report as Appendix A.

² “[T]he eligible chartering authority shall not approve such [renewal] application if the eligible chartering authority determines that...[t]he school failed to meet the goals and student academic achievement expectations set forth in its charter.” SRA §38-1802.12(c)(2). Sections 1 and 2 of this report serve as the analytical support for this recommendation.

³ See ATA PCS Charter Application, attached to this report as Appendix B.

⁴ See Appendix A.

⁵ Unaudited student enrollment figures as of October 2013 from OSSE.

Indeed, the school's PMF score has decreased each year since 2010-11, the first year PMF scores were calculated.

ATA PCS PMF Scores		
2010-11	2011-12	2012-13
41.4% Tier 2	34.0% Tier 3	31.9% Tier 3

Previous Charter Reviews

Five-Year Charter Review

In the 2004-05 school year, PCSB conducted a charter review of ATA PCS and determined the school had met PCSB's academic and non-academic standards for charter continuance.

In the same year, PCSB conducted a compliance review of ATA PCS and determined that the school was noncompliant with both the SRA and the No Child Left Behind Act ("NCLB"), finding that: (1) the school had not conducted a fair lottery process; (2) teachers were not notified of student health conditions requiring a potential emergency response; (3) all teachers did not meet the "highly qualified" requirements as required by NCLB; and (4) parents were not notified of their right to request information on the qualifications of their child's teacher, also in violation of the SRA.⁶

In January 2005, based on the school's charter and compliance reviews, the PCSB Board voted to issue the school a Notice of Conditional Continuance, to be lifted after the school cured all identified points of noncompliance and also provided to PCSB: (1) proof of staff certification; (2) a revised enrollment process that complied with the SRA; and (3) a curriculum demonstrating the "integration of technology [throughout the school's classes], along with methods to train and support teachers in doing so."⁷ An additional condition was for ATA PCS to address the financial issues for which it had been issued a Notice of Concern in November 2004.⁸

In December 2005, the PCSB Board voted to lift the school's conditional continuance, and to grant the school full charter continuance, finding that the school had fully satisfied all conditions required of it.⁹

Ten-Year Charter Review

In 2009, PCSB conducted a ten-year charter review of ATA PCS, finding that the school had met

⁶ See ATA PCS, 2004-05 Chart of Compliance Review Concerns and Remediation Steps, attached to this document as Appendix C; see also ATA PCS, 2004-05 Compliance Review Protocol, p. 2, 8, 16, attached to this report as Appendix D.

⁷ See PCSB Decision Memorandum, "Arts and Technology Academy – Notice of Conditional Continuance," dated February 28, 2005, attached to this report as Appendix E.

⁸ See Letter to Mr. Kendall Joyner, Board Chair, ATA PCS, from Thomas Nida, Board Chair, PCSB, dated January 25, 2005, attached to this report as Appendix F.

⁹ See Letter to Mr. Kendall Joyner, Board Chair, ATA PCS, from Mr. Thomas Nida, Board Chair, PCSB, dated December 21, 2005, attached to this report as Appendix G.

PCSB's standards in place at that time for charter continuance (which included standards related to academic and non-academic goals; governance; legal compliance; and fiscal performance).¹⁰ In January 2010, based on this charter review, the PCSB Board voted to grant the school full charter continuance.¹¹

2013 “Board-to-Board” meeting and correspondence regarding renewal

In January 2013, following a conversation between PCSB's Executive Director and ATA PCS' board chair, representatives from PCSB and ATA PCS' governing boards met to formally discuss the school's performance and its upcoming renewal application. Among other points discussed in this meeting, PCSB representatives noted that in assessing whether ATA PCS met the standard for renewal, PCSB would consider the school's entire 15-year history, and that “only significant performance increases across many key metrics [in school year 2012-13] would be likely to carry much weight in the Board's renewal decision against the previous fourteen years of performance.”¹²

On March 28, 2013, PCSB wrote to ATA PCS “...to the extent that ATA has undertaken any turnaround or transformation efforts that it wishes PCSB to consider in PCSB's assessment during ATA's renewal next year” that the school submit to PCSB by April 8, 2013 a document fully detailing any turnaround or transformation plan that the school had implemented.¹³ ATA PCS never submitted such a plan to PCSB. As such, the school's references to a “transformation process,”¹⁴ its “steps for improvement”¹⁵ and “Academic Improvement Effort”¹⁶ in its renewal application carry no weight in this report's analysis and recommendation.¹⁷

2013-14 Renewal Process

On September 1, 2014, ATA PCS' charter will expire, and on October 18, 2013 the school's board of trustees submitted to PCSB an application to renew the school's charter for a second fifteen-year term. The standard for charter renewal, as established by the SRA, is that “PCSB shall approve a school's renewal application, except that PCSB shall not approve the application if it determines one or both of the following:

¹⁰ See ATA PCS 10-Year Review, Executive Summary, p. 1, attached to this document as Appendix H. PCSB found ATA PCS to have met two of three academic performance standards and four of four non-academic performance standards, and to have demonstrated exemplary performance in all organizational governance categories and six of seven organizational compliance categories.

¹¹ See Letter to Mr. Jonathan Hill, Board Chair, ATA PCS, from Mr. Thomas Nida, Board Chair, PCSB, dated January 29, 2010, attached to this report as Appendix I.

¹² See Letter to Ms. Kimberly A. Smith, Board Chair, ATA PCS, from Scott Pearson, Executive Director, and Mr. Brian Jones, Board Chair, PCSB, dated February 15, 2013, attached to this report as Appendix J.

¹³ See Letter to Ms. Kimberly A. Smith, Board Chair, ATA PCS, from Scott Pearson, Executive Director, and Mr. Brian Jones, Board Chair, PCSB, dated March 28, 2013, attached to this document as Appendix K.

¹⁴ See Appendix A, p. 2

¹⁵ See Appendix A, p. 4.

¹⁶ See Appendix A, p. 5.

¹⁷ See Appendix A.

- (1) The school committed a material violation of applicable laws or a material violation of the conditions, terms, standards, or procedures set forth in its charter, including violations relating to the education of children with disabilities; or
- (2) The school failed to meet the goals and student academic achievement expectations set forth in its charter.”¹⁸

Separate and apart from the renewal process, PCSB is required by the SRA to revoke a school’s charter if PCSB determines that the school (1) has engaged in a pattern of nonadherence to generally accepted accounting principles; (2) has engaged in a pattern of fiscal mismanagement; and/or (3) is no longer economically viable.¹⁹

Given the SRA’s standard for charter renewal, as well as PCSB’s obligation to revoke a school’s charter if it has engaged in the above types of fiscal misconduct, this report is organized into three sections. Sections One and Two are analyses of the school’s academic performance and legal compliance, respectively, and serve as the basis for PCSB’s renewal decision. Section Three is an analysis of the school’s fiscal performance – included so that in the case that a school is found to have met the standard for charter renewal but has also engaged in fiscal mismanagement, PCSB staff can advise the PCSB Board accordingly.

ATA PCS’ Initiatives and Request for a Short-Term, Conditional Renewal

ATA PCS described in its renewal application, and reiterated in a response to a preliminary draft of this report, the following initiatives:

- The addition of a pre-kindergarten-3 program as a “gateway to building early learning skills and a foundation for high performance”;
- The expansion of the school’s board of trustees “to increase the diversity of skill sets and expertise on the board, and to add substantial academic expertise”;
- The renovation of the school’s facility and development of a “comprehensive plan to maintain excellent financial standing”; and
- The recruitment “tier 1 leadership team” for the 2013-14 school year.²⁰

Additionally, the school requested in its renewal application that the PCSB “conditionally renew [the school’s] charter, dependent on achievement of a 40 on the 2013-14 PMF – with five-point increases each of the following two years. If ATA [PCS] fails to score 40 [in the 2013-14] school year, at the PCSB’s option, we will work cooperatively to facilitate a takeover of ATA by a high-performing charter

¹⁸ SRA §38-1802.12(c).

¹⁹ SRA §38-1802.13(b).

²⁰ See ATA PCS’ Response to 2013-14 Preliminary Charter Renewal Report, dated December 2, 2013, attached to this report as Appendix X.

operator to begin operation in 2015-16.²¹

PCSB renewal analysis and decision

PCSB has determined that ATA PCS has not met its reading and math academic achievement expectations, and as such does not meet the SRA's standard for charter renewal.²²

While the initiatives taken by the school (described above) are laudable, they do not affect PCSB's renewal analysis, which focuses on a school's outputs in meeting its goals and academic expectations. Additionally, the school's request for a conditional short-term renewal is not permitted by the School Reform Act, which PCSB must adhere to when making renewal recommendations. Per the SRA, a school's charter can only be renewed for a fifteen-year term, or nonrenewed.

Based on the SRA's standard for renewal, as well as PCSB's determination that the school did not meet its reading and math academic achievement expectations, the PCSB Board voted 7-0 on January 8, 2014 to deny ATA PCS' renewal application.

²¹ See Appendix A, p. 2.

²² SRA §38-1802.13(b).

SECTION ONE: GOALS AND ACADEMIC ACHIEVEMENT EXPECTATIONS

The SRA provides that PCSB shall not approve a charter renewal application if the school has failed to meet its goals and student academic achievement expectations (“academic expectations”) in its charter agreement.²³ Goals are general aims (usually related to a school’s mission), which may be categorized as academic, non-academic, and organizational, whereas academic expectations are student academic aims measured by assessments. In its renewal assessment, PCSB only analyzes goals and academic expectations that were included in a school’s charter agreement, charter amendment, or accountability plans approved by the PCSB Board (collectively, the “Charter”).

For the purposes of this review, PCSB analyzed the goals included in the school’s charter application, as updated by accountability plans, and which the school consistently pursued over the course of its Charter. For goals and expectations that were not consistently pursued over the course of the school’s Charter, it is noted in the chart below that they were “not historically measured.”

In its charter, ATA PCS detailed that the three “overarching goals” of the school were to:

1. Demonstrate the heights of academic achievement that urban students can routinely attain when the advantages of charter school governance are coupled with ambitious new academic standards;
2. Offer DC families rich new choices in public education within the city; and
3. Create new professional settings for teachers that permit them to succeed, free from debilitating work rules, financial constraints, and excess regulation.

Beyond those goals, the school detailed 31 additional goals and expectations in its original charter. However, in the school’s first year of operation, ATA PCS and PCSB agreed to an accountability plan, in which the school set targets related to 7 of the school’s charter goals. The school never again measured or reported on its progress towards the other 24 goals detailed in its charter, nor its 3 “overarching goals” (these goals and academic expectations are detailed below on pages 6 and 7).

PCSB has determined that, of the 7 goals and academic expectations consistently pursued by the school and measured by PCSB, that ATA PCS has not met its two academic expectations related to reading and math, met three non-academic goals, and that there is insufficient evidence to assess two other goals. The table below summarizes these determinations, which are detailed in the body of this report.

²³ SRA §38-1802.12(c)(2).

**Consistently pursued and measured goals
and academic expectations**

		Met?
1	Reading in English with Comprehension	No
2	The ability to use basic and more advanced mathematics to conceptualize and to solve problems in an academic environment, in the workplace and in other everyday settings	No
3	An ability to communicate through the arts, and an appreciation of beauty	Yes
4	High attendance and respect for learning and the school community.	Yes
5	Students will demonstrate success in the use of technology for communication, productivity and research.	Yes
6	95% of parents who enroll their children at the Academy will re-enroll the following year.	Yes
7	A large number of parents will take an active role in their children's education by participating in Academy volunteer activities.	Insufficient Evidence

Charter goals and academic expectations that were not historically pursued or measured

1	Clear, elegant, and effective communication in the English language, written and spoken
2	An understanding of the natural world and its workings
3	Knowledge of the lives and accomplishments of important individuals from American, African, and other Western and non-Western civilizations
4	An understanding of the United States and other Western and non-Western civilizations, and how they have changed over time
5	Logical thinking, analysis, and systematic investigation
6	Cultural literacy and factual knowledge that are important or useful in our society of the history and culture of other nations that use the language
7	Basic proficiency in a language other than English, as well as a general understanding of the history and culture of other nations that use the language
8	Informed aesthetic appreciation and judgment
9	Average scores at or above the 70th percentile in reading, language, and mathematics on national standardized tests (such as the Stanford 9)
10	90% of students performing at or above the NAEP "Basic" level in reading, writing, mathematics, science history, and geography, and at least 35% performing at or above the NAE's "Proficient" level
11	Mathematics and science performance comparable with top-scoring nations in Asia and Europe
12	Average School scores significantly above the District average on planned new District assessments aligned with new DCPS content standards
15	Students will demonstrate success in the use of technology for communication, productivity and research.
16	The basic moral virtues, including kindness, integrity, courage, self respect, and true friendship

17	A good sense of humor
18	Respect for the rights and duties of citizenship
19	Creativity in addressing challenges and opportunities
20	Physical fitness
21	Self-discipline and perseverance
22	By graduation from the Academy, at least 90% of all students will be able to design and produce products that relate to their curriculum using computers, visual, audio and/or print means.
23	All students will participate in at least two performing/communicative arts projects annually.
24	At least 70% of students in grades 4-5 will use their performing/communicative arts skills outside the school community.
25	By the end of the sixth grade students will have a working knowledge of the technologies in our world and how these technologies affect their lives.
26	Each class will incorporate bi-monthly field trips, cultural activities, hands-on experiences, and/or special exhibits.
27	The Academy will develop mutually beneficial partnerships with community groups, which will enhance the resources and services available to students.

1. Reading in English with Comprehension.

Assessment: **ATA PCS has not met this academic expectation.** Since 2009-10, the school has consistently scored below the state average in DC CAS reading proficiency, with its proficiency rate declining each year. Additionally, ATA PCS students, on average, experience slower growth in reading proficiency as compared to their DC peers. While ATA PCS' early childhood literacy performance increased in 2012-13, on the whole its early childhood literacy outcomes from 2009-10 to 2012-13 weigh against the school meeting this goal.

ATA PCS Early Childhood Literacy Growth and Achievement

ATA PCS reported its 2009-10 early childhood literacy achievement outcomes in its annual report; PCSB has not validated this data. As detailed in the table below, in 2009-10 ATA PCS kindergarten students did not increase from one proficiency category to the next from the fall to spring administration of the DIBELS²⁴ assessment. In addition, only approximately one-third of its first and second grade students scored in the proficiency range in reading on the spring administration of Terra Nova assessment. While some of these students moved from “Basic” to “Proficient” there was no significant gain from students who scored in the “Below Basic” category in the fall administration of the assessment.²⁵

ATA PCS 2009-10 Early Childhood Literacy Performance				
	Assessment	Achievement Level	Fall Performance	Spring Performance
Kindergarten	DIBELS	Below Basic	5.78%	7%
		Basic	31%	28%
		Proficient	63%	65%
First Grade	Terra Nova	Below Basic	58%	56%
		Basic	39%	7%
		Proficient	3%	30%
Second Grade	Terra Nova	Below Basic	66%	71%
		Basic	28%	3%
		Proficient	6%	26%

In 2010-11 and 2011-12, ATA PCS set targets in literacy growth and achievement in its Early Childhood Accountability Plan. In both of these school years, the school met the literacy growth targets it set for its pre-kindergarten students. However, it did not meet any of the literacy growth or achievement targets it set, with approximately half of its first and second grade students scoring at their respective benchmark grade levels on the DIBELS assessment in 2011-12.²⁶ In 2012-13, the school

²⁴ Dynamic Indicators of Basic Early Literacy Skills.

²⁵ See ATA PCS 2009-10 Annual Report, p. 13, attached to this report as Appendix M. While pre-kindergarten literacy performance on the “Brigance” is also included in this annual report, it is excluded from the table above because it is unclear which Brigance assessment was administered.

²⁶ See ATA PCS, 2010-11 School Performance Report, p. 2, attached to this report as Appendix N; ATA PCS, 2011-12 Final Report, Early Childhood Accountability Plan, attached to this report as Appendix O.

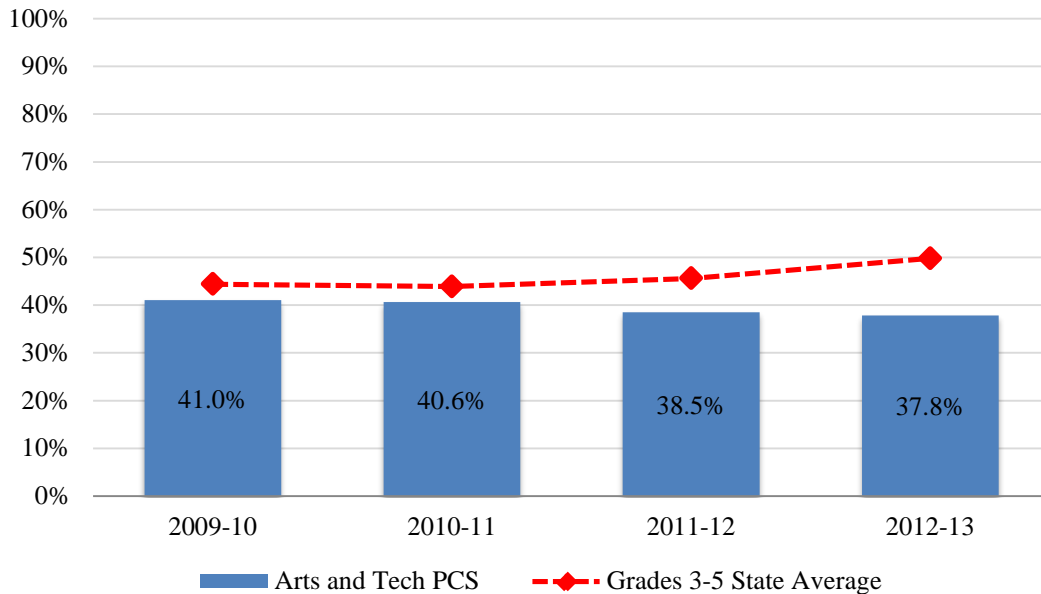
joined PCSB’s early childhood PMF pilot, in which it set and met three early childhood literacy targets, and increased student outcomes on the DIBELS assessment.

ATA PCS Early Childhood Literacy Progress		
Year	Target	Target Met?
2010-11	70% of preschool students will score at or above the expected level of growth for social-emotional, physical, oral language and cognitive development domains on the Creative Curriculum Teaching Strategies Assessment Gold.	Yes 94% of students scored at or above the projected level of growth.
	70% of pre-kindergarten students will score at or above the expected level of growth for social-emotional, physical, oral language and cognitive development domains on the Creative Curriculum Teaching Strategies Assessment Gold.	Yes 94% of students scored at or above the projected level of growth.
	70% of kindergarten through second-grade students will increase at least one categorical level or maintain benchmark from the fall to spring administration on the DIBELS assessment.	No 60% of students increased at least one level.
2011-12	70% of pre-kindergarten-3 and pre-kindergarten-4 students will score at or above expectations for growth by the spring administration on the Teaching Strategies GOLD assessment.	Yes 99.0% of students demonstrated expectations of growth.
	70% of kindergarten through second-grade students will increase one level or maintain benchmark by the spring administration on the DIBELS assessment	No 69.7% of students increased on level or maintained benchmark.
2012-13	60% of pre-kindergarten-3 and pre-kindergarten-4 students will make appropriate growth for their age in literacy/language on the Teaching Strategies GOLD assessment.	Yes 100.0% of students met this target.
	60% of kindergarten through second-grade students will advance at least one level in reading on the DIBELS assessment.	Yes 73.0% of students met this target.
ATA PCS Early Childhood Literacy Achievement		
2010-11	70% of first-grade students will score at or above the benchmark level on the DIBELS assessment.	No 57% of students scored at or above benchmark.
	70% of second-grade students will score at or above the benchmark level on the DIBELS assessment	No 43% of students scored at or above benchmark.
2011-12	70% of first and second-grade students will score at or above benchmark on the DIBELS assessment.	No 53.5% of students scored at or above benchmark.
2012-13	60% of kindergarten through second-grade students will score proficient or higher in reading on the DIBELS assessment.	Yes 71.0% of students met this goal.

DC CAS Reading Proficiency

The percent of ATA PCS students who scored proficient or advanced in reading on the DC CAS has been below the state average for 3rd through 5th grade students since 2009-10.²⁷ While DC’s statewide reading proficiency rate has increased since 2009-10, ATA PCS’ reading proficiency rate has decreased each year.

ATA PCS: Grades 3-5
DC CAS Reading Proficiency



DC CAS Reading Growth

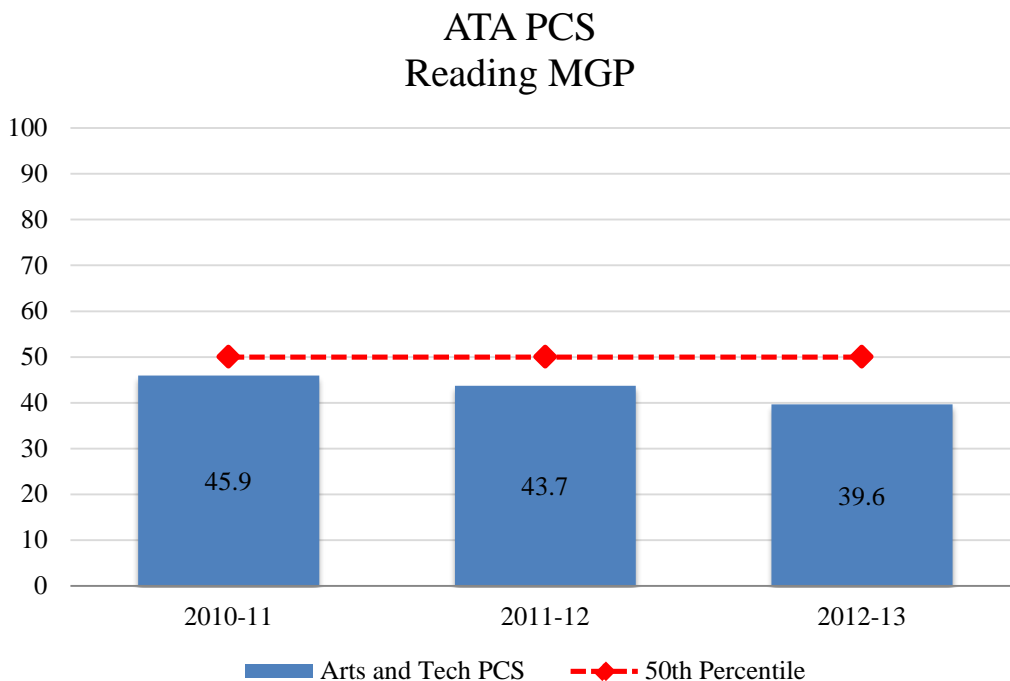
The graph below represents ATA PCS’ median growth percentile (“MGP”) in reading, which is the median of its individual students’ growth percentiles.²⁸ A growth percentile of 50 indicates that a school’s students have “average” growth in reading proficiency, as compared to other DC students in the same grades and with the same initial DC CAS performance.

Since 2010-11, the first year this metric was calculated, ATA PCS’ reading MGP has been consistently below the 50th percentile – meaning that each year since 2010-11, ATA PCS students’ growth in

²⁷ School-specific academic data included in this report follow PCSB’s standard business rules where applicable. State-level averages are unweighted and are produced by OSSE. For more information on PCSB’s business rules, see PCSB’s *Performance Management Framework Guidelines and Technical Guide* (updated September 2013), attached to this report as Appendix L.

²⁸ A student’s growth percentile (“SGP”) can range from 1% to 99%, and reflects that students’ academic growth compared to that of other DC students in their grade with similar initial proficiency. For example, a student with a reading SGP of 77% SGP has grown in reading proficiency (as measured by the DC-CAS), as much or more than 77% of his/her peers.

reading proficiency has been consistently below that of other DC students in the same grades and with the same initial DC CAS performance. Additionally, this gap between the median growth percentile at ATA PCS and the 50th percentile has increased over the past three years.



Reading Proficiency among Students with Disabilities

10.6% of ATA PCS’ total student population has been identified students with disabilities (“SWD”) requiring special education programming (the DC charter sector rate is 12%). The table below compares the percentage of the school’s SWD population at each special education service level to that of the charter sector average.

Percentage of students with disabilities identified at each special education service level²⁹				
	Level 1	Level 2	Level 3	Level 4
ATA PCS	39.4%	37.9%	10.6%	12.1%
Charter Sector	32.1%	32.3%	14.5%	21.2%

Since 2009-10, the reading proficiency rate of ATA PCS’ students with disabilities has been at least 6.6

²⁹ 2013-14 Special Education demographic data as of October 2013 from OSSE’s Statewide Longitudinal Education Data System (“SLED”).

percentage points below the charter sector average, and at most – in 2012-13, was 13.6 percentage points lower than the sector average.

ATA PCS Special Education Reading Proficiency on DC CAS				
	09-10	10-11	11-12	12-13
Percent of ATA PCS SWD Scoring Proficient or Advanced³⁰	11.1%	10.5%	12.0%	8.8%
Percent of DC Charter Sector SWD Scoring Proficient or Advanced	20.1%	20.2%	18.6%	22.4%

2. The ability to use basic and more advanced mathematics to conceptualize and to solve problems in an academic environment, in the workplace and in other everyday settings.

Assessment: **ATA PCS has not met this academic expectation.** Since 2009-10, the school has consistently scored below the state average in DC CAS math proficiency. Additionally, ATA PCS students, on average, experience slower growth in math over the course of the academic year compared to other DC students with similar initial math proficiency. The school only reported to PCSB its early childhood math performance in 2012-13.

Early Childhood Math Performance

ATA PCS did not report to PCSB its 2009-10 early childhood math performance. Additionally, the school did not include an early childhood math target in its 2010-11 or 2011-12 accountability plans. In 2012-13, ATA PCS set and met math growth and achievement targets for its kindergarten through second grade students, detailed in the table below.

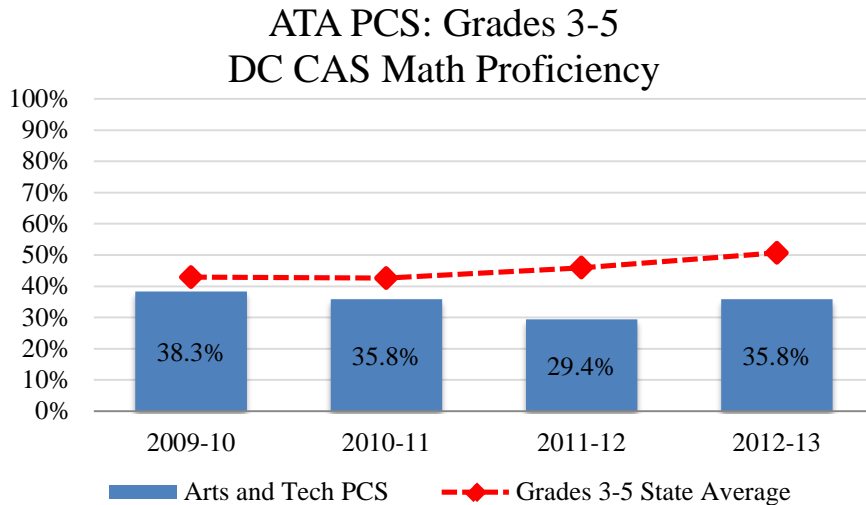
Year	Target	Target Met?
2012-13	60% of kindergarten through second grade students will score at or above typical growth in math on the NWEA ³¹ math assessment.	Yes 63.0% of students scored at or above typical growth in math
	60% of students in kindergarten through second grade will meet or exceed college readiness targets in mathematics on the NWEA math assessment.	Yes 92.0% of students met this goal.

³⁰ Per OSSE policy, since 2011-12, both students currently receiving special education services and students who received special education services during the past two years are both included in the “students with disabilities” subgroup.

³¹ Northwest Evaluation Association’s Measure of Academic Progress.

DC CAS Math Proficiency

The percent of ATA PCS students who score proficient or advanced on the DC CAS has been below the state average for 3rd through 5th grade students since 2009-10. DC’s overall math proficiency rates have increased since that time, but ATA PCS’ math proficiency rates decreased overall from 2009-10 to 2012-13. Even with a six percentage point increase in 2012-13, only 35.8% percent of ATA PCS students scored proficient or advanced on the DC CAS, well below the state average of 50.7%, as detailed in the graph on the following page.

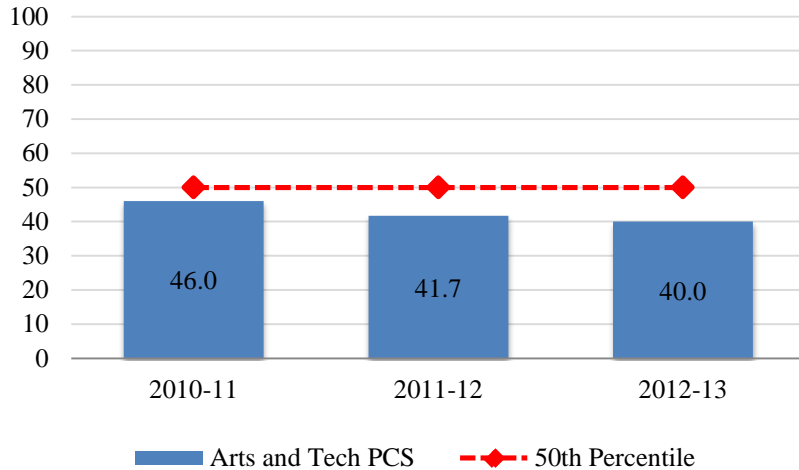


DC CAS Math Median Growth Percentile

The graph below represents ATA PCS’ median growth percentile (“MGP”) in math, which is the median of its individual students’ growth percentiles.³² A growth percentile of 50 indicates that a school’s students have “average” growth in math proficiency, as compared to other DC students in the same grades and with the same initial DC CAS performance. Since 2010-11, the first year this metric was calculated, ATA PCS’ math MGP has been increasingly below the 50th percentile – meaning that each year since 2010-11, ATA PCS students’ growth in math proficiency has been increasingly below that of other DC students in the same grades and with the same initial DC CAS performance.

³² A student’s growth percentile (“SGP”) can range from 1 to 99, and reflects that students’ academic growth compared to that of other DC students in their grade with similar initial proficiency. For example, a student with a reading SGP of 77 SGP has grown in reading proficiency (as measured by the DC CAS), as much or more than 77 of his/her peers.

ATA PCS Math MGP



Math Proficiency among Students with Disabilities

Since 2009-10, the math proficiency rate of ATA PCS’ students with disabilities has been at least 13.4 percentage points below the charter sector average, and at most – in both 2011-12 and 2012-13, was approximately 20 percentage points lower than the sector average.

ATA PCS Special Education math proficiency on DC CAS				
	09-10	10-11	11-12	12-13
Percent of ATA PCS SWD Scoring Proficient or Advanced³³	11.1%	10.5%	4.0%	11.8%
Percent of DC Charter Sector SWD Scoring Proficient or Advanced	24.5%	26.3%	24.9%	31.1%

3. High attendance and respect for learning and the school community.

Assessment: **ATA PCS has met this goal.** Since 2010-11, the school met its early childhood attendance targets, with its 3rd-5th grade attendance rate approximately at that of the charter sector. While its suspension rates are slightly higher than that of the charter sector, its long-term (11+ days) suspension and expulsion rates are at the sector average, and qualitative evidence from Qualitative Site Reviews supports that the school has met this goal.

Early Childhood Attendance

ATA PCS has met all pre-kindergarten attendance targets it has set in its early childhood accountability plans for its pre-kindergarten students, as detailed in the table on the following page.

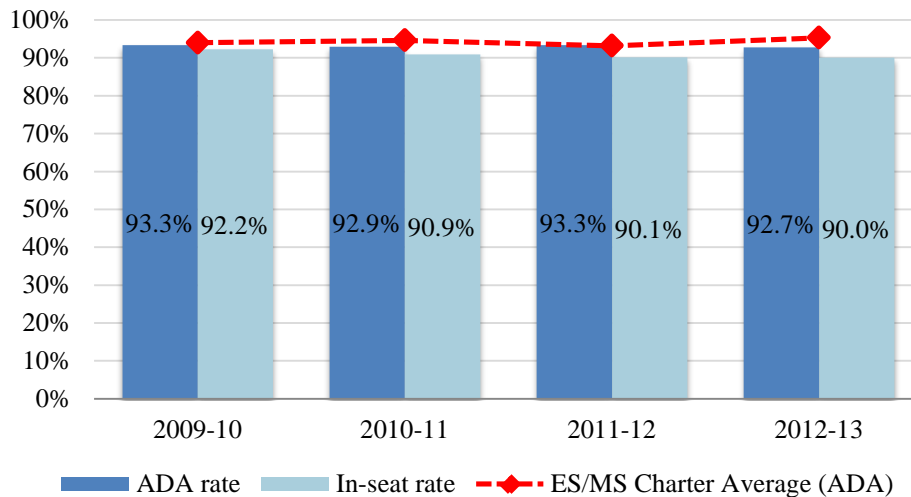
³³ Per OSSE policy, since 2011-12, both students currently receiving special education services and students who received special education services during the past two years are both included in the “students with disabilities” subgroup.

Year	Target	Target Met?
2010-11	On average, preschool and pre-kindergarten students will attend school 88% of days	Met Average daily attendance was 89%
	On average, kindergarten through second-grade students will attend school 90% of the days.	Met The average daily attendance was 90%.
2011-12	On average, PK3 and PK4 students will attend school 88% of days	Met Average daily attendance was 90.7%
	On average, kindergarten through second-grade students will attend school 92% of the days.	Met The average daily attendance was 93.2%
2012-13	On average, PK3 and PK4 students will attend school 88% of days	Met Average daily attendance was 89.1%
2013-13	On average, kindergarten through second grade students will attend school 92% of the days.	Met The average daily attendance was 92.3%.

Third through Fifth Grade Attendance

ATA PCS’ attendance in third through fifth grade has been near the elementary and middle school charter average in each of the past four years.

ATA PCS: Grades 3-5 Attendance



Discipline Rates

The following tables detail ATA PCS’ discipline rates since 2009-10. PCSB has charter sector averages for these data points starting in 2011-12. Red shading indicates that SEED PCS’ rate is above the charter sector average; green shading indicates that SEED PCS’ rate is below the charter sector average. ATA PCS has higher instances of suspensions for students in grades PK-5 than the sector’s average but is at the sector average for long-term suspensions and expulsions.

Suspensions				
	09-10	10-11	11-12	12-13
ATA PCS	14.4%	10.7%	15%	13.5%
PK-5 Charter Sector Rate	-	-	13% ³⁴	8.2%

Long Term Suspensions (10+ Days)				
	09-10	10-11	11-12	12-13³⁵
ATA PCS	0% (2 students)	1% (8 students)	0% (1 student)	0% (0 students)
PK-5 Charter Sector Rate	-	-	1% ³⁶	0%

Expulsions				
	09-10	10-11	11-12	12-13
ATA PCS	0%	0%	0% (1 student)	0% (0 students)
PK-5 Charter Sector Average	-	-	1% ³⁷	0.1%

Qualitative Evidence

In the school’s 2012-13 QSR Report, PCSB reviewers scored all observed classrooms as proficient for the indicator “Creating an Environment of Respect and Rapport.”³⁸ It was noted in this report that “interactions among teachers and individual students were highly respectful.”³⁹ The QSR review team also noted a “clear standard of acceptable conduct in the building.”⁴⁰

³⁴ Charter sector rate for 2012-13 is for all grades, not just PK-5.

³⁵ In 2012-13, PCSB defined long-term suspension as eleven or more days.

³⁶ Charter sector rate for 2012-13 is for all grades, not just PK-5.

³⁷ Charter sector rate for 2012-13 is for all grades, not just PK-5.

³⁸ See Qualitative Site Review Report, ATA PCS, dated April 2, 2013, p. 7, attached to this document as Appendix P.

³⁹ See Appendix P, p. 8.

⁴⁰ See Appendix P, p. 8.

4. **An ability to communicate through the arts, and an appreciation of beauty.**

Assessment: **ATA PCS has met this goal.** The school has built numerous partnerships with DC arts organizations, and it gives its students extensive opportunities to participate in the arts.

Arts Programming

In its renewal application, ATA PCS states that all students take one arts class per day, but identifies physical education, sign language, and technology classes as arts classes. Further, the application details that core-subject teachers are required to integrate arts-related programming into their classes, and that “all grade levels must facilitate at least two arts/technology-integrated projects/units per year.”⁴¹ However, the school does not provide evidence that because of this programming its students improve in their ability to communicate through and appreciate the arts.

Arts Partnerships

ATA PCS describes its partnership with numerous DC arts organizations, including the Kennedy Center, Washington National Opera, Playworks, DC Arts & Humanities Collaborative, Ford’s Theatre, and DC Scores. In ATA PCS’ response to a preliminary draft of this report, it notes that since 2009, 1,997 TA PCS students have participated in the Kennedy Center’s arts programs, which involves its students in “interactive experiences with the Corcoran Gallery of Art, the Alvin Ailey American Dance Theatre, the Washington National Opera, the National Geographic Museum, the Phillips collection, and the Washington Ballet, among other professional arts organizations.”⁴²

Arts Performances

ATA PCS notes in its renewal application that since 2002 it presents four artistic performances per year. It adds in its response to the preliminary draft of this report that “[s]ince 2009, ATA PCS ha provided students with 23 “major” venues for their own performances, including our annual musicals, Talent Showcase, Creative Arts Showcase and Seasonal Celebration. A total of 2,366 ATA students have performed on stage in these major events.”⁴³

In PCSB’s QSR report, it is noted that in student interviews the students shared that they “perform[ed] on stage at least one time [during the 2012-13] school year.”⁴⁴

Qualitative Evidence

In February 2013 the PCSB QSR team observed the following during their site visits:

⁴¹ See Appendix A, p. 12.

⁴² See Appendix X.

⁴³ See Appendix X.

⁴⁴ See Appendix P, p. 14.

The review team was unable to observe any creative arts classes because on both days of visiting the school, those classes were off campus, either on a trip or preparing for a performance. The team did not observe any specific arts infusion in most academic lessons during classroom observations. The observation team did, however, review the Creative Arts Performance Notebook, which was filled with pictures of students' performances in art, music and dance.⁴⁵

5. Students will demonstrate success in the use of technology for communication, productivity and research.

Assessment: ATA PCS has met this goal.

In its renewal application, ATA PCS describes that its students take at least one technology class each week, and that technology is integrated into academic classes.⁴⁶ Additionally, the school describes numerous technology projects its students have completed, which provides sufficient evidence that ATA PCS has met this goal. Some examples of these projects:

- Kindergarten students taking pictures with digital cameras to learn about shapes;
- Kindergarten and first grade students creating a “story quilt” using the computer program Kidpix;
- Students in all grade levels creating and publishing hardback books; and
- Students creating video documentaries.⁴⁷

Qualitative Evidence

In February 2013 the PCSB QSR team observed the following during their site visits:

The review team saw evidence of technology, throughout the school, with resources such as computers, computer labs, and Promethean Boards. While students were using the computers in some classes, it was not the norm in classes observed. The team saw the microscope mobile labs in the classes, but they were not in use on the days the team was visiting. The school has a radio station that broadcasts each day. Although the team did not hear the broadcast, the student focus group explained to the team that the broadcast gave them important information for the day and that they recited their affirmations with the announcer. The team reviewed documents of Skype activities where ATA PCS students interacted

⁴⁵ See Appendix P, p.1.

⁴⁶ See Appendix A, p. 14

⁴⁷ See complete list of ATA PCS technology projects attached to this report as Appendix Q.

with students from other countries in a six-week geometry program; in a separate reading program, ATA PCS students interacted via Skype with students from Sidwell Friends School.⁴⁸

6. A large number of parents will take an active role in their children’s education by participating in Academy volunteer activities.

Assessment: **There is insufficient evidence to assess this goal.** ATA PCS provides insufficient evidence that a large number of parents are actively participating in ATA PCS volunteer activities.

Parent Programming

In its renewal application, ATA PCS describes several ways parents can be active in its school community, but only (1) the parent-teacher organization (“PTO”) and (2) parent volunteer opportunities directly address the school’s goal of engaging parents in volunteer activities. The school does not detail how many students participate in the PTO, or how many parents volunteer at the school.

7. Reenrollment.

Assessment: **ATA PCS has met this goal.**

Early Childhood Reenrollment

ATA PCS provides the below early childhood reenrollment rates, while noting that these rates do not account for students who moved out of DC between school years. PCSB has not validated this data.

ATA PCS Self-Reported Early Childhood Reenrollment Rate⁴⁹	
2009-10	72.1%
2010-11	80.4%
2011-12	76.8%
2012-13	77.4%

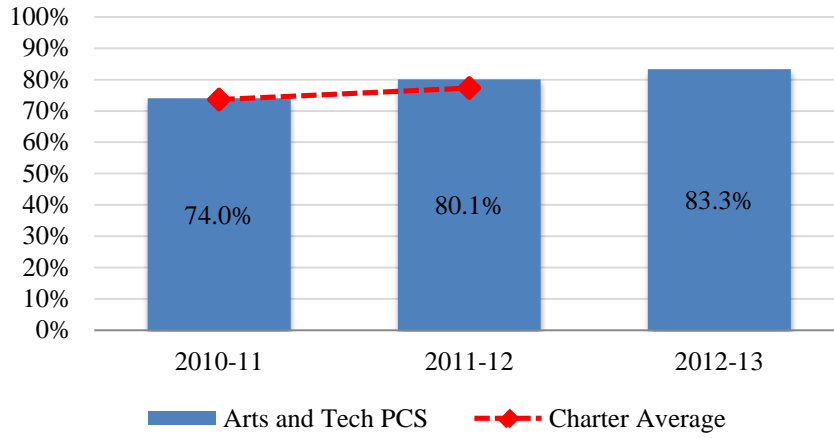
Reenrollment: Third through Fifth Grade

ATA PCS’ reenrollment has been above the charter sector average since 2010-11 and has increased since that year.

⁴⁸ See Appendix P, pp. 2, 4.

⁴⁹ PCSB has not validated ATA PCS’s self-reported early childhood reenrollment data. ATA PCS reports that it was not able to account for students who moved out of DC between school years in its analysis, which may make these reenrollment figures artificially low.

ATA PCS Reenrollment



SECTION TWO: COMPLIANCE WITH APPLICABLE LAWS

The SRA requires that PCSB not approve a renewal application if it determines that the school has materially violated applicable laws.⁵⁰ The SRA contains a non-exhaustive list of applicable laws, and PCSB also monitors charter schools for compliance with additional laws. The following section identifies these laws and includes a determination of whether ATA PCS has complied with these laws.

Since 2009-10, ATA PCS has been in full compliance with all applicable laws, as detailed in the table below.

Compliance Item	Description	School's Compliance Status from 2009-10 to Present
Fair enrollment process SRA § 38-1802.06	DC charter schools must have a fair and open enrollment process that randomly selects applicants and does not discriminate against students.	Compliant since 2009-10
Notice and due process for suspensions and expulsions SRA § 38-1802.06(g)	DC charter school discipline policies must afford students due process ⁵¹ and the school must distribute such policies to students and parents.	Compliant since 2009-10
Student health and safety SRA § 38-1802.04 (c)(4); DC Code §4-1321.02; DC Code § 38-651	The SRA requires DC charter schools to maintain the health and safety of its students. ⁵² To ensure that schools adhere to this clause, PCSB monitors schools for various indicators, including but not limited to whether schools: <ul style="list-style-type: none"> - have qualified staff members that can administer medications; - conduct background checks for all school employees and volunteers; and - have an emergency response plan in place and conduct emergency drills as required by DC code and regulations. 	Compliant since 2009-10
Equal employment SRA §§ 38-1802(c)(5)	A DC charter school's employment policies must comply with federal and local employment laws and regulations.	Compliant since 2009-10

⁵⁰ SRA § 38.1802.12 (c).

⁵¹ See *Goss v. Lopez*, 419 U.S. 565 (1975).

⁵² SRA § 38.1802.04 (c)(4)(A).

Insurance As required by the school's charter	A DC charter school must be adequately insured.	Compliant since 2009-10
Facility licenses DC code § 47-2851.03(d); DC regulation 14-1401	A DC charter school must possess all required local licenses.	Compliant since 2009-10
High Quality Teachers Elementary and Secondary Education Act ("ESEA")	DC charter schools receiving Title I funding must employ "Highly Qualified Teachers" as defined by ESEA.	Compliant since 2009-10
Proper composition of board of trustees SRA § 38-1802.05	A DC charter school's Board of Trustees must have: an odd number of members that does not exceed 15; a majority of members that are DC residents; and at least two members that are parents of a student attending the school.	Compliant since 2009-10
Articles of incorporation and by-laws SRA § 38-1802.02(8)	A DC charter school must have up-to-date articles of incorporation and by-laws.	Compliant since 2009-10
Accreditation Status SRA § 38-1802.02(16)	A DC charter school must maintain accreditation from an SRA-approved accrediting body approved by the SRA.	Compliant since 2009-10

DC-CAS Testing Violations

In 2013, OSSE engaged a consulting firm to investigate ATA PCS for possible DC-CAS testing violations during the 2011-12 school year. The consulting firm classified ATA PCS' testing violations as "critical," based on the "[o]verall . . . relative severity of the findings in [one] flagged classroom."⁵³ The school noted in its response to the preliminary draft of this report that it "responded immediately [to

⁵³ See School Summary Report, ATA PCS, 2012 District of Columbia Comprehensive Assessment System, Test Security Investigation, by Alvarez & Marshall, LLC, p. 3, attached to this document as Appendix R.

this violation] by terminating the employment of the staff member involved and that OSSE monitored the school's 2012-13 DC CAS test administration and found no irregularities.”⁵⁴

Special Education Compliance

Charter schools are required to comply with all federal and local special education laws, including, among others, the Individuals with Disabilities Education Act⁵⁵ (“IDEA”) and the Rehabilitation Act of 1973.⁵⁶ The following section summarizes Arts and Technology Academy PCS’ special education compliance from 2010-11 to the present.

References to Special Education in School Charter

ATA PCS’ description in its Charter regarding its special education programming complies with special education laws.

OSSE Special Education Compliance Reviews

The DC Office of the State Superintendent of Education (“OSSE”) monitors charter schools’ special education compliance and publishes three types of reports detailing its compliance findings: (1) Annual Determinations; (2) On-Site Monitoring; and (3) Quarterly Findings. OSSE’s findings of Arts and Technology Academy PCS’ special education compliance are summarized below.

Annual Determinations

As required by federal regulation, OSSE analyzes annually each LEA’s compliance with 20 special education indicators, and publishes these findings in an “Annual Determination” report.⁵⁷ In its 2010 Annual Determination report, OSSE found ATA PCS to be 88% compliant with these indicators, noting the school “Meets Requirement.”⁵⁸ However, in ATA PCS’ 2011 Annual Determination report, the school’s compliance dropped to 65%, and OSSE determined that the school “Needs Assistance” in fulfilling all applicable federal and local special education regulations.⁵⁹

On-Site Monitoring Report

OSSE periodically conducts an on-site assessment of an LEA’s special education compliance with student-level and LEA-level indicators, and publishes its findings in an On-Site Monitoring Report. If a school is less than 80% compliant with any student-level compliance indicator, the school must implement corrections and report these corrections to OSSE within 365 days.

⁵⁴ See Appendix X.

⁵⁵ 20 USC §1413(a)(5).

⁵⁶ 20 USC §794.

⁵⁷ See 34 CFR § 300.600(c).

⁵⁸ See FFY 2010 IDEA Part B LEA Performance Determination, attached to this report as Appendix S. OSSE assigns to each LEA one of the following “Determination Level”: (1) meets requirements; (2) needs assistance; (3) needs intervention; or (4) needs substantial intervention.

⁵⁹ See FFY 2011 IDEA Part B LEA Performance Determination, attached to this report as Appendix T.

In 2011-12, OSSE published an on-site Compliance Monitoring Report of ATA PCS, finding the school to be less than 80% compliant in eighteen of twenty-eight student-level indicators, but fully compliant with all LEA-level indicators, as detailed in the tables on the following page.⁶⁰

Student-Level Compliance		LEA-Level Compliance	
Compliance Area	Number of indicators where school was less than 80% compliant	Compliance Area	Number of indicators where school was less than 100% compliant
Initial Evaluations and Reevaluations	5 out of 6	Data Verification	0 out of 1
IEP Development	7 out of 10	Dispute Resolution	0 out of 3
Least Restrictive Environment	2 out of 2	Access to Instructional Materials	0 out of 1
Discipline	0 out of 2	Fiscal	0 out of 21
Data Verification	4 out of 8	Total	0 out of 26
Total	18 out of 28		

As of October 30, 2013, OSSE has verified that ATA PCS has implemented corrections for all student-level findings, but remains out of compliance with LEA level compliance that stem from individual student-level noncompliance issues. The school exceeded the one-year deadline to correct all findings of noncompliance, so an OSSE monitor is now working with ATA PCS to ensure these findings are corrected as soon as possible.

Quarterly Findings

OSSE submits quarterly reports to the U.S. Department of Education’s Office of Special Education Programs detailing DC LEAs’ compliance in three areas: (1) Initial and Reevaluation Timelines; (2) Early Childhood Transition Timelines; and (3) Secondary Transition Requirements.

In June 2012, OSSE notified ATA PCS that in preparing such a quarterly report, it found that the school was noncompliant for completing initial special education evaluations in a timely manner. According to OSSE, the LEA has since corrected this issue of noncompliance.⁶¹

⁶⁰ If the school was found to be less than 80% compliant with a student-level indicator that was impossible for the school to cure retroactively, OSSE would identify the point of noncompliance as an LEA-level violation as well. However, for purposes of this report PCSB did not include as an LEA-level violation any such student-level point of noncompliance. Attachments 3 and 4 of Appendix S detail the specific LEA level violations that stem from initial student-level noncompliance.

OSSE Hearing Officer Determinations and Settlement Agreements

If a parent and/or student files a complaint with OSSE regarding the students' special education services, and an OSSE Hearing Officer reviews this complaint and determines that the school is at fault and has not properly provided special education services to the student, OSSE then tracks each LEA's timely implementation of Hearing Officer Determinations ("HODs") and Settlement Agreements.

As of November 5, 2013, OSSE databases indicate that ATA PCS has three open HODs that are currently untimely. In one of the three cases, ATA requested, and was granted by OSSE, an extension for implementing the HOD, and is in the process of implementing it. In the other two cases, ATA is in the process of implementing the requirements of each HOD.

Procurement Contracts

SRA §38-1802.04(c)(1) requires DC charter schools to utilize a competitive bidding process for any procurement contract valued at \$25,000 or more, and within three days of awarding such a contract, to submit to PCSB all bids received, the contractor selected, and the rationale for which contractor was selected. To ensure compliance with this law, PCSB requires schools to submit a Determinations and Findings form to detail any qualifying procurement contract that the school has executed.

From FY2009-2011, ATA PCS submitted corresponding determination and finding forms for 18 contracts valued at or above \$25,000. Before FY2011, the school did not identify \$25,000 expenditures in its audits. In FY2011 the school identified thirty-one \$25,000+ expenditures, with the school submitting corresponding determinations and findings forms for 11 of these expenditures. It is unclear from the school's submission how many of these expenditures qualified as a "procurement contract" per the SRA. In FY2012, the school identified twenty-six \$25,000+ expenditures and submitted determination and findings forms for 18 of these expenditures. Again, it was unclear how many expenditures required the school to submit a corresponding determinations and findings form.

⁶¹ LEAs have 365 days from the date of the final notice in which to address the areas of noncompliance identified by OSSE.

SECTION THREE: FISCAL MANAGEMENT AND ECONOMIC VIABILITY

Separate and apart from the standard for charter renewal, The SRA requires the PCSB Board to revoke a charter at any time if it determines that the school:

- Has engaged in a pattern of nonadherence to generally accepted accounting principles;
- Has engaged in a pattern of fiscal mismanagement; or
- Is no longer economically viable.

PCSB has reviewed ATA PCS's financial performance regarding these areas, and has determined that since 2009-10, the school has not engaged in type of fiscal mismanagement as described above.

Adherence to Accounting Principles

The school has consistently adhered to generally accepted accounting principles, as established by the Financial Accounting Standards Board.

Fiscal Management

Per its audited financial statements, ATA PCS has not engaged in fiscal mismanagement. Since fiscal year 2009-10, the school has contracted with Building Hope, an organization that employs one of the school's board members. In FY2012, the school contracted for accounting and information system services with a board member's organization for an amount of \$173,633, and submitted to PCSB appropriate documentation regarding this contract. The school noted in its response to the preliminary draft of this report that its relationship with this organization predates the board member's association with ATA PCS.⁶² The school's audit reports reflect sound accounting and internal controls, and no instances of noncompliance that are required to be reported per the U.S. Government Accountability Office's Auditing Standards.

Economic Viability

ATA PCS is economically viable, based on the school's financial performance, expenditures sustainability, liquidity, and debt burden, as described below.⁶³

Financial Performance

PCSB assesses a school's financial performance with two key indicators. The first indicator is a school's operating result, which is how much the school's total annual revenues exceed total annual expenditures. In general, PCSB recommends that a school's annual operating results equal at least zero. During the past five financial periods, ATA PCS has produced three operating surpluses and two operating deficits, detailed in the table on the following page. In FY2012, the school produced a \$125,313 operating deficit as a result of (1) a \$66,000 market value decline of the school's interest rate swap from a floating to

⁶² See Appendix X.

⁶³ See Arts and Technology PCS's activities and financial analysis sheet, attached to this report as Appendix T.

fixed interest rate; and (2) an unanticipated debt payment of \$93,000 that was incurred by the school’s charter management organization in fiscal year 2006. However, the school projects a \$204,000 operating surplus in fiscal year 2013.

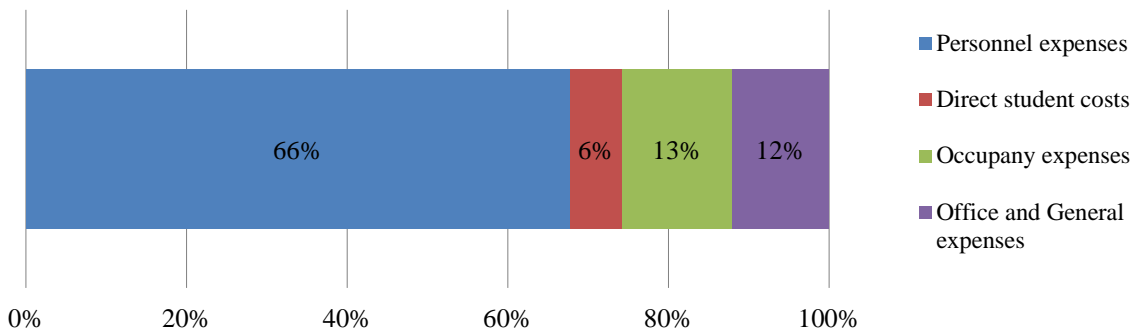
Another indicator of a school’s financial performance is its earnings before depreciation (“EBAD”),⁶⁴ a financial performance measure that excludes the effects of financing and accounting decisions. ATA PCS had a positive EBAD in all of the past five fiscal years.

Fiscal Period	2008	2009	2010	2011	2012
Operating Result	\$(417,982)	\$248,260	\$946,191	\$29,743	\$(125,313)
EBAD	\$99,063	\$837,134	\$1,466,473	\$690,769	\$638,842

Expenditures

ATA PCS’ spending decisions, illustrated in the graph below, are aligned with PCSB’s financial metrics for general education public charter schools.

**Expenditures as % of Revenues
(FY2008 - FY2012 averages)**



Sustainability

A school’s net assets⁶⁵ and primary reserve ratio demonstrates its sustainability.⁶⁶ PCSB recommends that schools accrue net asset reserves equal to three to six months of operational expenditures. In FY 2012, the school’s net asset reserves equal approximately 163 days of expenditures at about \$4.9 million, with monthly expenditures averaging approximately \$903,000. At the end of FY 2013, the school projects a \$5.2 million net assets, representing about 47% of its annual total expenses. Also, the school’s FY 2012 primary reserve ratio was 0.45, meaning that its net asset reserves equals 45% of its

⁶⁴ EBAD equals change in net assets plus amortization and depreciation.

⁶⁵ Net Assets equals total assets minus total liabilities.

⁶⁶ Primary Reserve Ratio equals total net assets divided by total annual expenses.

annual expenditures, a slight decline from FY 2011. The table below details the school’s net assets and primary reserve ratios over the past five years.

Fiscal Period	2008	2009	2010	2011	2012
Net Assets	\$3,817,447	\$4,065,707	\$5,011,898	\$5,041,641	\$4,916,328
Primary Reserve Ratio	0.41	0.45	0.53	0.52	0.45

Liquidity

Two indicators of a school’s short-term economic viability are its current ratio⁶⁷ and its days of cash on hand.⁶⁸ A current ratio greater than one points to a school’s ability to satisfy its immediate financial obligations. Since FY2008, ATA PCS’ current ratio has been at least one, except for fiscal year 2010. This indicates that the school can meet its short-term financial obligations with current assets.

Typically, 90 days or more of cash on hands indicate a school can satisfy immediate obligations with cash, while less than 30 days of cash on hands draws liquidity concerns. ATA PCS’ days of cash on-hand have steadily increased from FY2010 to FY2012. ATA PCS’s liquidity ratio and days of cash on-hand are detailed in the table below.

Fiscal Period	2008	2009	2010	2011	2012
Current Ratio	2.07	2.28	0.54	2.23	2.40
Days of Cash on-Hand	36	31	33	59	72

Cash flow from operations and cumulative cash flow indicate whether a school can meet its operating needs. PCSB recommends that a school have positive cash flow from operations. ATA PCS has maintained positive cash flow from operations in all of the five past financial periods, as detailed below.

Fiscal Period	2008	2009	2010	2011	2012
Cash Flow from Operations	\$444,120	\$293,768	\$1,448,427	\$878,357	\$1,214,926

Debt Burden

A school’s debt ratio⁶⁹ indicates the extent to which a school relies on borrowed funds to finance its operations. ATA PCS’s debt ratio remained relatively stable over the last two fiscal years.

Fiscal Period	2008	2009	2010	2011	2012
Debt Ratio	0.55	0.57	0.71	0.63	0.63

⁶⁷ Current assets divided by current liabilities. Current refers to the 12 months or normal operating cycles that a school can convert certain assets into cash or use up or settle certain obligations.

⁶⁸ Unrestricted cash and cash equivalents divided by total expenditures divided by 360 days. If cash and cash equivalents were not specified as unrestricted, the total cash amount was used.

⁶⁹ Debt ratio equals total liabilities divided by total assets.