



2012-13 Charter Review Report

Excel Academy Public Charter School

Fifth Year Review

August 9, 2013

DC Public Charter School Board

3333 14th Street, NW, Suite 210

Washington, DC 20010

(202) 328-2660

www.dcpcsb.org

TABLE OF CONTENTS

RECOMMENDATION.....	2
EXECUTIVE SUMMARY.....	2
GOALS AND ACADEMIC ACHIEVEMENT EXPECTATIONS.....	4
COMPLIANCE WITH APPLICABLE LAW.....	16
FISCAL MANAGEMENT AND ECONOMIC VIABILITY.....	20

RECOMMENDATION

The DC Public Charter School Board (“PCSB”) staff recommends Excel Academy Public Charter School (“Excel Academy PCS”) be granted charter continuance based on the school’s overall academic, compliance, and fiscal performance.

EXECUTIVE SUMMARY

Excel Academy PCS began operation in 2008 under authorization of PCSB, and operates a single-gender program for female students in pre-kindergarten through fourth grade. The school plans to expand by one grade each year until it serves students through the eighth grade. In 2010-11 and 2011-12 the school’s performance was assessed according to targets it set as part of its Early Childhood Accountability Plan, as detailed in the table below.

Campus	Ward	Year Opened	Grades Served	2012-13 Student Enrollment	2010-11 Accountability Plan Results	2011-12 Accountability Plan Results
Excel Academy PCS	8	2008-09	PK3-4	401	Met 0 of 6 early childhood targets	Met 6 of 8 early childhood targets

In March 2012, Excel Academy PCS submitted a charter amendment proposal to change its curriculum to align with the Common Core State Standards and to amend one charter goal related to character education.¹ The PCSB Board voted to approve this amendment in April 2012.²

This year, PCSB conducted a five-year review of Excel Academy PCS as required by the School Reform Act (SRA),³ and determined that the school has met five of these goals and expectations, partially met two others, and did not meet one expectation. Additionally, there was insufficient evidence to assess the school’s performance for four goals. The following report details this finding, and also assesses Excel Academy PCS’s legal compliance, fiscal management, and economic viability.

PCSB staff notes that it found Excel Academy PCS to have partially met several key academic goals, and to not have met the goal that its students would meet or exceed standards for reading and writing. Notwithstanding, PCSB staff, using the discretion allowed by the SRA for charter reviews such as this, notes the following as the bases for its recommendation of continuance of the school’s charter:

¹ See Excel Academy PCS Charter Amendment Proposal, included in this document as Appendix A.

² See PCSB Board April 2012 meeting minutes, included in this document as Appendix B.

³ SRA §38-1802.12(a)(3).

First, although PCSB found the school to have partially met its goal regarding pre-kindergarten students being school-ready in language arts (because it met related targets in some years but not others), it exceeded these targets by over twenty percentage points in the most recent school year.

Similarly, while PCSB determined that the school had not met its goal regarding student proficiency in reading and writing, it should be noted that in 2011-12, 53.5% of Excel Academy PCS students scored proficient or advanced on the DC CAS, above the state reading proficiency rate of 45.6%. PCSB determined that the school did not meet this goal because the school had set for itself a 65% proficiency target, and similarly did not meet other related targets in its Early Childhood Accountability Plan. Nevertheless, its students' strong performance warrants continuance.

Finally, PCSB found the school partially met its goal that its students would meet or exceed mathematics standards because of the lack of math performance data in the school's record, a deficiency the school must correct in the future. However, the data that was available indicated the school's math performance was strong. In particular, in 2011-12, 62.8% of Excel Academy PCS students scored proficient or advanced on the DC CAS math assessment, above the state average of 49.3% and as with its reading scores, warrants continuance.

Mostly, the school not fully meeting an academic goal was a result of insufficient data on the record for PCSB to make a fully positive assessment. Excel Academy must ensure moving forward that it sufficiently tracks, collects, and reports on its progress in meeting goals and expectations in its annual reports. Additionally, if the goals and expectations in the school's charter do not accurately reflect what the school is pursuing, it should submit a petition to amend its charter to update its goals and expectations.

GOALS AND ACADEMIC ACHIEVEMENT EXPECTATIONS

The SRA requires PCSB to review whether a school has met its goals and student academic achievement expectations (“expectations”) at least once every five years. Goals are general aims (usually related to a school’s mission), which may be categorized as academic, non-academic, and organizational, whereas expectations are student academic aims measured by assessments. As part of this review, PCSB considers those goals and expectations detailed in a school’s charter agreement, any subsequent charter amendments, and/or accountability plans (collectively, the “Charter”).

Excel Academy PCS detailed thirteen goals in its charter application, twelve of which are included in the chart below.⁴ Excel Academy PCS has met five of these goals and expectations, partially met two others, and did not meet one goal. Additionally, there was insufficient evidence to assess the school’s performance for four goals. For each goal for which there is insufficient evidence, PCSB staff recommends that Excel Prep PCS either a) amend its charter to remove these goals or b) begin collecting and annually reporting data on the progress towards meeting these goals.

The chart below summarizes these determinations, which are detailed in the body of this report.

	Goal or Expectation	Met?
1	Pre-school and pre-kindergarten students are school ready in the language arts.	Partially
2	Pre-school and pre-kindergarten students are school ready in mathematics.	Insufficient Evidence
3	Students at each grade level will meet or exceed standards for reading and writing: students will be able to articulate what they read and hear and express their ideas orally and in writing.	No
4	Students at each grade level will be able to use numerical, geometric and probability concepts to solve challenging problems and will meet or exceed standards for math.	Partially
5	Students at each grade level will meet or exceed the standards for civics and social studies and use grade appropriate concepts of geography, time, community, and other elements to describe their own and other civilizations and engage in positive civic behavior.	Insufficient Evidence
6	Students at each grade level will demonstrate science proficiency by meeting or exceeding the grade specific	Insufficient Evidence

⁴ See Excel PCS Charter School Application, included in this document as Appendix C. The goal regarding the school’s Board of Trustees is not discussed in this section. The text of this goal is “The Board will be an active and responsible governing body, ensuring that the school works toward achieving its mission, that business operations are well managed, and that necessary resources are available to operate the school.”

standards for science, describing and dissecting the elements of the natural world around them, and taking concrete action toward a healthy and safe community.

7	Students learn the IDEALS values (integrity, discipline, enjoyment, achievement, leadership, sisterhood).	Yes
8	Students will participate in regular physical activity, learn to make healthy food choices, practice personal hygiene, and dress appropriately.	Insufficient Evidence
9	Students will learn to become comfortable in a variety of settings through monthly field trips: museums, plays, concerts, and visits to other schools.	Yes
10	Parents and families will play active roles in their daughters' education.	Yes
11	The school will recruit and retain students to maintain enrollment projections.	Yes
12	Excel will demonstrate effective systems of home-school communication.	Yes

1. Pre-school and pre-kindergarten students are school ready in the language arts.

Assessment: **Excel Academy PCS has partially met this goal.**

Excel Academy PCS has over time has met some but not all of the targets it set in this area, as detailed in the table below. The school did not provide supporting data for its 2009-10 performance.

Year	Target	Met target?
2008-09	70% of scholars will score at or above grade level on the Brigance Inventory of Early Development II.	Yes 87.6% performed at or above grade level.
2008-09	60% of scholars will perform at or above age level on the Peabody Picture Vocabulary Test.	No 53% performed at or above age level.
2010-11	80% of preschool and pre-kindergarten students will demonstrate a growth of at least 6 months from the fall administration to the spring administration on the literacy/pre-reading component of the Brigance Developmental Inventory.	No 66% of students demonstrated growth of at least 6 months.
2011-12	65% of pre-kindergarten students will score at age equivalency in pre-reading on the Brigance Developmental Inventory.	Yes 91.3% of students scored at age equivalency.
2011-12	65% of pre-kindergarten-3 and pre-kindergarten-4 students will advance one level or maintain Emerging/Satisfactory status by the spring administration on the mCIRCLE Letters assessment.	Yes 87.6% of students advanced one level or maintained Emerging/Satisfactory status.

2. Pre-school⁵ and pre-kindergarten students are school ready in mathematics.

Assessment: **There is insufficient evidence to assess this goal.**

Excel Academy PCS has only one documented and measured math target pertaining to pre-kindergarten 3- and 4-year-olds mathematics, did not provide supporting data for pre-kindergarten math proficiency for the 2009-10, 2010-11, and 2011-12 school years. While the school did not include pre-kindergarten math targets in its 2010-11 and 2011-12 Early Childhood Accountability Plans, it has included one in its 2012-13 Early Childhood Accountability Plan.

Excel Academy PCS 2008-09 Early Childhood Math Target ⁶	
Target	Met target?
70% of scholars will score at or above grade level on the Brigance Inventory of Early Development II.	Yes 78% performed at or above grade level.

⁵ Pre-school is an outdated term; the school now uses the term “pre-kindergarten 3-year-olds.” Throughout the report, PCSB will refer to pre-school as pre-kindergarten.

⁶ Excel Academy PCS Annual Report 2008-2009, included in this document as Appendix D.

3. Students at each grade level will meet or exceed standards for reading and writing: students will be able to articulate what they read and hear and express their ideas orally and in writing.

Assessment: **Excel Academy PCS has not met this goal.** The school has not met a majority of its targets related to this goal.

DC CAS Reading Proficiency

In 2011-12, Excel Academy PCS’ first class of third grade students took the DC CAS. 53.5% of these students scored proficient on the assessment, above the state proficiency average of 45.6%, but not meeting the school’s target included in its early childhood accountability plan that 65% of its students would test proficient.

Reading and Writing Targets

Excel Academy PCS’ kindergarten through third grade reading and writing targets are detailed in the table below.

Year	Target	Met target?
2008-09	70% of kindergarten scholars will score at or above level 4 on the Developmental Reading Assessment at year’s end.	No 66% of kindergarten scholars scored at level 4.
2010-11	80% of kindergarten through second-grade students will demonstrate a growth of at least 4 reading levels from the beginning-of-year administration to the end-of-year administration of the DIBELS assessment.	No 77% of students demonstrated growth of at least 4 reading levels.
2010-11	80% of kindergarten students will score at or above the 50 th percentile in reading on the year-end Terra Nova assessment.	No 69% of students scored at or above the 50 th percentile.
2010-11	80% of first-grade students will score at or above the 50 th percentile in reading on the year-end Terra Nova assessment.	No 42% of students scored at or above the 50 th percentile
2010-11	80% of second-grade students will score at or above the 50 th percentile in reading on the year-end Terra Nova assessment.	No 55% of students scored at or above the 50 th percentile
2011-12	65% of kindergarten through third-grade students will advance one level or maintain proficiency by the spring administration on the mCLASS Text Reading Comprehension assessment.	Yes 70.8% of students advanced one level or maintained proficiency.
2011-12	The median score of kindergarten through second-grade students in reading will be at or above the 50 th percentile on the Terra Nova assessment.	No The median score of students was at the 48 th percentile.

4. Students at each grade level will be able to use numerical, geometric and probability concepts to solve challenging problems and will meet or exceed standards for math.

Assessment: **Excel Academy PCS has partially met this goal.** The school only provided supporting data for this goal for 2010-11 and 2011-12.

DC CAS Math Proficiency

In 2011-12, Excel Academy PCS' first class of third grade students took the DC CAS. 62.8% of these students scored proficient on the assessment, above the state average of 49.3%. The school has not established any performance targets for DC CAS Math performance.

Terra Nova Performance

Starting in 2010-11, Excel PCS began to administer the TerraNova exam, which includes a math component, to its kindergarten, first, and second grade students. Student performance on the TerraNova math assessment is scored on a normed percentile scale from 1 to 99 that is based on national student performance. Excel PCS kindergarten students scored above the national median in both years, and second grade students scored above the median in 2010-11.

Excel Academy PCS 2010-11 TerraNova Math Results⁷	
Grade	Median score (on national percentile scale)
Kindergarten	59.1
First Grade	45.5
Second Grade	53.2
Excel Academy PCS 2011-12 TerraNova Math Results⁸	
Grade	Median score (on national percentile scale)
Kindergarten	58.1
First Grade	44.4
Second Grade	32.1

⁷ See Spring 2011 TerraNova Results Report, included in this document as Appendix E.

⁸ See Spring 2011 TerraNova Results Report, included in this document as Appendix F.

Math Targets

Excel Academy PCS has only one documented and measured math target, detailed in the table below. Moving forward, Excel Academy PCS must provide evidence that students at each grade level are meeting this goal.

Excel Academy PCS 2011-12 Math Targets	
Target	Met target?
65% of kindergarten through third-grade students will advance one level or maintain Emerging/Established status by the spring administration on the mCLASS Math assessment.	Yes 89.8% of students advanced one level or maintained Emerging/Established status.

Qualitative Evidence:

On March 3, 2013, PCSB conducted a Qualitative Site Review (“QSR”) of Excel Academy PCS, and observed the following evidence in support of this goal.

During the visit, the site review team found that the school utilized “leveled small group math instruction with emphasis on concept development and problem solving. The school has adopted a new math program, increased the length of the math block, and divided students into leveled groups for math instruction. Teacher and administrative focus groups stated that they have adopted the Common Core State Standards as their math content standards.”⁹

5. Students at each grade level will meet or exceed the standards for civics and social studies and use grade appropriate concepts of geography, time, community, and other elements to describe their own and other civilizations and engage in positive civic behavior.

Assessment: **There is insufficient evidence to assess this goal.** The school only provided two years of social studies assessment data for its first and second grade students.

Starting in 2010-11, Excel PCS began to administer the TerraNova exam to its kindergarten, first, and second grade students. This assessment includes a social studies component for first and second grade students. Student performance on the TerraNova social studies assessment is scored on a normed percentile scale from 1 to 99 that is based on national student performance. In general, Excel PCS first and second grades students scored under the national median of 50 on this test, with second grade students scoring slightly above the national median in 2010-11.

⁹ See Excel Academy PCS 2012-2013 QSR Report, p. 1, included in this document as Appendix G.

Excel Academy PCS 2010-11 TerraNova Social Studies Results¹⁰	
Grade	Median score (on national percentile scale)
First Grade	33.8
Second Grade	50.3
Excel Academy PCS 2011-12 TerraNova Social Studies Results¹¹	
Grade	Median score (on national percentile scale)
First Grade	38.5
Second Grade	29.0

6. Students at each grade level will demonstrate science proficiency by meeting or exceeding the grade specific standards for science, describing and dissecting elements of the natural world around them, and taking concrete action toward a healthy self and community.

Assessment: **There is insufficient evidence to assess this goal.** The school only provided two years of science assessment data for its first and second grade students.

Starting in 2010-11, Excel PCS began to administer the TerraNova exam to its kindergarten, first, and second grade students. This assessment includes a science component for first and second grade students. Student performance on the TerraNova science assessment is scored on a normed percentile scale, ranging from 1 to 99, that is based on national student performance. Excel PCS first and second grades students scored under the national median of 50 on this test.

Excel Academy PCS 2010-11 TerraNova Science Results¹²	
Grade	Median score (on national percentile scale)
First Grade	35
Second Grade	46.3
Excel Academy PCS 2011-12 TerraNova Science Results¹³	
Grade	Median score (on national percentile scale)
First Grade	46
Second Grade	28.9

¹⁰ See Appendix E.

¹¹ See Appendix F.

¹² See Appendix E.

¹³ See Appendix F.

7. Students learn the IDEALS values (integrity, discipline, enjoyment, achievement, leadership, sisterhood).

Assessment: **Excel Academy PCS has met this goal.**

In 2012, Excel Academy PCS introduced a new character education program based on “IDEALS values” (integrity, discipline, enjoyment, achievement, leadership, and sisterhood). The school tracks its students exhibiting these character traits using the Kickboard, an online data tracking system.

Excel Academy PCS details in its annual reports that “[t]he IDEALS are reinforced throughout the day, beginning with our Breakfast for the Brain program in morning meeting. Teachers use IDEALS values to set classroom and school-wide behavior. Time each day is devoted to explicit teaching and modeling of our IDEALS values.¹⁴”

Discipline Data

In its charter application, Excel Academy PCS detailed that its student discipline rates was an indicator associated with its character education goal. The following tables detail Excel Academy PCS’ suspension and expulsion rates since 2011-12. Green shading indicates that Excel Academy PCS’ rate is below the charter sector average.

Percent of Students Receiving Out of School Suspensions	SY 11-12	SY 12-13 (through December)
Charter Sector Average	13.2%	6.6%
Excel Academy PCS	7%	1.8%

Percent of Students Receiving Out of School Suspensions of 10+ Days	SY 11-12	SY 12-13 (through December)
Charter Sector Average	1.1%	0.3%
Excel Academy PCS	0%	0%

Percent of Students Expelled	SY 11-12	SY 12-13 (through December)
Charter Sector Average	0.7%	0.2%
Excel Academy PCS	0%	0%

¹⁴ Excel Academy 2011-2012 Annual Report, included in this document as Appendix H.

Qualitative Evidence

During Excel Academy's QSR, the PCSB review team found the following evidence to support that the school has met this goal.

- During the visit, the site review team “observed IDEALS values signs posted on classroom walls; in classroom observations and the focus groups, students were able to recite the IDEALS values. The review team observed teachers using IDEALS value words when providing feedback or praise to students.”¹⁵
- The site review team observed that the school provided a safe and orderly learning environment: “Visitors are required to sign in at the front desk and key cards are needed to move between the levels. Student focus group participants shared very positive comments about the school, indicating that they feel safe in the school and were learning...all students and staff in the school were aware of the school's discipline policies and could recite them when prompted by the QSR team.”¹⁶

8. Students will participate in regular physical activity, learn to make healthy food choices, practice personal hygiene, and dress appropriately.

Assessment: **There is insufficient evidence to assess this goal.** While PCSB observed qualitative evidence during an on-site review in 2012-13, there is not sufficient evidence to assess whether the school met this goal over the course of five years. Excel Academy PCS reports that all students attend a physical education class once a week for 30-40 minutes, and that its students participate in healthy food initiatives.¹⁷

Qualitative Evidence:

During Excel Academy's Qualitative Site Review conducted in 2012-13, the PCSB review team found evidence to support that the school has met this goal.

During the visit, the site review team observed “a focus on this goal through the physical education program; participation in DC's School Garden Program, Girls on the Run team, in which students participated in a 5K race, and field day activities; and the use of a school uniform.”¹⁸

¹⁵ See Appendix G, p. 2.

¹⁶ See Appendix G, p. 15.

¹⁷ Excel Academy PCS Submission, included in this document as Appendix I.

¹⁸ See Appendix G, p. 2.

9. Students will learn to become comfortable in a variety of settings through monthly field trips: museums, plays, concerts, and visits to other schools.

Assessment: **Excel Academy PCS has met this goal.**

The school has consistently reported in its annual reports that its students participate in a number of field trips throughout the school year.¹⁹ The school reports that its students have participated in the following field trips.

Air and Space Museum	Capitol Building	National Building Museum
Anacostia Library	Clark Elioak Farm	National Charter Schools Week
Anacostia Park	Cox Farm	National Zoo
Anacostia Watershed	Holton Arms School	Port Discovery
Arcadia Farm	Imagination Theater	Stone Ridge School of the Sacred Heart
Baltimore Aquarium	Kennedy Center	Teach for America Gala
Butler’s Orchard	Madeira School	White House
	Museum of Natural History	

10. Parents and families will play active roles in their daughters’ education.

Assessment: **Excel Academy PCS has met this goal.**

In its 2008-2009 annual report, Excel Academy PCS reported that 95% of parents participated in school events, including a Parent Community Council, parent/daughter breakfasts, classroom volunteer work, and field trips, among other things.²⁰

The school reports that it holds quarterly parent/teacher conferences to “provide regular opportunities for parents and teachers to discuss student progress,” and that on average 80% of Excel students’ parents and/or guardians participate in these conferences.²¹

Starting in 2012-13, Excel Academy PCS reports that it began holding Advisory Showcases, where students’ present to their families about what they learned that advisory period.²²

The school reports that in 2013-14, it was awarded a partnership grant, along with the Flamboyant Foundation, a private foundation based in Washington, DC. The school plans to use this grant to further strengthen the relationship between parents and the school.

¹⁹ See Appendix D, p. 11; Excel Academy 2009-2010 Annual Report, p. 7, included in this document as Appendix J; Appendix H, p. 9.

²⁰ See Appendix D.

²¹ See Appendix I.

²² See Appendix I.

Qualitative Evidence:

During Excel Academy’s Qualitative Site Review conducted in 2012-13, the PCSB review team found evidence to support that the school has met this goal:

During the visit, the site review team found that the school “has adopted an open door policy for parents and families and they have set a goal of 85% parent participation in parent-teacher conferences per advisory. In the first advisory, the administration focus group noted that the school surpassed the goal and achieved 86% parent participation. The staff invites parents and families to dinner meetings, parent-teacher conferences, and planning meetings. Parents also sign their daughters’ weekly academic progress reports.”²³

11. The school will recruit and retain students to maintain enrollment projections.

Assessment: **Excel Academy PCS has met this goal.**

Enrollment

Excel Academy PCS’ enrollment has steadily increased since the school opened in 2008-09.

	2008-09	2009-10	2010-11	2011-12	2012-13
Enrollment	134	209	328	401	515
Ceiling	156	253	333	407	517

Reenrollment

Excel Academy PCs has reported the following reenrollment rates in its annual reports. Green shading indicates that Excel Academy PCS’ rate is above the charter sector average.

	2009-10	2010-11	2011-12
Excel PCS Reenrollment Rate	81%	82%	85%
Charter Sector Reenrollment Rate	Not available	73.7%	77.5%

²³ See Appendix G, p. 3.

12. Excel will demonstrate effective systems of home-school communication.

Assessment: Excel Academy PCS has met this goal.

Excel Academy PCS reports that it sends weekly progress reports to parents and families regarding each student's academic and behavioral performance. These reports include interim grades for each subject, overall GPA, an assessment of the student's behavior, and weekly homework assignments. The students are required to return these reports back to the school with their parent or guardian's signature to ensure they are reviewed.²⁴

In its 2011-12 annual report, the school detailed other methods for communicating with parents, including "...school newsletters, weekly class updates, board meetings, and the Annual Report," adding that school leadership attends parent meeting, and that the parent members of the school's Board of Trustees convey information to parents as well.²⁵

²⁴ Example of report for parents included in Appendix I.

²⁵ See Appendix H, p. 17.

COMPLIANCE WITH APPLICABLE LAWS

The SRA requires PCSB to review whether a charter school is in compliance with applicable laws at least once every five years.²⁶ The SRA contains a non-exhaustive list of applicable laws, and the PCSB also monitors charter schools for compliance with additional laws. The following section identifies these laws and includes a determination of whether Excel Academy PCS has consistently complied with these laws over the past fifteen years.

General Laws

Excel Academy PCS has remained in full compliance with applicable laws since 2008-09.

Health and Safety

The SRA requires schools to maintain the health and safety of its students.²⁷ The school must maintain copies of all building inspections, all Fire Marshall inspections, and emergency drills. Excel Academy PCS has remained in compliance with these requirements.

Discipline

PCSB reviews school disciplinary policies to ensure that they afford students due process²⁸ and that students and parents are made aware of these due process safeguards. Over the past five years, Excel Academy PCS has had disciplinary policies that ensure students' due process, and has communicated those policies to students and parents.

Enrollment and Attendance

The SRA requires that schools have a fair and open enrollment process that randomly selects applicants and does not discriminate against students. PCSB requires that schools announce a cutoff date for enrollment. Excel Academy PCS has been in compliance with these requirements over the past five years.

Maintenance and Dissemination of Student Records

The Family Educational Rights and Privacy Act requires that schools properly maintain and disseminate student records.²⁹ Excel Academy PCS has been in compliance with these requirements over the past five years.

Title I of the Elementary and Secondary Education Act

Because Excel Academy PCS receives Title I funds, it is required to adhere to a number of requirements under the Elementary and Secondary Education Act (“ESEA”), including hiring “Highly Qualified

²⁶ SRA § 38.1802.12 (c)(2).

²⁷ SRA § 38.1802.04 (c)(4)(A).

²⁸ As required by *Goss v. Lopez*, 419 U.S. 565 (1975).

²⁹ 20 U.S.C. § 1232g.

Teachers” and communicating certain information to parents about its participation in No Child Left Behind (“NCLB”) program.³⁰ Excel Academy has been in compliance over the past five years

Civil Rights Statutes and Regulations

Charter schools must comply with all applicable local and federal civil rights statutes.³¹ There is no indication that Excel Academy PCS has violated any civil rights statutes.

Governance

The SRA requires that a school's board of trustees have an odd number of members, not exceeding fifteen, two of which must be parents of students currently attending the school. A majority of the board must be District of Columbia residents.³² Excel Academy PCS has been fully compliant with these requirements over the past five years.

Special Education Laws

Charter Schools are required to comply with Subchapter B of the Individuals with Disabilities Education Act³³ and Section 504 of the Rehabilitation Act of 1973.³⁴ In 2012, PCSB conducted a desktop audit to assess Excel Academy PCS’s compliance with these laws and the educational progress of its special education students.³⁵

Academic Performance of Excel Academy PCS Special Education Students

Federal special education laws are in place, among other reasons, to ensure that schools adequately assist students with disabilities in making academic progress. As part of the special education desktop audit, PCSB reviews how schools’ students with disabilities performed on the DC CAS. However, in 2011-12, Excel PCS’ first year that its students took the DC CAS, it did not have enough special education students to constitute a subgroup.

Compliance Review of Excel Academy PCS by District of Columbia Office of the State Superintendent

As part of its desktop audit, PCSB examines special education compliance and monitoring documentation prepared by the District of Columbia Office of the State Superintendent (“OSSE”). OSSE reports provide a comprehensive overview of the entire LEA versus campus-specific information. On OSSE’s Performance Determination report from 2010, Excel Academy PCS was 85% compliant with

³⁰20 U.S.C. § 6300, *et. seq.*

³¹SRA § 38-1802.02 (11). This includes the Age Discrimination Act of 1985, the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, § 504 of the Rehabilitation Act of 1973, part B of the Individuals with Disabilities Act of 1990.

³²SRA § 38-1802.05 (a).

³³ 20 USC §1413(a)(5).

³⁴ 20 USC §794.

³⁵ See Excel Academy PCS – Online Desktop Audit, included in this document as Appendix K.

special education requirements, with OSSE noting that the school “Meets Requirement” in fulfilling all applicable federal and local special education regulations.³⁶

In 2011-12, OSSE conducted an on-site Compliance Monitoring Report, where it found that Excel Academy PCS did not execute its initial evaluations in complete compliance with federal law, had not properly verified some special education data reported to OSSE, and was out of compliance with two fiscal requirements for handling federal special education funding. Significantly, the school was out of compliance with several federal requirements for conducting IEP meetings, and over half of the student files that were randomly reviewed did not detail required student progress data, among other required information. As of May 2013, OSSE reports that Excel Academy PCS has cured these points of noncompliance.

In December 2011, and again in December 2012, OSSE found that the school did not complete an initial special education evaluation of a student in a timely manner.³⁷ However, OSSE reports that the school has since conducted these evaluations and remedied the points of noncompliance.

Financial Laws

Procurement Contracts

SRA §38-1802.04(c)(1) requires DC charter schools to utilize a competitive bidding process for any procurement contract \$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 entered into.

From 2009 through 2011, Excel Academy PCS entered into fifteen \$25,000+ contracts, and submitted all corresponding Determinations and Findings forms to PCSB for review. Last year, according to Excel Academy PCS’s 2011-12 financial audit, the school entered into eleven such contracts. The school submitted all corresponding Determinations and Findings forms to PCSB. As such, Excel Academy PCS is found to be in compliance with this SRA provision.

Timely Audits

The SRA requires schools to submit to PCSB an annual financial audit conducted by an independent certified public accountant or accounting firm.³⁸ Over the past four years, Excel Academy PCS has submitted all financial audits in a timely manner.

³⁶ See 2010 OSSE report, included in this document as Appendix L. OSSE uses the same determination levels as the United States Department of Education: (1) meets requirements; (2) needs assistance; (3) needs intervention; or (4) needs substantial intervention.

³⁶ See December 12, 2011 OSSE Quarterly Findings Report, included in this document as Appendix M.

³⁸ SRA §38-1802.04(c)(11)(ix).

Submission of Information about Donors and Grantors

The SRA requires schools to submit to PCSB an annual list of all donors and grantors that have contributed monetary or in-kind donations having a value equal to or exceeding \$500.³⁹ Excel Academy PCS has fulfilled this requirement by reporting this information in its annual reports.⁴⁰

³⁹ SRA §38-1802.04(c)(11)(xi).

⁴⁰ See Appendices D, H, and J.

FISCAL MANAGEMENT AND ECONOMIC VIABILITY

The SRA requires the 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.

As part of the five-year charter review process, PCSB has reviewed Excel Academy PCS's financial record regarding these areas.

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, Excel Academy PCS has not engaged in fiscal mismanagement. The school's audit reports reflect sound accounting and internal controls, and no instances of incompliance that are required to be reported per the U.S. Government Accountability Office's Auditing Standards. The school has consistently submitted all necessary financial documents to PCSB in a timely manner.

Economic Viability

A review of annual audits indicates Excel Academy PCS is economically viable.⁴¹ One indicator of economic viability is a positive year-end annualized net income. Excel Academy PCS produced positive net income results in the past five audited financial periods. The school produced a positive net income result of about \$300,000 in FY2012 compared to \$484,000 in the prior fiscal year.

Total net asset reserve is another indicator of economic viability. PCSB recommends that schools accrue net asset reserves equal to three to six months of operational expenditures. As a result of positive net income results, Excel Academy PCS's total net asset reserves stood at \$1.4 million in FY2012, which represents an approximate \$1.17 million cumulative increase from the total net asset reserves in FY2008. In FY2012, the school's total net asset reserves equals to about 3 months of expenditures with monthly expenditures averaging about \$539,300.

⁴¹ See Excel Academy PCS activities and financial analysis sheet, attached to this document as Appendix N.

Fiscal Period	2008	2009	2010	2011	2012
Net Income	\$245,994	\$293,055	\$96,994	\$483,579	\$299,751
Cumulative Reserves	\$265,270	\$558,325	\$655,319	\$1,138,898	\$1,438,649

Net working capital⁴² and liquidity ratio⁴³ are indicators of short-term economic viability. Sufficient net working capital allows a school to meet immediate financial obligations. The table below details Excel Academy PCS' net working capital during the past five years, which sufficiently allowed the school to manage its short-term financial obligations successfully. The net working capital increased to about \$1.2 million in FY2012 from \$256,000 in FY2008.

A liquidity ratio greater than one also points to a school's ability to satisfy its immediate financial obligations. Excel Academy PCS' liquidity ratio (detailed in the table below) was greater than one during the last five fiscal periods, and has been relatively stable over the last three fiscal years. The school's declining liquidity ratio from FY2009 to FY 2010 is indicative of a school in the early stage of its business lifestyle. Generally, when a school first opens, it has low liabilities, which grows as the school incurs more operational expenditures and accrues more liabilities.

Fiscal Period	2008	2009	2010	2011	2012
Net working capital	\$256,019	\$412,273	\$476,003	\$945,415	\$1,229,562
Liquidity ratio	292.26	6.82	3.73	3.19	3.63

Excel Academy PCS makes spending decisions appropriate for managing education programs. From FY2008 to FY2012, Excel Academy PCS's personnel expenses averaged approximately 59%, which was followed by occupancy expenses at about 11%, direct student costs at about 8%, and general and administrative expenses at about 7%.⁴⁴ Program service costs and general and office expenses are in line with comparable industry amounts and PCSB financial metrics for general education charter schools.

⁴² To calculate net working capital, subtract current liabilities from current assets.

⁴³ To calculate a liquidity ratio, divide current assets by current liabilities.

⁴⁴ Note that the expenditures as a percentage of revenue do not total 100% because revenues exceeded expenditures on average.

EXCEL PCS: Expenditures as % of Revenues (FY2008 - FY2012 averages)⁴⁵

