



# **2012-13 Charter Preliminary Renewal Report**

## **Integrated Design and Electronics Academy Public Charter School**

**January 31, 2013**

DC Public Charter School Board  
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## **RECOMMENDATION**

DC Public Charter School Board (“PCSB”) staff recommends Integrated Design and Electronics Academy Public Charter School’s (“IDEA PCS”) charter not be renewed at this time based on the school’s failure to meet its goals and student academic achievement expectations as set forth in its charter and subsequently developed accountability plans.

However, given that this school is undergoing a PCSB Board-approved restructuring of its academic program and operations, PCSB staff recommends to the Mayor that, pursuant to the School Reform Act (“SRA”) §38-1802.12(d)(5)(B), IDEA PCS be placed on probation, subject to the terms and conditions recommended by PCSB.

## **EXECUTIVE SUMMARY**

IDEA PCS began operating in 1998 under the authority of the District of Columbia Board of Education (“DC BOE”) and is currently in its fifteenth year of operation. In 2002-03, the DC BOE conducted a five-year review of IDEA PCS and determined that the school continue operating, notwithstanding the school’s mixed performance of meeting the goals and academic achievement expectations laid out in its charter and further developed in subsequently created Accountability Plans (collectively, the “Charter”).

In 2007, after the passage of the Public Education Reform Amendment Act dissolved the DC BOE, PCSB became the authorizer for IDEA PCS. Between 2007 and 2012, PCSB conducted several reviews of IDEA PCS, each of which indicated that the school had serious academic and operational failings that prevented its students from learning effectively.<sup>1</sup>

In December 2011, the PCSB Board approved a proposal to revoke the charter of IDEA PCS.<sup>2</sup> However, in February 2012, the PCSB Board voted to forgo closure, and agreed to the terms of “mutually agreed upon conditions between PCSB and [IDEA PCS] to address IDEA [PCS]’s poor academic performance and violation of their charter.”<sup>3</sup> One of these conditions, among others, was that IDEA PCS would create a Restructuring Team that would conduct a thorough review of “IDEA [PCS]’s current systems and processes including: staffing, governance, academic program and performance, finances, and operations.” These conditions also called for IDEA PCS to submit a report to the PCSB Board detailing the IDEA PCS Restructuring Team’s review findings, along with the Restructuring Team’s recommendations regarding how these school systems should be improved under a restructured school leadership team.<sup>4</sup> IDEA PCS

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<sup>1</sup> To see a timeline of PCSB reviews, see memorandum attached to this document as Appendix A.

<sup>2</sup> See Letter to Colonel Joseph Stull, dated December 21, 2011, attached to this document as Appendix B.

<sup>3</sup> See Letter to Colonel Joseph Stull, dated March 15, 2012, attached to this document as Appendix C. See “Conditions for Continuance Agreement,” attached to this document as Appendix D.

<sup>4</sup> See IDEA PCS May 15th report, attached to this document as Appendix E.

submitted this report on May 15<sup>th</sup>, 2012 and is currently executing the Restructuring Team’s recommendations, while PCSB is monitoring the school’s progress in doing so.

This year, IDEA PCS’s charter will expire, and it has submitted an application to renew its charter for another fifteen-year term. As part of the renewal process, PCSB must assess whether IDEA PCS has: (1) met the goals and academic achievement expectations (“goals and expectations”) included in its Charter; (2) remained materially compliant with applicable laws; and (3) managed its finances effectively and remained economically viable.<sup>5</sup> PCSB has conducted this assessment and determined that IDEA PCS has not met the goals and academic achievement expectations detailed in its Charter. The following report details this finding, and also assesses IDEA PCS’s legal compliance and fiscal management over the course of its Charter.

Given its determination that IDEA PCS failed to meet its goals and expectations, PCSB is bound by the School Reform Act to deny IDEA PCS’s application for renewal.<sup>6</sup> However, the School Reform Act provides two “alternatives upon nonrenewal” and specifically limits only the DC BOE to exercising each of these alternatives. One alternative is for the DC BOE to manage the school directly while it arranges for the school to be closed; the second alternative is for the DC BOE to “place the school in a probationary status that requires [it] to take remedial actions, to be determined by the Board of Education, that directly relate to the grounds for the denial.”<sup>7</sup> As noted above, the DC BOE was dissolved in 2007 by the Public Education Reform Amendment Act, which also transferred the local education agency functions of the DC BOE to the Mayor.<sup>8</sup>

Given the restructuring plan that was approved last year by the PCSB Board, PCSB recommends the second alternative to non-renewal be pursued, and that IDEA PCS be placed on probation according to terms recommended by PCSB in a separate document, “IDEA PCS Proposed Probationary Terms.”

## **GOALS AND ACADEMIC ACHIEVEMENT EXPECTATIONS**

The District of Columbia School Reform Act (“SRA”) provides that PCSB shall not approve a charter renewal application if it determines that the school has failed to meet its goals and academic achievement expectations set out in its charter agreement.<sup>9</sup> Goals are general aims usually charter mission related, which may be categorized as academic, non-academic, and organizational, whereas student academic achievement expectations (“expectations”) are student academic aims measured by assessments. Goals and expectations are only considered as part of the renewal decision if they were approved by the PCSB

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<sup>5</sup> See DC Code § 38-1208.12(a)(3).

<sup>6</sup> See DC Code § 38-1802.12(c)

<sup>7</sup> DC Code § 38-1802(d)(5)(B).

<sup>8</sup> DC Code § 38-175.

<sup>9</sup> SRA §38-1802.12(c)(2).

Board in a school’s charter agreement, charter amendment, or Accountability Plans (collectively, the “Charter”).

IDEA PCS detailed ten goals in its charter application, which are included in the chart below.<sup>10</sup> However, some of these goals were removed, others modified, and others further detailed in two subsequent Accountability Plans.<sup>11</sup> For the purposes of this review, PCSB analyzed five goals included in the school’s charter application and which the school consistently pursued over the course of its Charter, as well as one additional goal, regarding student reenrollment, which was added in a 2008 Accountability Plan. 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.”

IDEA PCS has failed to meet four of the six goals it has consistently pursued over the course of its Charter, while partially meeting two goals. The chart below summarizes these determinations, which are detailed in the body of this report.

|    | <b>Goal or Expectation</b>   | <b>Met?</b>               |
|----|--|---------------------------|
| 1  | Ensure graduation rates are over 90%.  | Partially                 |
| 2  | Ensure all June graduates go to college or into meaningful employment (minimum wage or higher) by September. | Not historically measured |
| 3  | Raise Grade Point Averages (GPA) an average of 5% per year.  | Not historically measured |
| 4  | Students will improve on their standardized test scores. <sup>12</sup>                                       | No                        |
| 5  | Create an environment that encourages attendance and reduces absenteeism.                                    | Yes                       |
| 6  | Ensure all eligible seniors are afforded the opportunity to obtain financial aid.                            | Not historically measured |
| 7  | Improve student citizenship.   | Partially                 |
| 8  | Integrate learning and work experience by focusing on experiential, hands-on work related experiences.       | Not historically measured |
| 9  | Incorporates youth development activities.   | Not historically measured |
| 10 | Receive more than a high school diploma.   | No                        |
| 11 | IDEA students will reenroll at IDEA to complete the course of study.   | No                        |

<sup>10</sup> See IDEA PCS Charter School Application, attached to this document as Appendix F.

<sup>11</sup> See IDEA PCS Accountability Plan (2004-2009) and IDEA PCS Accountability Plan (2008-2013), attached to this document as Appendix G and Appendix H.

<sup>12</sup> This goal was originally written as “Improve PSAT, SAT and ASVAB test scores between 7-10

**1. Ensure graduation rates are over 90%.**

**Assessment: IDEA PCS has partially met this goal.**

In its charter application, IDEA PCS set a goal that it would “[e]nsure graduation rates are over 90%.”<sup>13</sup> In the school’s fifth year review, this goal was further refined: it was noted that graduating students would “meet or exceed all District of Columbia Carnegie graduation requirements as set forth by the Board of Education of the District of Columbia.”<sup>14</sup>

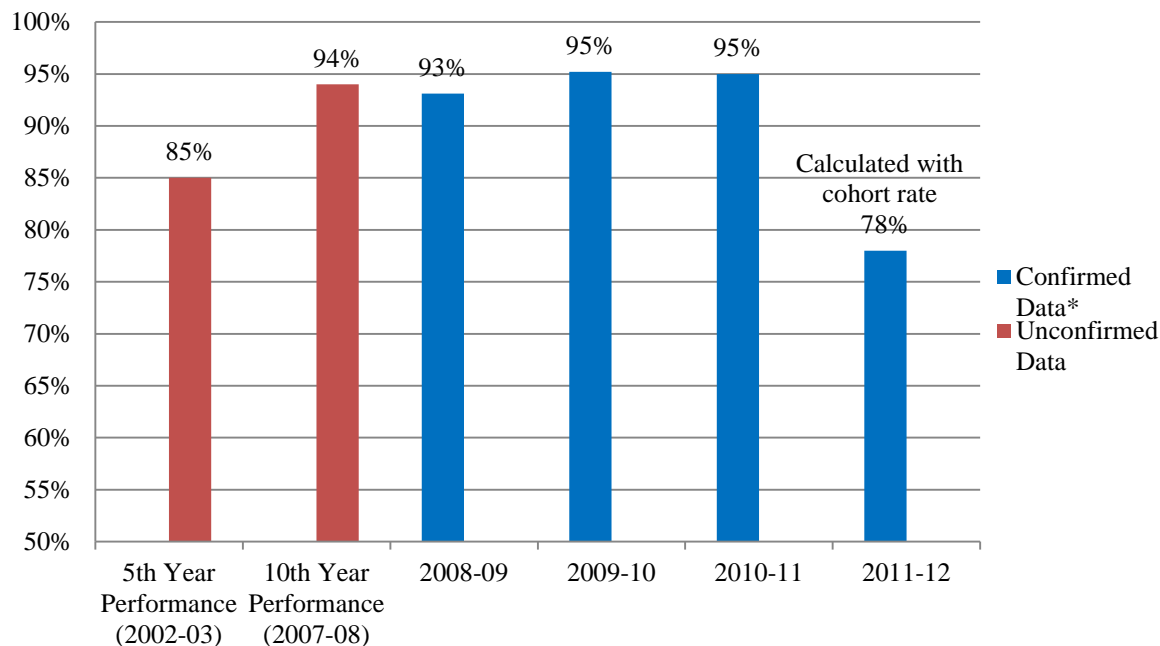
IDEA PCS did not meet this goal in its fifth year in operation, but did meet the goal at its tenth year in operation, as well as the three subsequent years. In 2011-12, IDEA PCS did not meet the goal. However, in that year the school’s graduation rate was calculated, as required by OSSE, using the Adjusted Cohort Graduation Rate. Graduation rates throughout the District of Columbia dropped when calculated using this method.

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<sup>13</sup> See Appendix F.

<sup>14</sup> See IDEA PCS 5-Year Review, p. 18, attached to this document as Appendix I.

## IDEA PCS Graduation Rates



\*Data confirmed by PCSB and/or OSSE<sup>15</sup>

### 2. **Ensure all June graduates go to college or into meaningful employment (minimum wage or higher) by September.**

IDEA PCS stopped pursuing this goal after its five-year review; its subsequently created Accountability Plans do not reference this goal. However, in its renewal application, IDEA PCS discussed how its mission is “the preparation of students with the academic, social, leadership and occupational skills for post-secondary opportunities” and presents data regarding the different education and career paths pursued by IDEA PCS graduates. This data indicates that IDEA PCS has increasingly focused its efforts to ensure that 100% of its students are accepted into college. Indeed, in both 2011-12 and 2012-13, 100% of IDEA PCS graduating students were accepted into college.

Also in its renewal application, IDEA PCS describes how it is preparing its students for post-secondary opportunities according to the school’s Restructuring Plan. It details how the school is providing students with targeted assistance regarding the college entrance process, and how it will “continue to dedicate staff

<sup>15</sup> See IDEA PCS Graduation Rates memorandum, attached to this document as Appendix J, to review the sources for this data. Fifth-year performance data is sourced from IDEA PCS’ Fifth Year Review, attached to this document as Appendix I.

to students' post-secondary pursuits in college, the armed services, and post-secondary training/careers and to tracking the post-secondary choices of the graduates more precisely."<sup>16</sup>

### **3. Raise Grade Point Averages (GPA) an average of 5% per year.**

IDEA PCS stopped pursuing this goal after its five-year review; its subsequently created Accountability Plans do not reference the goal. However, IDEA PCS did detail its students' average GPAs: from school years 2006-07 to 2011-12, students' average GPAs were between 1.97 and 2.07.<sup>17</sup>

IDEA PCS also details its restructured leadership team's efforts to more accurately track grades, its implementation of a new grading methodology intending to support student achievement, and its efforts to make IDEA PCS students active participants invested in the school's grading system and proactively pursuing higher grades. It details that as the restructuring process continues, the school will then examine "how grades from outside institutions, credit recovery, and summer school factor into a student's GPA."<sup>18</sup>

### **4. Students will improve on their standardized test scores.**

Assessment: **IDEA PCS has failed to meet this goal.**

In its charter application, IDEA PCS set a goal to "[i]mprove PSAT, SAT and ASVAB [Armed Services Vocational Aptitude Battery] test scores between 7-10% each year."<sup>19</sup> This goal was modified to more general terms in the school's 2003-08 Accountability Plan: "Students will improve on their standardized test scores."<sup>20</sup> It was noted in this Accountability Plan that this goal regarded four standardized tests: the PSAT, SAT, ASVAB, and the DC-CAS.<sup>21</sup> Thus, in analyzing whether IDEA PCS has met this goal, its students' performance on these four tests is considered.

IDEA PCS' PSAT and SAT scores have consistently remained below the District of Columbia average, and its DC-CAS scores have declined since its tenth year in operation, while the District of Columbia average DC-CAS performance level has increased. IDEA PCS students' have had mixed results in obtaining ASVAB scores that would qualify them to join the army: some years, 60% of students taking the test make a qualifying score, whereas in other years, less than 30% of students achieve a qualifying score. Because IDEA's students have not improved on their performance on standardized tests over the course of the school's charter, PCSB concludes that IDEA PCS has failed to meet this goal. The graphs below illustrate IDEA PCS's students' performance on the above mentioned standardized tests.

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<sup>16</sup> See IDEA PCS Renewal Application, p. 7, attached to this document as Appendix K.

<sup>17</sup> See Appendix K.

<sup>18</sup> See Appendix K.

<sup>19</sup> See Appendix F.

<sup>20</sup> See Appendix H.

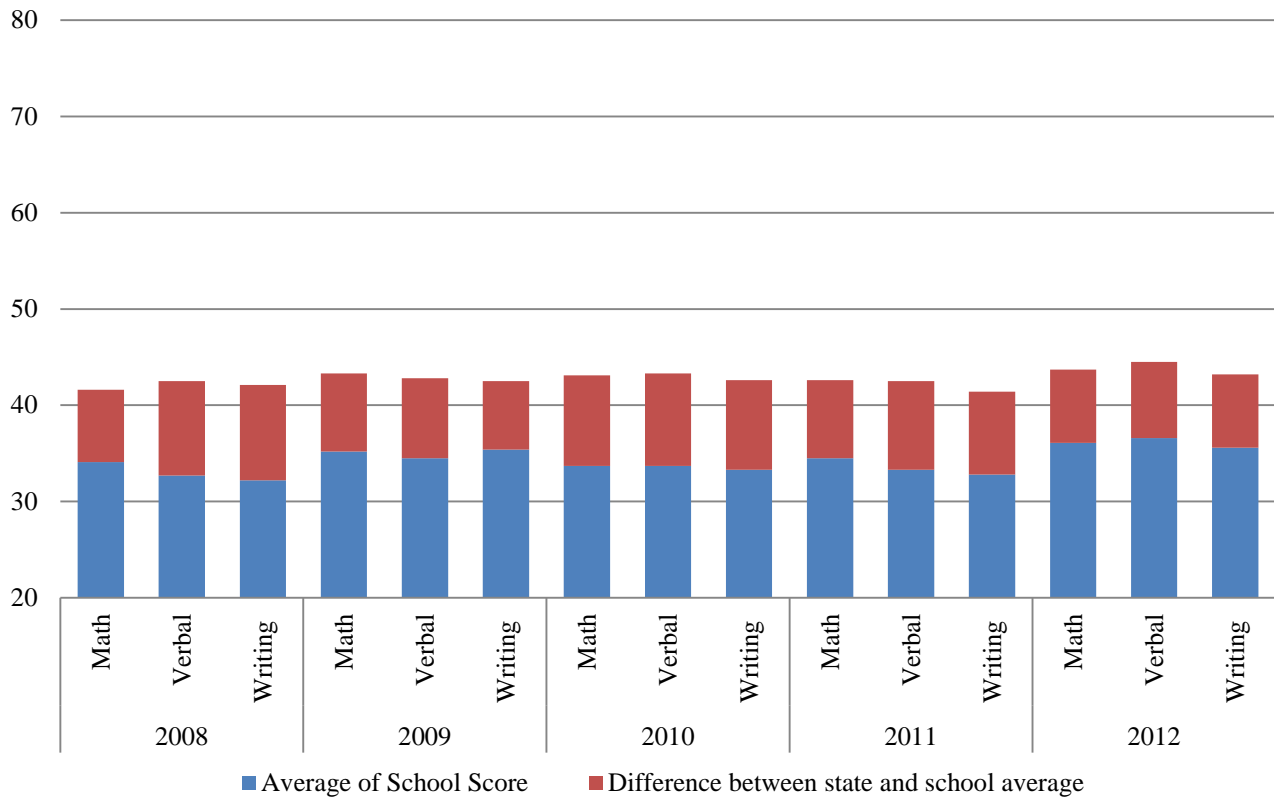
<sup>21</sup> See Appendix H.



IDEA PCS PSAT Performance

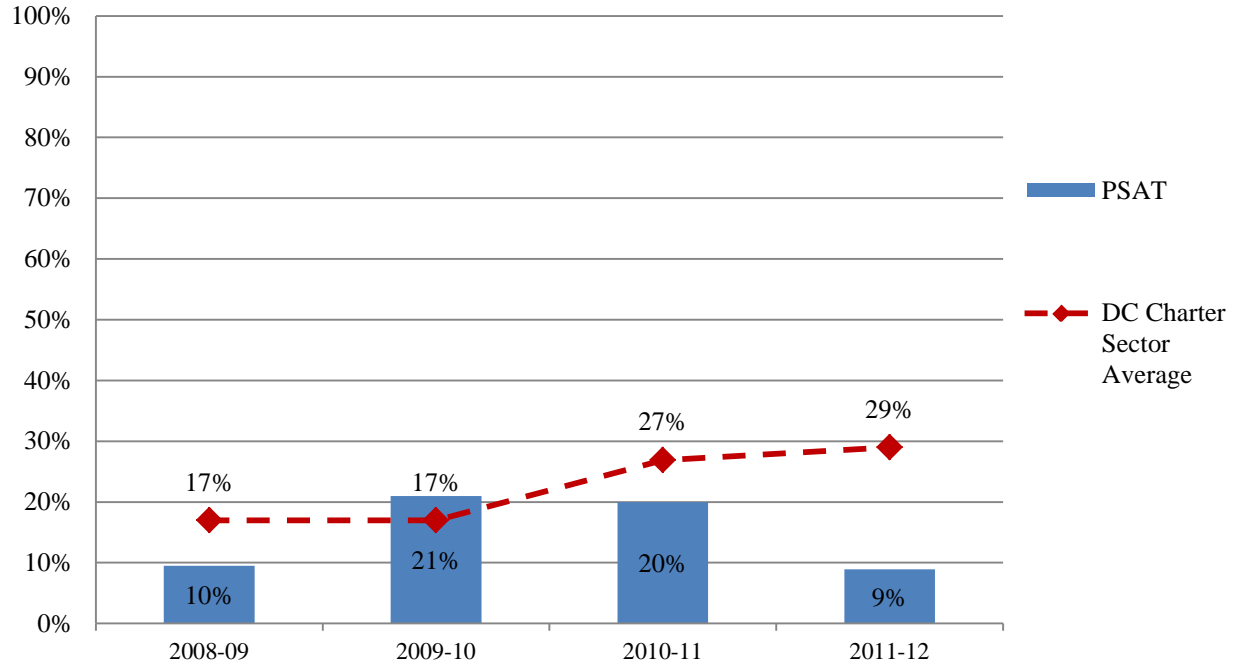
IDEA PCS average eleventh grade PSAT scores have been consistently below the District of Columbia average for the past five years.

**IDEA PCS Eleventh Grade Average PSAT Scores**



The below graph represents IDEA PCS’s PSAT performance as calculated for the PMF. In each school year since 2009, except for school year 2010-11, less than 10% of IDEA PCS’s eleventh grade students have scored 80 or higher on the PSAT. Even in school year 2010-2011 when the performance IDEA PCS’s eleventh grade students spiked, the percentage of students scoring 80 or higher on the PSAT was 30 percentage points below the PCSB-set PMF target.

## Percentage of Eleventh Grade Students with a Combined Score of 80 or higher on Reading and Math PSAT

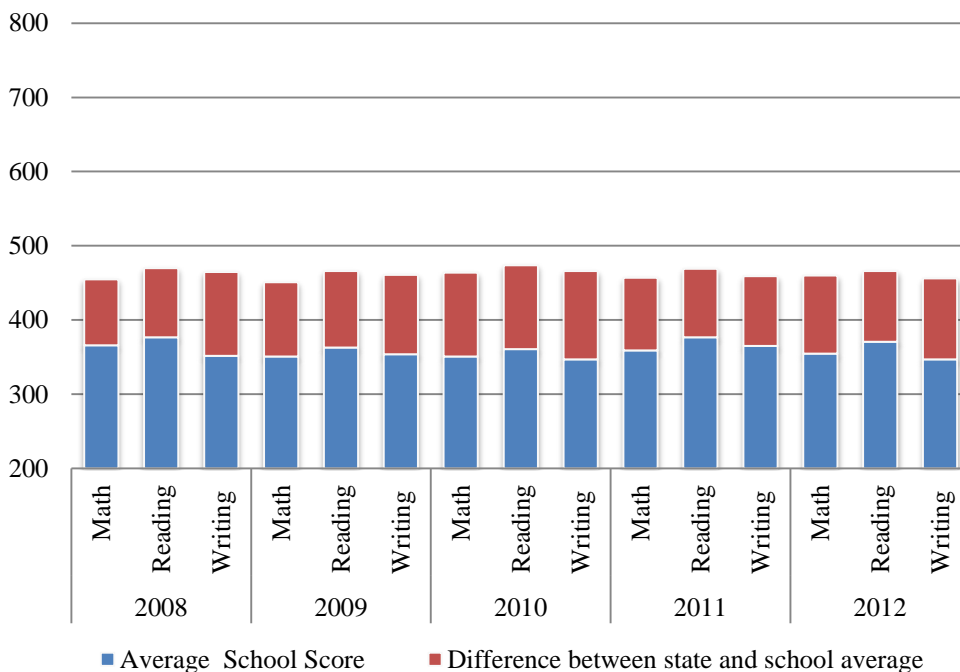


Source: PCSB PMF (\* = not validated)

**IDEA PCS SAT Performance**

As with PSAT scores, IDEA PCS’s average twelfth grade SAT scores have been consistently below the District of Columbia average for the last five years. Given the strong correlation between PSAT and SAT scores, IDEA PCS’ SAT scores are consistent with its PSAT scores, discussed above.<sup>22</sup>

**IDEA PCS Twelfth Grade Average SAT Scores**

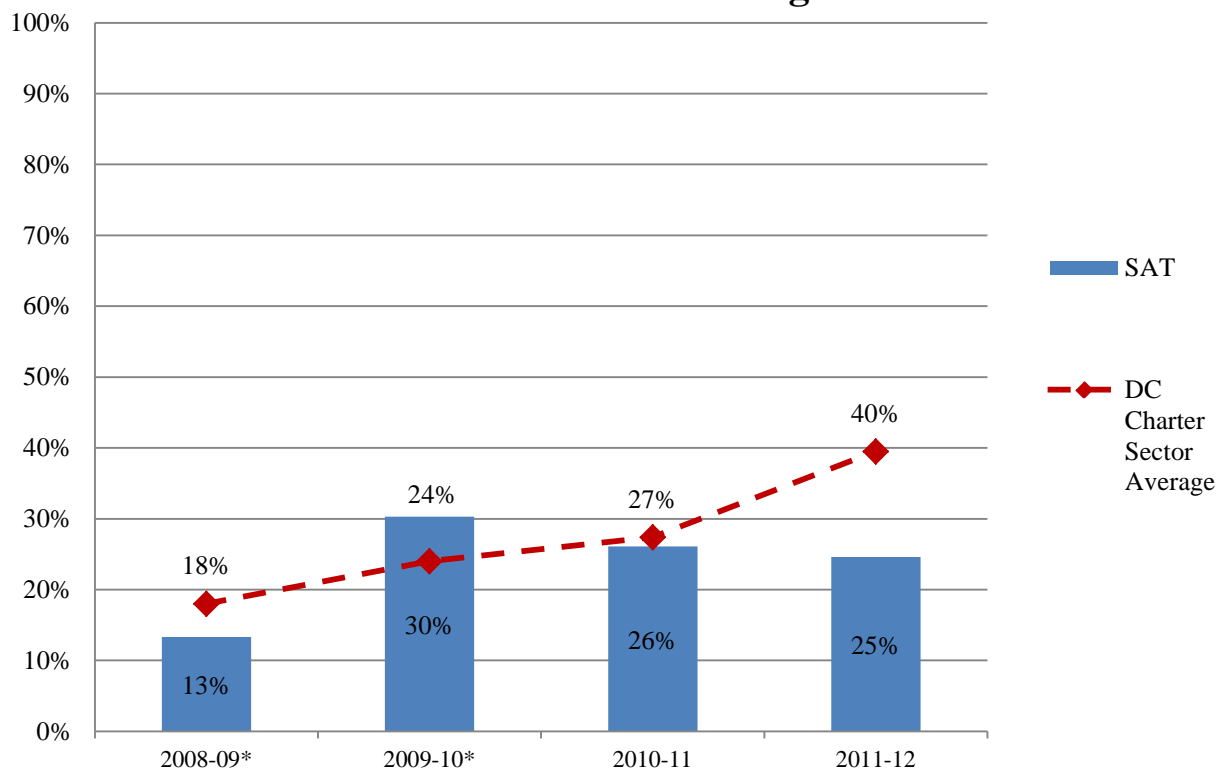


Source: College Board

<sup>22</sup> Proctor, Thomas P., Wyatt, Jeffrey, and Wiley, Andrew. (2010). *PSAT/NMSQT Indicators of College Readiness*, p. 3. Retrieved from <http://research.collegeboard.org/sites/default/files/publications/2012/7/researchreport-2010-4-psat-nmsqt-indicators-college-readiness.pdf>.

The below graph represents IDEA PCS's SAT performance as calculated for the PMF. The percentage of IDEA PCS seniors achieving a combined score of 800 on the reading and mathematics section of the SAT exam increased from 2008-09 to 2009-10, but has since decreased, in contrast to the DC charter sector's increasing rate.

### Percentage of Twelfth Grade Students With a Combined Score of 800 on Reading and Math SAT

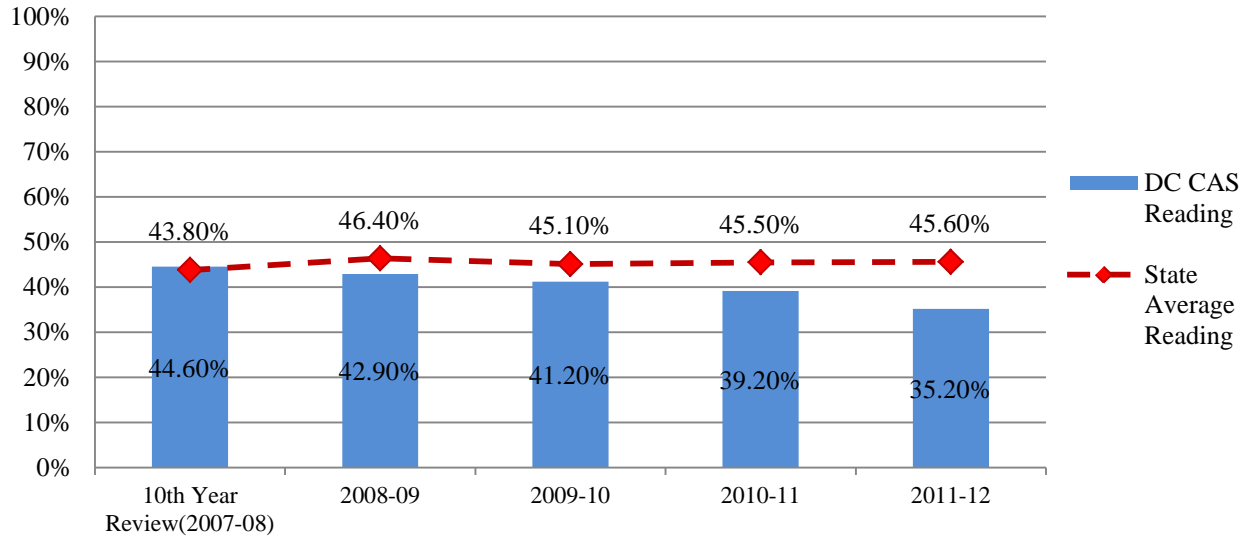


Source: PCSB PMF (\* = not validated).

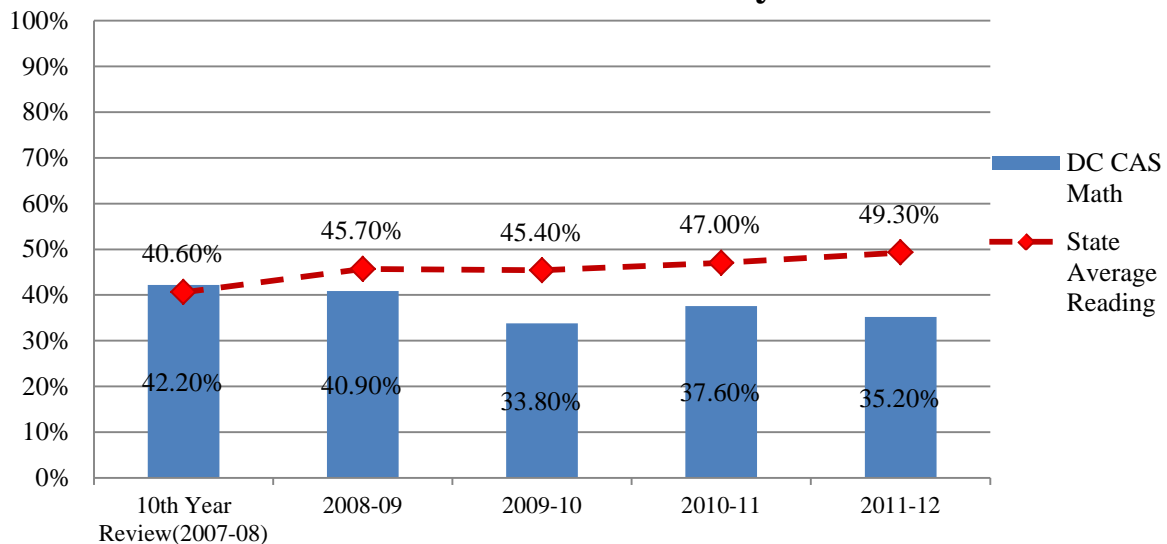
IDEA PCS DC-CAS Performance<sup>23</sup>

As the two graphs below illustrate, IDEA PCS’s performance on the DC-CAS reading and math sections has declined since its tenth year in operation. While its students’ scores in both reading and math were slightly above the state average in its tenth year, reading proficiency rates have steadily declined each of the last five years, falling further below the state average, and math proficiency rates, while sporadic, have remained below the state average over the past five years..

**IDEA PCS DC-CAS Reading Proficiency Rates**



**DC-CAS Math Proficiency Rates**



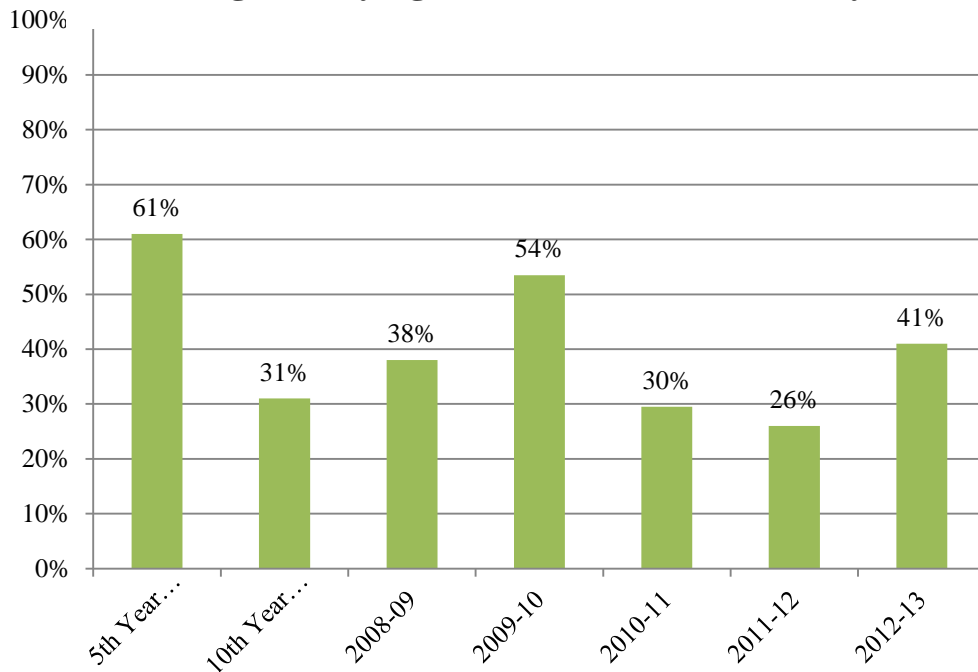
<sup>23</sup> See IDEA PCS DC-CAS Rates memorandum, attached to this document as Appendix L, to review the sources for this data.

## IDEA PCS ASVAB Performance<sup>24</sup>

IDEA PCS twelfth grade students may elect to take the Armed Services Vocational Aptitude Battery (“ASVAB”), which is a test administered by the United States military and used to determine whether a test-taker is qualified to enlist in various branches of the armed forces. In its renewal report, IDEA PCS submitted passage rates for this exam that “indicate[] the percentage of students who voluntarily elected to take the ASVAB and attained a qualifying score that enabled them to enlist in one of the armed services.”<sup>25</sup> IDEA PCS defines “qualifying” as obtaining a score of 31 or higher, which is the minimum score required to qualify for enlistment in the army.

Between IDEA PCS’s fifth and tenth year in operation, the percentage of students obtaining a qualifying score on this exam dropped by almost half. This rate increased during school years 2008-09 and 2009-10, then dropped in school years 2010-11 and 2011-12, never reaching the passage rate attained in its 5<sup>th</sup> year of operation. Under IDEA PCS’s new leadership team, this rate increased by 15% during the current school year from last school year.

### **Percentage of IDEA PCS Students Taking ASVAB and Obtaining Qualifying Score to Enlist in US Army**



<sup>24</sup> Data for fifth year performance is sourced from IDEA’s Fifth Year Review, conducted by the DC Board of Education, attached to this document as Appendix M. Data for following years was submitted by IDEA PCS in its renewal application and has not been verified by PCSB.

<sup>25</sup> See Appendix K.

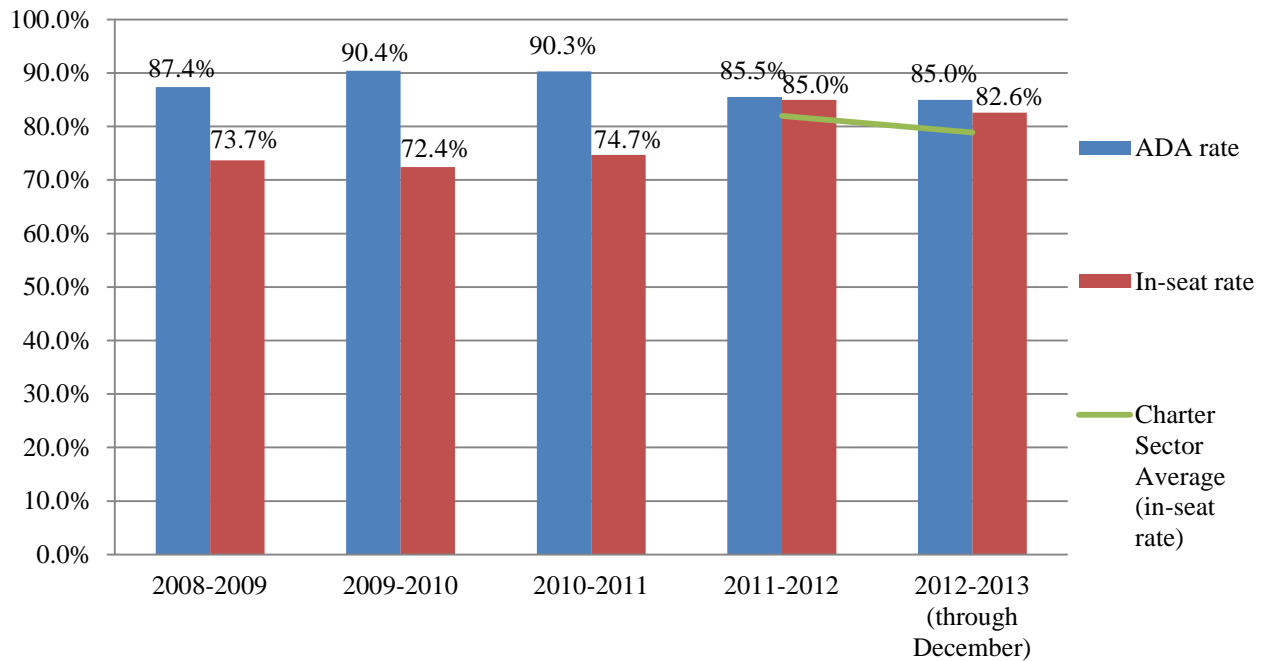
5. Create an environment that encourages attendance and reduces absenteeism.<sup>2627</sup>

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

In IDEA PCS’ fifth-year review, the DC BOE found that the school was meeting its attendance rate, average daily goal “to a moderate extent.”<sup>28</sup> Since 2008-09, the school’s in-seat middle and high school attendance rate has improved since the school’s tenth year in operation. Average daily attendance reflects the average number of students who are present, or have an excused absence. In-seat attendance only reflects the average number of students who are present (it does not include excused absences).

Significantly, for school year 2011-12, and for school year 2012-13 through December, the school’s middle school in-seat attendance rate was higher than the charter sector average, and its in-seat high school attendance rate was approximately the same as the charter sector average. IDEA PCS’s average daily middle school attendance rate has decreased since 2009-10, and its average daily high school attendance rate has decreased since 2010-11.

### Middle School Attendance Rates

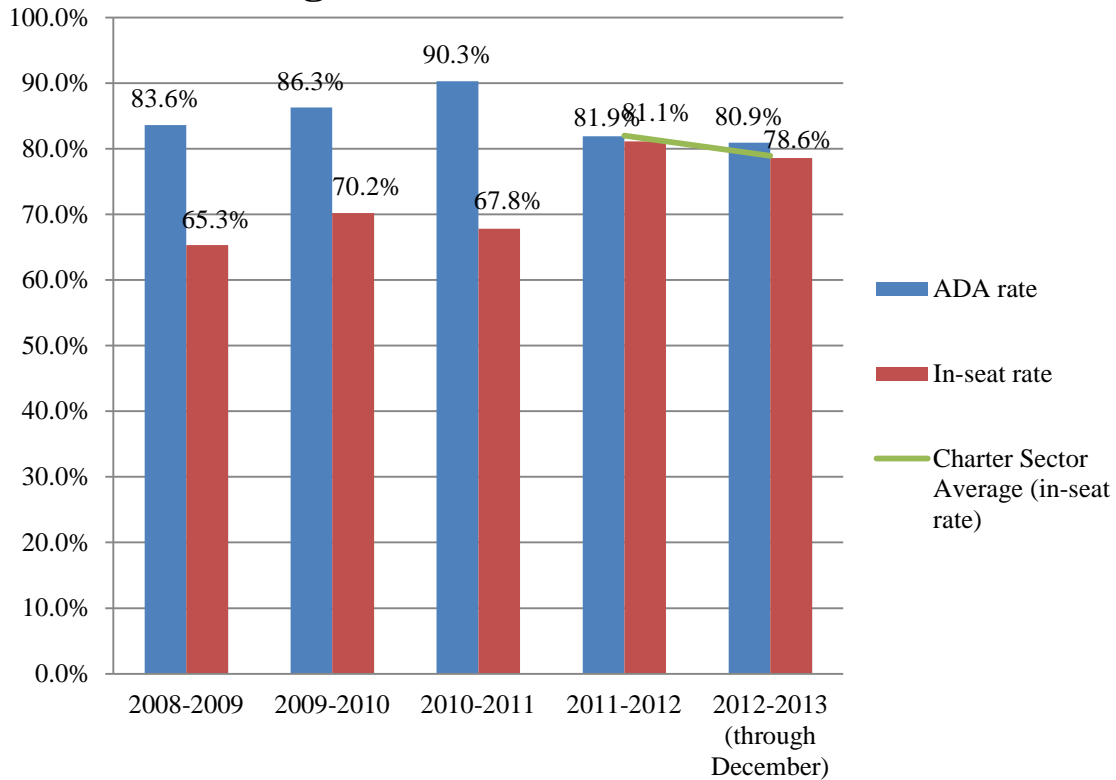


<sup>26</sup> See Appendix H.

<sup>27</sup> See IDEA PCS Attendance Rates memorandum, attached to this document as Appendix N, to review the sources for this data.

<sup>28</sup> See Appendix M.

## High School Attendance Rates



### 6. Ensure all eligible seniors are afforded the opportunity to obtain financial aid.

IDEA PCS stopped formally pursuing this goal after its five-year review; its subsequently created accountability plans do not reference the goal. However, IDEA PCS detailed in its renewal application it supports twelfth grade students in “pursu[ing] meaningful post-secondary opportunities.”<sup>29</sup> For the past five years, a DC-College Access Program (“DC-CAP”) advisor has spent three days a week at IDEA PCS teaching students about higher education opportunities and financial aid and holding workshops to educate parents and teenagers about the college application process, as well as how to effectively pursue financial aid for college.

Additionally, IDEA PCS’s restructured leadership has created an Upper School Dean position to “guide the process of college applications and financial aid,” track all data relevant to the students’ college application process, and coordinate with the DC-CAP advisor.<sup>30</sup> IDEA PCS now offers a “College Prep and Writing Lab” class where students can receive targeted assistance regarding college applications and financial aid issues.

<sup>29</sup> See Appendix K.

<sup>30</sup> See Appendix K.



## 7. Improve student citizenship.

Assessment: **IDEA PCS has partially met this goal.**

In its charter application, IDEA PCS detailed a goal to “improve student citizenship.” It defined this goal as follows:

JROTC will focus on student discipline, citizenship and teamwork through repetitive team building exercises and performance tests. They will also be highly involved in community activities where civic issues and current events affecting the community are discussed.

In two subsequent Accountability Plans, this goal was revised to only focus on the school’s JROTC program, and not community service. In IDEA PCS’s 2008 Accountability Plan, the exact wording of this goal was:

IDEA high school students will complete a four year sequence of JROTC that will encompass instruction in leadership, teamwork, citizenship, health and physical fitness.<sup>31</sup>

While IDEA PCS set a target in its 2004 Accountability Plan that 100% of its students would participate in a four-year sequence JROTC program, it lowered this participation target to 25% of seniors in its 2008 Accountability Plan.<sup>32</sup>

In its Restructuring Plan prepared last year, as part of the terms and conditions between the school and PCSB, IDEA PCS was required to analyze the “merits” of the school program in place and suggest “new systems where appropriate.” Its analysis, submitted as part of its May 15th Restructuring Report, indicated the JROTC program was not executed such that students participated in a progressive sequence of JROTC classes.<sup>33</sup> The Restructuring Report also indicated there were no policies in place regarding JROTC course outcomes and/or structure, and that JROTC instruction was inconsistent. It also noted that “no instruction in leadership or citizenship was evident.” It is unclear how long the JROTC program had operated under such conditions.

The Restructuring Plan also included recommendations for improving the JROTC program, including specifying whether JROTC was required to graduate, establishing course outcomes that included measurable objectives, adopting a research-based JROTC curriculum, training JROTC instructors in this curriculum, among others.

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<sup>31</sup> See Appendices G and H.

<sup>32</sup> See Appendices G and H.

<sup>33</sup> See Appendix E.

In its renewal application, IDEA PCS describes how it has modified its JROTC program according to its Restructuring Plan. Participating in JROTC for two years is now a graduation requirement, and the school also offers an extended four-year JROTC program that students can elect to take.<sup>34</sup> The JROTC program also now allows students to follow a sequence of JROTC courses.

While IDEA PCS operated a JROTC program over the course of fifteen years, the Restructuring Team's assessment of this program, along with the school lowering its target for student JROTC participation from 100% to 25% in 2008 (although there is no indication on the record that IDEA PCS ever reported JROTC participation rates), suggests serious operational deficiencies in the JROTC program and supports a finding that IDEA PCS only partially met this goal over the course of its charter.

**8. Integrate learning and work experience by focusing on experiential, hands-on work related experiences.**

IDEA PCS stopped formally pursuing this goal after its five-year review; its subsequently-created Accountability Plans do not reference the goal. However, IDEA PCS did address in its renewal application how the school offers students work-related experience outside of its academic program, including how students designed and built a computer laboratory for a church in its community, as well as completed other technical projects in an effort to serve its community and get "hands-on work related experiences." For six years, among other programming, IDEA PCS has executed an internship program through which students learn job skills and work in summer internships in community businesses, nonprofit organizations, and government agencies.

IDEA PCS notes that as part of restructuring, after reexamining its career program and consulting with its students, it has shifted its focus to IT courses. To this end, it has developed an IT course sequence for students so students can build upon their IT knowledge with each course, rather than taking many different technology electives that did not substantively align with each other. The restructured leadership team is also evaluating potential organizations with which to partner to further allow its students hands-on work-related experiences.

**9. Incorporates youth development activities.**

IDEA PCS stopped formally pursuing this goal after its five-year review; its subsequently created Accountability Plans do not reference the goal. However, in its renewal application, IDEA PCS did address how the school has incorporated youth development activities into its programming.<sup>35</sup> It describes its JROTC programming, field trips, and sports programming, as well as programs in partnership with other organizations. Under the restructured leadership, IDEA PCS continues to coordinate numerous athletic, art, music, and mentoring activities for its students.

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<sup>34</sup> See Appendix K.

<sup>35</sup> See Appendix K.

## 10. Receive more than a high school diploma.

### Assessment: **IDEA PCS has failed to meet this goal.**

In IDEA PCS’s charter application, the school detailed examples of student achievement that would indicate this goal was fulfilled: “advanced standing in college, a resume of work experiences, contacts with employers and other credentials showing work experience.”<sup>36</sup>

In its 2004-09 Accountability Plan, the school revised this goal to the following: “Students who desire may take vocational educational courses during the 10th, 11th, and 12th grades to earn a District of Columbia Public Schools career shop certificate.”<sup>37</sup> The goal was again revised in a 2008 Accountability Plan, in which the school further separated this goal into four separate sub-goals, each with its own target. These goals and targets are detailed in the chart below. There is no indication on the record that IDEA PCS reported whether it had met these targets.

| <b>Career and Technical Goals, 2008 Accountability Plan</b>   | <b>Target Associated with Goal</b>  |
|---|---|
| Career and Technical Education (CTE) Introduction to Technology Course. Ninth graders will begin their four year program of CTE education by completing the Intro to Tech Course. | 50% of ninth graders will pass the Introduction to Technology Course.   |
| Career and Technical Education (CTE) specialized course of study. Tenth and Eleventh grade students will take a two year sequence of specialized technology instruction.          | 40% of 11th graders will complete two years of one of IDEA [PCS]’ course/program offerings with a passing grade of C- or above.   |
| Career and Technical Education (CTE) Internship program.  | 25% of seniors will complete an internship  |
| Career and Technical Education (CTE). CTE Certificate.  | 25% of graduating seniors will receive a CTE certificate [Certificate requirements: (1) passing Intro to Tech Course; (2) Passing a specialized 2 year course of instruction; (3) successfully completing an internship.] |

In the Restructuring Plan prepared last year, IDEA PCS’ career and technology program did not possess necessary components needed to allow it to operate successfully as a career academy program, and that because of this, there had been “little student success in regards to completion of industry certifications.”

Indeed, in 2010-11 and 2011-12, only two IDEA PCS students passed industry exams. Like the JROTC program, the school’s career and technology program lacked course sequencing and did not align with the

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<sup>36</sup> See Appendix F.

<sup>37</sup> See Appendix G.

students' core classes. In its renewal application, IDEA PCS could only identify "approximately 40 students earned certificates [in a technical field] and approximately six students earned Industry Certificates (A+) [in information technology fields]" over the school's 15-year history.<sup>38</sup> However, the accompanying chart detailing which "shop certificates" were issued during each school year indicates that 74+ students earned a "shop certificate" since 1999 (although for some years, the school has no data regarding whether any student earned a "shop certificate"). To give context to these numbers, approximately 30-40 students graduate from IDEA PCS each year.<sup>39</sup>

IDEA PCS' restructured administration has scaled down the school's career and technology offerings. It currently requires all students to complete at least one technology course, and then allows students to elect to pursue a certification track in technology. IDEA PCS "anticipates an expansion of this career and technical field in the future."<sup>40</sup>

Given the small number of students that have earned a certificate after studying in IDEA PCS' career and technology courses over the past 15 years, as well the programmatic deficiencies in this academic programming, PCSB finds that IDEA PCS did not meet the above goal.

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<sup>38</sup> See Appendix K

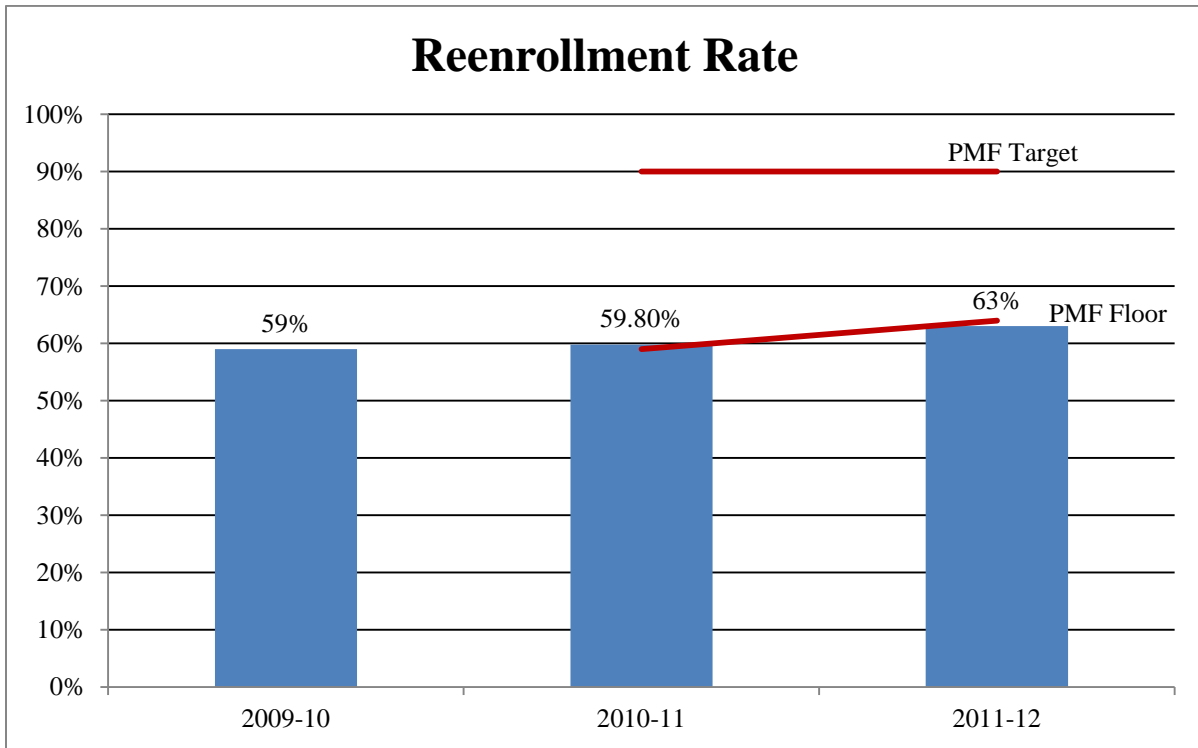
<sup>39</sup> Data sourced from PCSB Twelfth Grade Transcript Review Audit.

<sup>40</sup> See Appendix K.

**11. IDEA students will reenroll at IDEA to complete the course of study.**

**Assessment: IDEA PCS has failed to meet this goal.**

In its 2008 Accountability Plan, IDEA PCS included the above goal pertaining to student reenrollment.<sup>41</sup> Reenrollment also has been measured as part of the Performance Management Framework. 59% of students that attended IDEA PCS in 2008-09 reenrolled for the 2009-10 school year. The reenrollment rate increased to 59.8% in 2010-11, and then to 63% in 2011-12.



<sup>41</sup> See Appendix H.

## COMPLIANCE WITH APPLICABLE LAWS

The SRA provides that PCSB shall not approve a charter renewal application if it determines that the school has committed a material violation of applicable laws.<sup>42</sup> Several such laws are specifically referenced in the SRA, and PCSB has also monitored schools' compliance with additional laws. The following section identifies these laws and includes a determination of whether Imagine SE PCS has consistently complied with these laws over the past five years.

### General Laws

In its 2012-13 Compliance Review, under the school's restructured leadership, IDEA PCS was found to be in full compliance with all general laws. In previous years, there were some incidents of incompliance with applicable laws, described below.

### Health and Safety

The SRA requires schools to maintain the health and safety of all its students.<sup>43</sup> To ensure schools adhere with this clause, PCSB monitors schools for various health and safety indicators, among others, that schools have qualified staff members that can administer medications, that background checks have been conducted for all charter school employees and volunteers, and that schools have a "School Emergency Response Plan" in place and conduct emergency drills as required by the District of Columbia Fire Department.

While the school has remained largely in compliance in this area, in 2011-12, the school did not have background checks on file for all of its employees and volunteers.<sup>44</sup> The school cured this point of incompliance by its 2012-13 compliance review.

### Discipline

PCSB reviews school discipline policies to ensure they afford students due process<sup>45</sup> and that parents and students are made aware of these due process safeguards. Over the past five years, IDEA PCS' discipline policies ensure due process, and it communicated these policies to its students and parents.

### Enrollment and Attendance

The SRA requires schools to conduct 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: IDEA PCS did not comply with this requirement in 2008-09.<sup>46</sup>

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<sup>42</sup> SRA §38-1802.12(c)(2).

<sup>43</sup> SRA §38-1802.6(g).

<sup>44</sup> IDEA PCS Compliance Review (2011-12), attached to this document as Appendix O.

<sup>45</sup> As required by *Goss v. Lopez*, 419 US 565 (1975).

<sup>46</sup> IDEA PCS Compliance Review (2008-09), attached to this document as Appendix P.

### Maintenance and Dissemination of Student Records

The Family Educational Rights and Privacy Act requires schools to properly maintain and disseminate student records.<sup>47</sup> In 2008, while student records were found to be stored in a locked area, the school did not have written policies and procedures in place to ensure student privacy.<sup>48</sup> Again in 2009, IDEA PCS did not have written privacy policies in place.<sup>49</sup>

### Title I of the Elementary and Secondary Education Act

Because IDEA SE PCS receives Title I funds, it is expected to adhere to a number of requirements under the ESEA, including hiring “Highly Qualified Teachers” and communicating certain information to parents about its participation in the NCLB program.<sup>50</sup> In 2007, IDEA PCS did not seek to establish a student transfer relationship with a qualified school, and three of its teachers were not Highly Qualified.<sup>51</sup> In 2008-09 and 2009-10, the school was again out of compliance with NCLB; it did not have information on file regarding whether newly hired teachers were Highly Qualified, and parents were not notified of their right to request information on the qualifications of their child’s teacher.<sup>52</sup>

### Civil Rights Statutes and Regulations

Charter schools must comply with all applicable local and federal civil rights statutes.<sup>53</sup> There is no indication on the record that IDEA PCS has violated any such civil rights statutes.

### Governance

The SRA requires that a school’s board of trustees have an odd number of members on it that does not exceed fifteen, of which the majority must be District of Columbia residents, and two must be parents.<sup>54</sup> The IDEA Board was out of compliance with this requirement in 2008; a majority of its members were not District of Columbia residents.<sup>55</sup> Under the restructured leadership, IDEA PCS has a board that is fully in compliance with the SRA.<sup>56</sup>

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<sup>47</sup> 20 USC §1232g.

<sup>48</sup> See Appendix P.

<sup>49</sup> PCSB 2009-10 Master Compliance Worksheet.

<sup>50</sup> 20 USC §6300, *et. seq.*

<sup>51</sup> See IDEA PCS Compliance Review (October 24, 2007), attached to this document as Appendix Q.

<sup>52</sup> See Appendix S.

<sup>53</sup> SRA §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 Education Act, and the Americans with Disabilities Act of 1990.

<sup>54</sup> SRA §38-1802.5(a).

<sup>55</sup> See Appendix P.

<sup>56</sup> See IDEA PCS 2012-13 Board Roster, attached to this document as Appendix R.

## **Special Education Laws**

Charter Schools are required to comply with Subchapter B of the Individuals with Disabilities Education Act<sup>57</sup> and Section 504 of the Rehabilitation Act of 1973.<sup>58</sup> In 2012, PCSB conducted a desktop audit of six special education indicators to assess IDEA PCS's compliance with these laws and the educational progress of its special education students.<sup>59</sup>

### **Academic Performance of IDEA PCS Special Education Students**

The SRA requires the PCSB to monitor the progress “of each [...] school in meeting student academic achievement expectations specified in the charter granted to such school.”<sup>60</sup> As such, as part of the special education desktop audit, PCSB monitors the academic performance of students with disabilities.

Specifically, PCSB reviews: (1) the achievement gap on the DC-CAS between a school's general population and its students with disabilities; and (2) how the academic performance of a school's students with disabilities compares to statewide average DC-CAS scores of students with disabilities.

The DC-CAS proficiency rates of IDEA PCS students with disabilities have consistently fallen below the state average for students with disabilities, and these students' proficiency rates are significantly lower than those of their non-disabled peers at IDEA PCS.<sup>61</sup>

### **Compliance Review of IDEA PCS by the District of Columbia Office of State Superintendent**

As part of the desktop audit, PCSB examined a special education Performance Determination prepared by the District of Columbia Office of the State Superintendent (“OSSE”), which indicates that in 2010, IDEA was 80% compliant with its special education requirements, with OSSE noting that the school “Need[ed] Assistance” in fulfilling all applicable federal and local special education regulations.<sup>62</sup>

OSSE also conducted On-site Compliance Reviews at IDEA PCS. In the report detailing one of these reviews, OSSE noted that a disproportionate number of IDEA PCS' special education students had been suspended or expelled, that students identified to be evaluated for special education services were not always evaluated within the federal requirement of 60 days, and that IDEA PCS was not adequately providing coordinated postsecondary transition services to its students aged 16 and older.<sup>63</sup> Two years

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<sup>57</sup> 20 USC §1413(a)(5).

<sup>58</sup> 20 USC §794.

<sup>59</sup> See IDEA PCS Desktop Audit, attached to this document as Appendix S.

<sup>60</sup> SRA §38-1802.11(a)(1)(C).

<sup>61</sup> See Appendix S.

<sup>62</sup> See 2010 OSSE report, attached to this document as Appendix T. 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.

<sup>63</sup> Requirements for implementing secondary transition services can be found in OSSE's Enclosure E, attached to this document as Appendix U.



later, in 2012, OSSE again found IDEA PCS not to be adequately fulfilling secondary transition requirements.<sup>64</sup>

#### Timeliness of Special Education Meetings

In 2012, IDEA PCS did not always hold meetings for its students with disabilities in a timely manner, as required by federal law and the Special Conditions imposed by the US Department Education on OSSE.<sup>65</sup> OSSE's 2012 Quarterly Findings issued by notes that IDEA PCS was found to be noncompliant for timely completion of these meetings.

#### 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.

In 2010 and 2011, IDEA PCS was out of compliance with this provision; it submitted Determinations and Findings forms for 19 of 69 (28%) \$25,000+ expenditures during this time. Under the restructured leadership, the school has submitted five Determinations and Findings forms.

##### Timely Audits

The SRA requires schools to submit to PCSB an annual financial audit conducted by an independent certified public accountant or accounting firm.<sup>66</sup> In IDEA PCS's most recent charter review, PCSB noted that the school had submitted all of its audits in a timely fashion.<sup>67</sup> The school has submitted all audits due since its transition to PCSB's oversight on time as well.

##### 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.<sup>68</sup> IDEA PCS has fulfilled this requirement consistently by reporting this information in its annual reports.

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<sup>64</sup> OSSE Quarterly Finding Report (June 29, 2012), attached to this document as Appendix V.

<sup>65</sup> 20 USC §1414(a)(2); OSSE FFY 2012 IDE Part B Grant Award Special Conditions, attached to this document as Appendix U.

<sup>66</sup> SRA §38-1802.04(c)(11)(ix).

<sup>67</sup> See Appendix I.

<sup>68</sup> SRA §38-1802.04(c)(11)(xi).

## **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 15-year renewal process, PCSB has reviewed IDEA PCS's documentation supporting these areas. **Over the course of the last five years IDEA PCS has demonstrated adherence to generally accepted accounting principles, sound fiscal management, and economic viability.**

### **Adherence to Accounting Principles**

The school has consistently adhered to generally accepted accounting principles, as established by the Financial Accounting Standards Board. In its last charter review, PCSB found that IDEA PCS "has been efficient in administering accounting policies which follow PCSB accounting guidelines." A review of IDEA PCS's financial audits for recent fiscal periods reveals the same adherence to such accounting principles.

### **Fiscal Management**

IDEA 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 the school's fiscal record indicates IDEA PCS is economically viable.<sup>69</sup> One indicator of economic viability is a positive year-end annualized net income. IDEA PCS has concluded three of its last five fiscal periods with positive net income balances.

A high net asset reserve<sup>70</sup> is another indicator of economic viability. A net asset reserve equivalent to three to six months of operational expenditures is recommended. For the period ending June 30, 2012, IDEA PCS's net assets approached \$4.5MM and monthly expenditures were approximately \$700K per month, indicating that the school has approximately six months of operational expenditures in reserve.<sup>71</sup>

| <b>Fiscal Period</b>       | <b>2008</b>  | <b>2009</b>  | <b>2010</b>  | <b>2011</b>  | <b>2012</b>  |
|----------------------------|--------------|--------------|--------------|--------------|--------------|
| <b>Net Income</b>          | \$ 118,829   | \$ (60,720)  | \$ 678,229   | \$ 26,288    | \$ (97,967)  |
| <b>Cumulative Reserves</b> | \$ 3,948,250 | \$ 3,916,510 | \$ 4,594,739 | \$ 4,621,027 | \$ 4,523,060 |

<sup>69</sup> See IDEA PCS activities and financial analysis sheet, attached to this document as Appendix W.

<sup>70</sup> Net asset reserves are reflective of a school's value in excess of its liabilities.

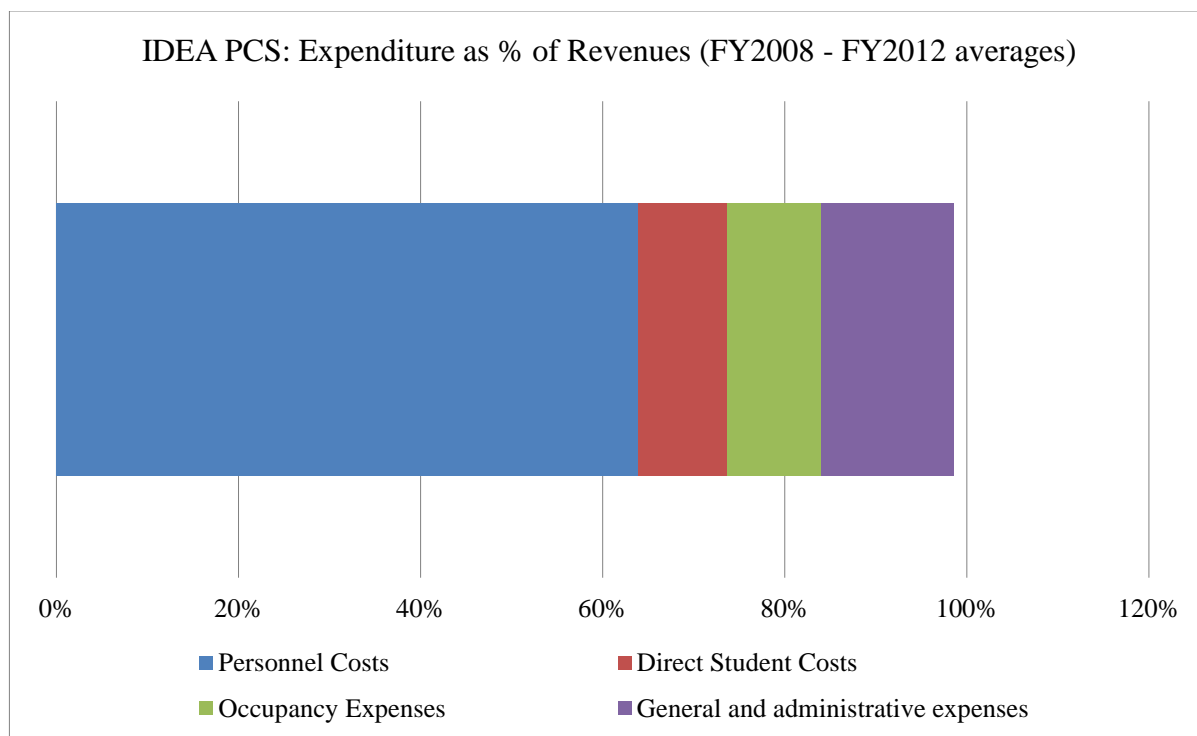
<sup>71</sup> Fixed assets account for most of the school's net assets and would need to be liquidated to free up cash.

It should be noted that a significant portion (approximately 89.3%) of the school’s total assets are fixed, indicating the school’s reliance on debt to finance expansionary activities. High levels of fixed assets relative to current assets, coupled with minimal liquid assets, could lead to insolvency. However, IDEA PCS’s cash levels have been sufficient during the majority of the school’s lifecycle and are slated to increase steadily going forward.

Net working capital<sup>72</sup> and a liquidity ratio greater than one points to a school’s ability to satisfy immediate financial obligations. IDEA PCS has successfully managed its working capital needs and generated positive working capital balances at the conclusion of each fiscal period (see table below). The school has sufficient liquid assets as indicated by the FY 2012 liquidity ratio of 1.70. The school should continue to strive to increase its liquidity to ensure that short-term payables are effectively managed and cash levels are adequate enough to cover debt service payments.

| Fiscal Period       | 2008         | 2009         | 2010         | 2011       | 2012       |
|---------------------|--------------|--------------|--------------|------------|------------|
| Net Working capital | \$ 1,665,248 | \$ 1,794,650 | \$ 2,369,924 | \$ 523,041 | \$ 589,708 |
| Liquidity ratio     | 3.33         | 4.15         | 6.31         | 1.56       | 1.70       |

The chart below details IDEA PCS’s expenditures as a percentage of revenues. The school makes spending decisions appropriate for managing education programs. Salaries and occupancy costs are in line with comparable industry amounts and PCSB financial metrics for general education charter schools.



<sup>72</sup> Net working capital is an organization’s total assets, less its total liabilities.