



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

## **Elsie Whitlow Stokes Community Freedom Public Charter School**

**January 8, 2012**

DC Public Charter School Board  
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Washington, DC 20010  
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## **RECOMMENDATION**

PCSB staff recommends Elsie Whitlow Stokes Community Freedom Public Charter School's charter be renewed based on the school's overall academic, compliance, and fiscal performance.

## **EXECUTIVE SUMMARY**

Elsie Whitlow Stokes Community Freedom Public Charter School ("EW Stokes PCS"), a charter Local Education Agency ("LEA"), was originally authorized by the District of Columbia Board of Education ("BoE") in 1997. In 2002-03, the BoE conducted a fifth year review of the school, and found the school's performance to be satisfactory. In 2007, all charter schools that had been under the authority of the BoE were transferred to the authority of the Public Charter School Board ("PCSB" or "the Board"). In 2011, PCSB conducted a review of EW Stokes PCS, and found the school's performance to be satisfactory. In 2012, the school submitted a petition to renew its charter for an additional fifteen years. Also in 2012, PCSB conducted a Qualitative Site Review ("QSR") at EW Stokes PCS to assess the extent to which the school's goals and student academic achievement expectations were evident in the school's everyday operations.

EW Stokes PCS substantially met its goals and student academic achievement expectations. The school met its most critical goals and expectations, particularly those related to measurable student achievements, including its targets for student achievement in science, math, and reading. It also performed strongly on many of its mission-specific goals, including promoting students' physical health, creating a diverse and culturally respectful school community, and instilling a sense of community service in students.

Since 2010-11, PCSB has conducted annual reviews of each charter elementary and middle school's performance through the Performance Management Framework ("PMF"). EW Stokes PCS earned Tier 1 status in 2011 and was in the upper range of Tier 2 in 2012. This very strong performance on the PMF, combined with EW Stokes' meeting its most critical goals and expectations has led PCSB to conclude that EW Stokes has substantially met its goals and expectations and is delivering a quality education to DC students.

Over the past fifteen years, EW Stokes PCS has largely been found to be in compliance with general, special education, and financial law. Additionally, it has demonstrated sound fiscal management and economic viability consistent with the Board's expectations.

## **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>1</sup> Goals are general aims, 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 Board in a school’s charter agreement, charter amendment, or Accountability Plans (collectively, the “Charter”).

EW Stokes PCS has met 20 of its 22 goals and expectations. The chart below details these determinations. Also included are goals and expectations presented by EW Stokes PCS in its renewal petition. EW Stokes PCS stopped measuring and reporting on several goals and expectation starting in 2009-10, when the PMF was introduced as a pilot program. Since this time, the school’s early childhood program has been evaluated against Early Childhood Accountability Plans approved by the Board, while its other grades have been evaluated according to the standard PMF. As such, PMF indicators addressed in EW Stokes PCS’ renewal application are included in this chart as well.

	<b>Goal or Expectation</b>	<b>Met?</b>
1	Students will be able to define and discuss their views in a minimum of two languages on various subjects—contemporary or historical.	Yes
2	Students will be able to express themselves clearly using written, oral and artistic mediums.	Yes
3	Students will demonstrate the use of critical thinking.	Yes
4	Students will be able to work cooperatively in teams to produce projects which fully exploit the skills of all participants.	Yes
5	Students will design and perform scientific experiments and evaluate the scientific results of others.	Yes
6	Students will demonstrate capacity to apply mathematical and computation and problem solving skills.	Yes
7	Students will be fully conversant and able to employ technology resources for diverse purposes.	Insufficient Evidence
8	The school will increase students’ knowledge of other cultures, nations and languages.	
9	The school will foster respect for the student’s own culture and that of others.	
10	Students will be able to demonstrate cross-cultural understanding of how different peoples develop alternative ways to respond to common human challenges.	Yes
11	Students will display curiosity, openness, sensitivity and acceptance of diversity and alternative strategies for approaching and resolving issues in their lives.	

<sup>1</sup> SRA §38-1802.12(c)(2).

	<b>Goal or Expectation</b>	<b>Met?</b>
12	The school will promote students' emotional and physical well-being.	Yes
13	Students will be able to balance physical and emotional well-being with their cognitive development.	Yes
14	The school will actively involve students in service to the community while preparing them for citizenship in a multicultural society.	Yes
15	Students will understand and demonstrate responsibility to their communities.	Yes
16	The school will provide a core liberal arts and science curriculum based on national standards of achievement.	Yes
17	The school will involve businesses, nonprofit organizations and educational institutions and partners to support the academic and non-academic goals of the school. A minimum of two partnerships will be established in the first year with the addition of at least one new partnership each year for the ensuing four years of the charter.	Yes
18	The school will involve families and other community members in all aspects of the school, including support for individual student success (e.g. volunteering, chaperoning, sponsoring/supporting enrichment activities, etc.); periodic review of and input into school objectives and curricula; support for school fundraising activities; development and review of school policies; and participation in school-sponsored activities.	Yes
19	The school will provide enrichment and co-curricular and informal learning activities for students and the entire school community. Each child will be involved in at least one activity. Parents and community members will be encouraged and assisted in identifying and supporting student access to these activities in the school, home and community. In addition, informal learning and community involvement opportunities will be made available to parents, other family members and other members of the school community.	Yes
20	Parents indicate overall satisfaction with the EW Stokes program.	Yes
21	Students will indicate satisfaction.	Insufficient Evidence
22	Students will attend school regularly.	Yes

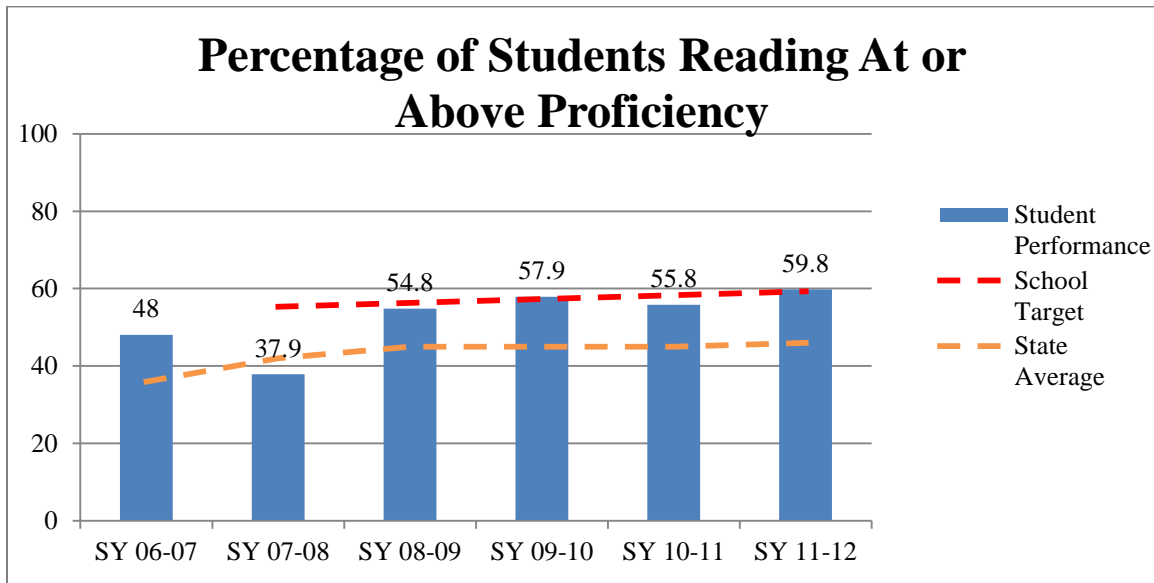
**1. Students will be able to define and discuss their views in a minimum of two languages on various subjects—contemporary or historical.**

Assessment: **EW Stokes PCS has met this goal.** During the school’s QSR, reviewers observed teachers asking students to express their thoughts in English, Spanish, and French.<sup>2</sup> Reviewers observed dual language instructors teaching together to develop students’ abilities in these three languages. In its 2008-13 Accountability Plan, Stokes PCS designated four separate measures of performance on this goal. Three of those four measures are described in this report. Because the fourth measure is tied to an assessment no longer used by EW Stokes PCS, it was not considered in determining whether the school had met this goal.

**Measure 1: Students will be proficient readers of the English language as measured by the DC-CAS.**

Assessment: **EW Stokes PCS has met this measure.** DC-CAS Reading scores for EW Stokes PCS students have been consistently above the state average and at the school’s target for the past five years.

EW Stokes PCS met its Accountability Plan target to increase the percentage of students reading at or above proficient levels by one percent per year, or to 59.3% by 2011-12.<sup>3</sup>

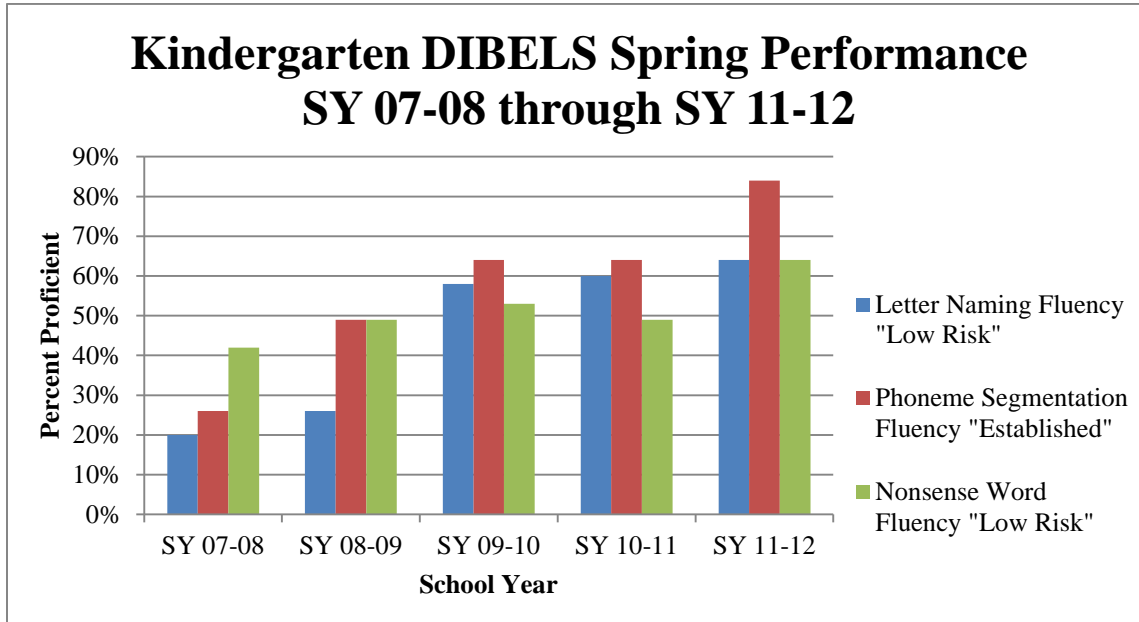


<sup>2</sup> See EW Stokes PCS Quality Site Review Report, attached to this document as Appendix A.

<sup>3</sup> See EW Stokes PCS Accountability Plan, School Years 2008-13, attached to this document as Appendix B.

**Measure 2: Students will become increasingly fluent in initial sound recognition as measured by DIBELS.**

Assessment: **The school met this measure.** The school’s kindergarten students have demonstrated consistently increasing performance on Dynamic Inventory of Basic Early Literacy Skills (“DIBELS”), and the school met its early childhood goal in 2012.



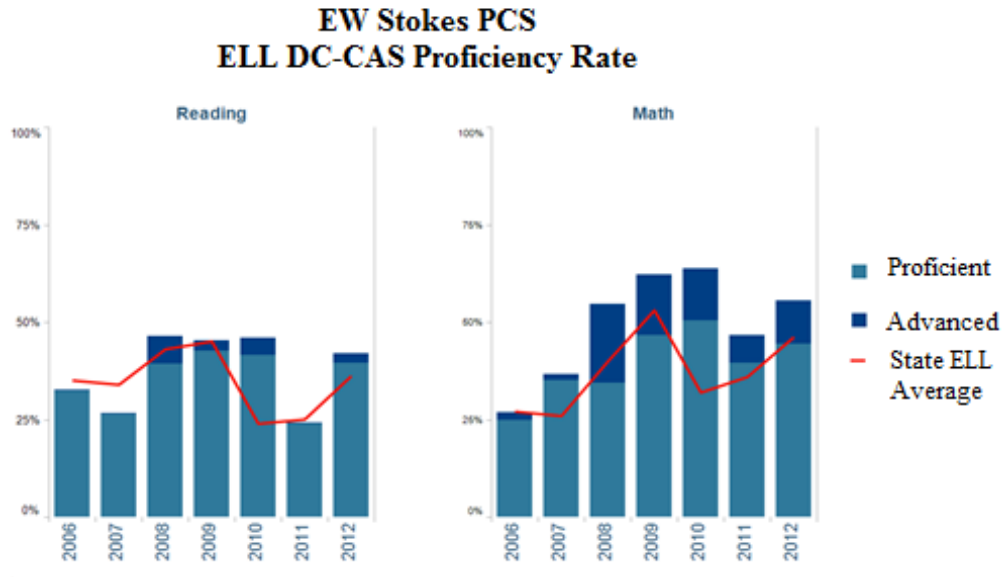
While it did not meet its 2010-11 Early Childhood target associated with this assessment, it did meet its 2011-12 target, with 74.4% of its students increasing by one level or maintaining their benchmark score.<sup>4</sup>

<sup>4</sup> See EW Stokes PCS 2010-11 and 2011-12 Early Childhood Accountability Plans, attached to this document as Appendix C and Appendix D.

**Measure 3: Students will be able to communicate effectively in their second language.**

Assessment: **The school has met this measure.** EW Stokes PCS has made progress in bringing its English Language Learners (ELLs) to English proficiency.

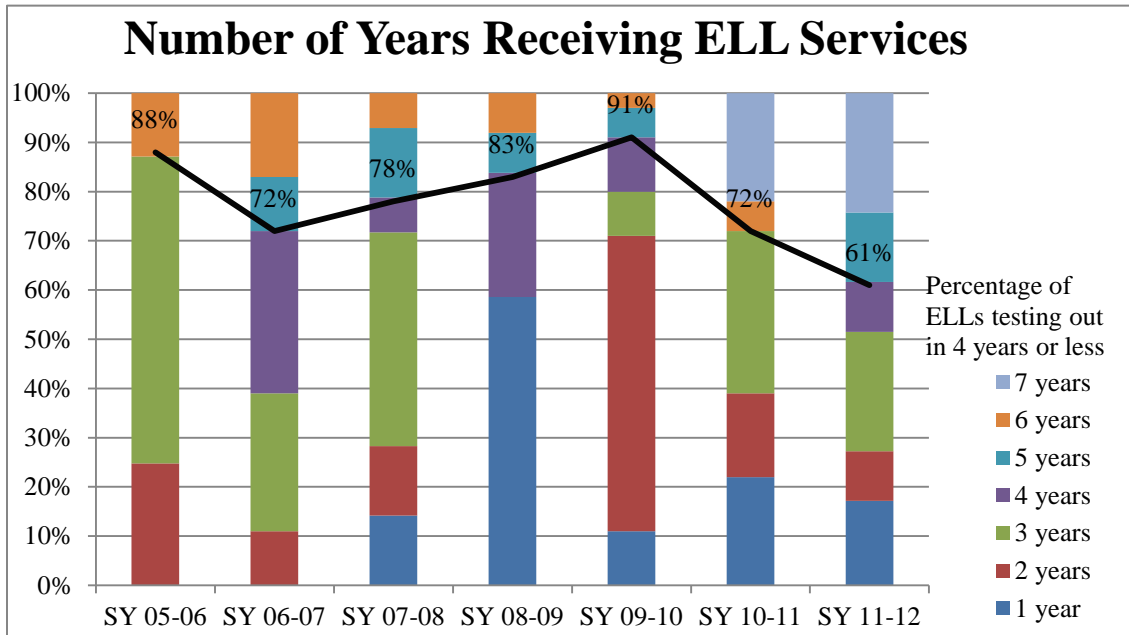
Its ELL population has either scored at the state average or above for this population in the past five years in reading and math on the DC-CAS, as indicated by the chart below.<sup>5</sup>



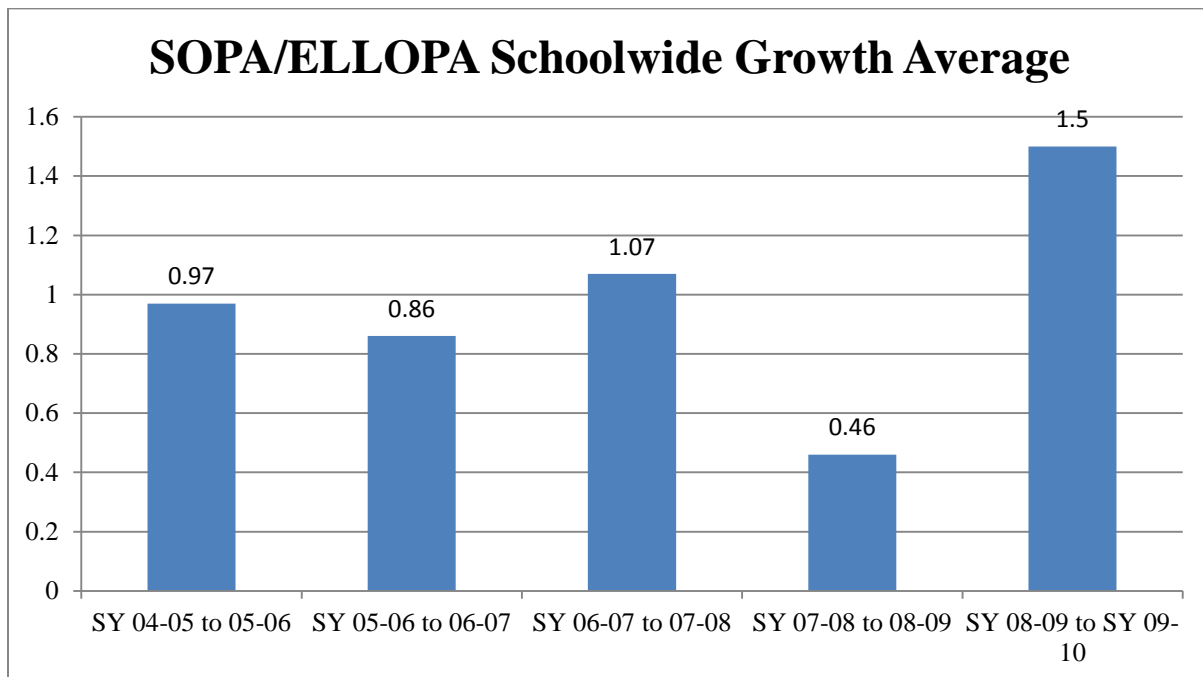
<sup>5</sup> Source: focusdc.org/data.



Additionally, it has a large percentage of ELLs that test out of ELL services each year, as indicated by the following chart.



Finally, EW Stokes PCS measures its native English-speaking students' proficiency in Spanish or French using the Student Oral Proficiency Assessment ("SOPA") and the Early Language Listening and Oral Proficiency Assessment ("ELLOPA"). The school demonstrated an upward trend in student growth on this assessment from 2004-2010, and set and met SOPA/ELLOPA targets on its 2011 and 2012 Early Childhood Accountability Plans. The school met its early childhood targets for Spanish and French fluency among English native speakers.



**2. Students will be able to express themselves clearly using written, oral and artistic mediums.**

Assessment: **EW Stokes PCS has met this goal.**

The school has effectively instituted programs to ensure that students have access to opportunities to explore artistic media. This was evident during the QSR, where PCSB observers noted students' art displayed prominently and often throughout the school.<sup>6</sup>

EW Stokes PCS has created a variety of opportunities for students to opt into music and arts based activities and integrated the arts into its liberal arts curriculum. According to the school's Charter Renewal Application, all students attend daily music or arts classes. Further, arts instruction is aligned with other curriculum goals, particularly grade level themes. Optional art activities available to students are a student choir, a steel drum band, a string ensemble, and a guitar ensemble. Student participating in a focus group during the QSR affirmed that they had many opportunities to participate and music and arts based activities.

**3. Students will demonstrate the use of critical thinking.**

Assessment: **EW Stokes PCS has met this goal.**

PCSB observers observed students using critical thinking during the Quality Site Review. In particular, an observer noted the challenging vocabulary development curriculum used by EW Stokes PCS teachers.<sup>7</sup>

Additionally, EW Stokes PCS describes in its renewal report how it has implemented several strategies to assist students develop critical thinking skills. The school cites thematic and inquiry-based instruction as one of the teachers' key tools to develop critical thinking in their students. Students also create portfolios of their work, and are asked to discuss their learning over the past year and defend their opinions. Stokes PCS cites these presentations, along with classroom discussion as key drivers of student development of critical thinking skills.

**4. Students will be able to work cooperatively in teams to produce projects which fully exploit the skills of all participants.**

Assessment: **EW Stokes has met this goal.**

PCSB observers observed students using critical thinking during the Quality Site Review. EW Stokes PCS students are graded each trimester on their ability to work cooperatively with other students, indicating that the school emphasizes the importance of group work. In the EW Stokes PCS Renewal Application, it is noted that students regularly work in teams on project based

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<sup>6</sup> See Appendix A.

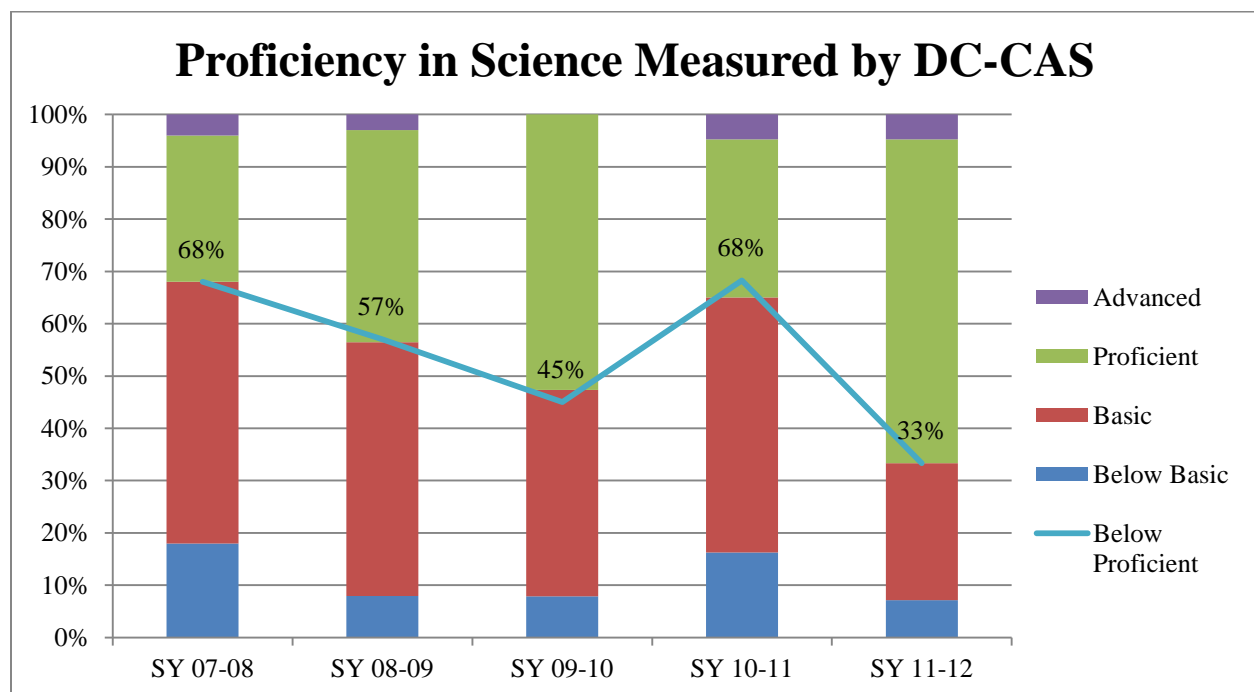
<sup>7</sup> See Appendix A.

learning activities, helping students “learn key academic content and practice 21<sup>st</sup> century skills, such as collaboration, communication, and critical thinking.”<sup>8</sup>

**5. Students will design and perform scientific experiments and evaluate the scientific experiments of others.**

Assessment: **EW Stokes PCS has met this goal.**

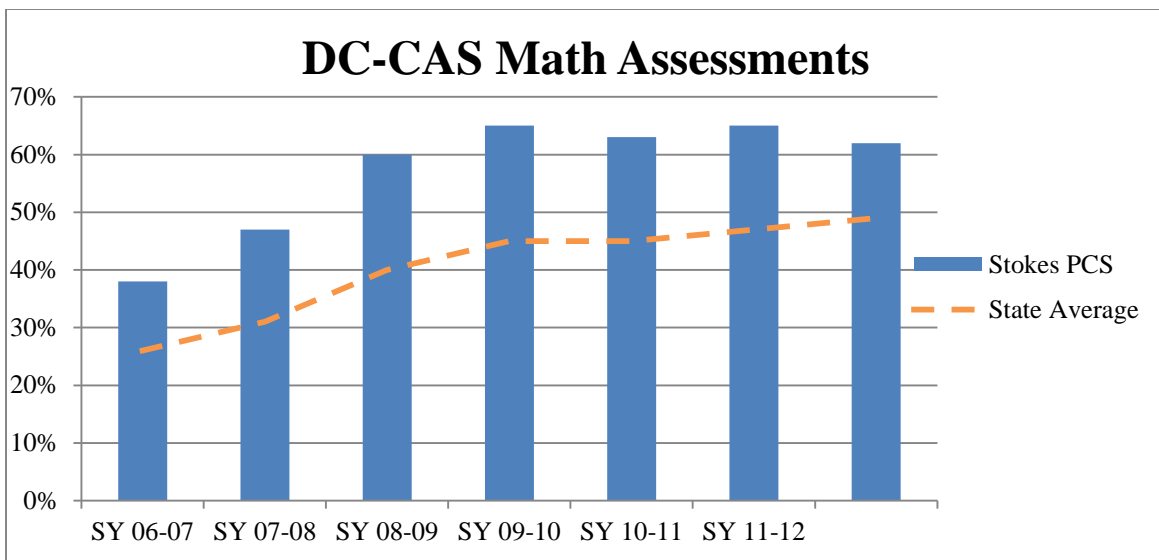
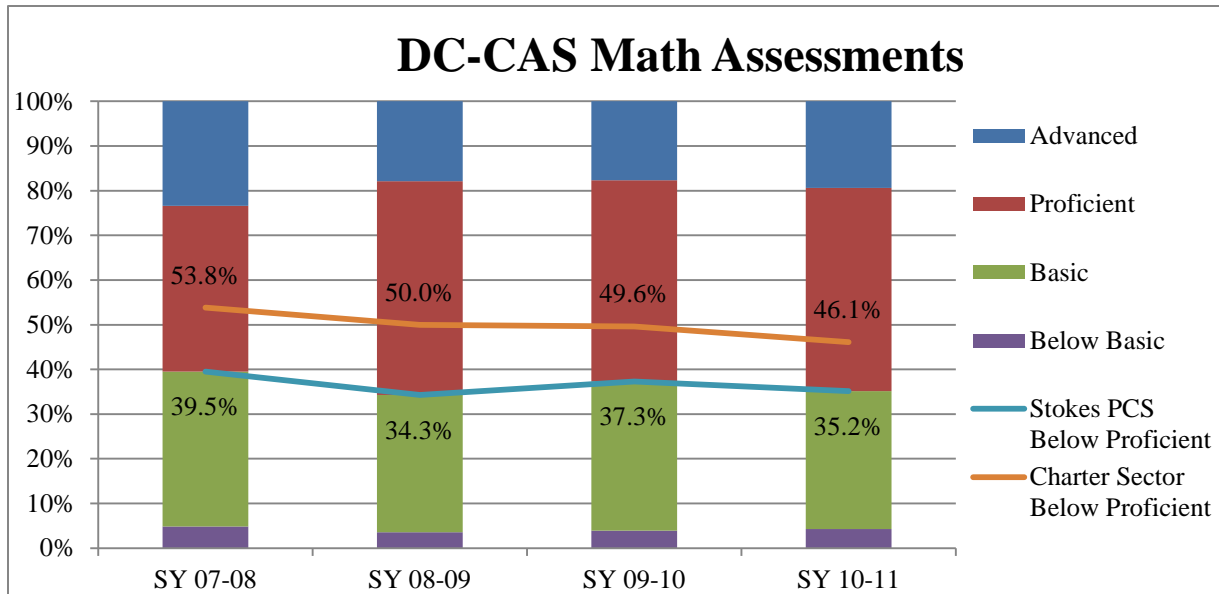
With the exception of the 2010-11 school year, the percentage of EW Stokes PCS students scoring proficient or advanced in science on the DC-CAS assessment has been steadily increasing for the past five years. Indeed, the number of students scoring at Proficient and Advanced levels has doubled since the 2007-08 school year.



<sup>8</sup> See EW Stokes PCS Renewal Report, attached to this document as Appendix E.

**6. Students will be able to apply mathematical concepts in a variety of settings.<sup>9</sup>**

Assessment: **EW Stokes PCS has met this goal.** During the QSR, reviewers observed students applying math concepts to solve problems using manipulables.<sup>10</sup> The school’s students’ DC-CAS math scores exceed the school’s target and the DC public charter sector average.

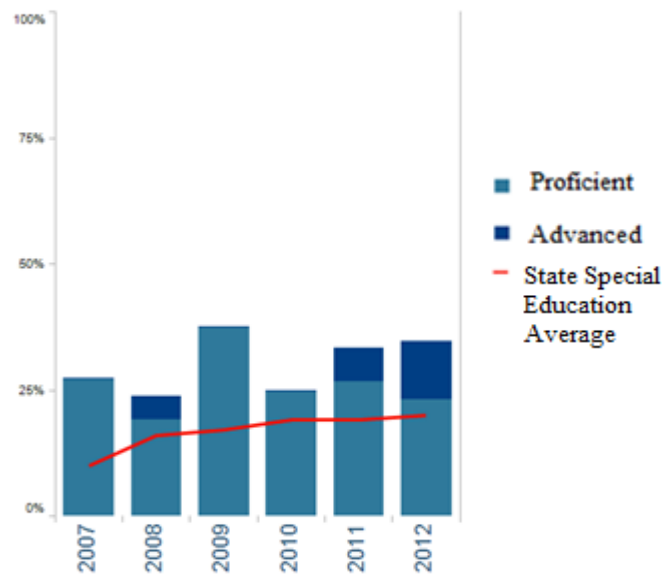


<sup>9</sup> In its 2008-13 Accountability Plan, the language of this goal was slightly different: “Students will demonstrate capacity to apply mathematical and computation and problem solving skills.”

<sup>10</sup> Specifically, the students used mathematics to calculate the cost of making a graham cracker house. See Appendix A.

Not only has it done well in math with its general population, EW Stokes PCS has exceeded the state average proficiency rates on the math DC-CAS with its special education students for multiple years, as indicated in the following chart.

**EW Stokes PCS  
Special Education DC-CAS  
Mathematics Proficiency Rate**



Finally, the school met the early childhood targets it set for the mathematics section of the Terra Nova exam in both 2011 and 2012.

#### **7. Students will be fully conversant and able to employ technology resources for diverse purposes.**

Assessment: **There is insufficient evidence to assess this goal.** The school did not set specific targets or provide clear evidence regarding students' abilities to employ technology. However, its Long-Range Technology Plan and anecdotal evidence of student technology use make clear the school's focus on employing technology to improve students' education. Additionally, students participating in the Quality Site Review Focus Group cited opportunities to use a Media Library after school.

In its Renewal Application, EW Stokes PCS includes its Long-Range Technology Plan in alignment with standards set by the International Society for Technology Education. The plan includes objectives and implementation strategies for improving technology instruction, the use of technology among faculty, administrators, and supportive services staff, and technological infrastructure. In its Long-Range Technology Plan, Stokes PCS set a goal of a student-to-computer ratio of three-to-one; in its Charter Renewal Application, the school cites a current student-to-computer ratio of 3.7: 1.

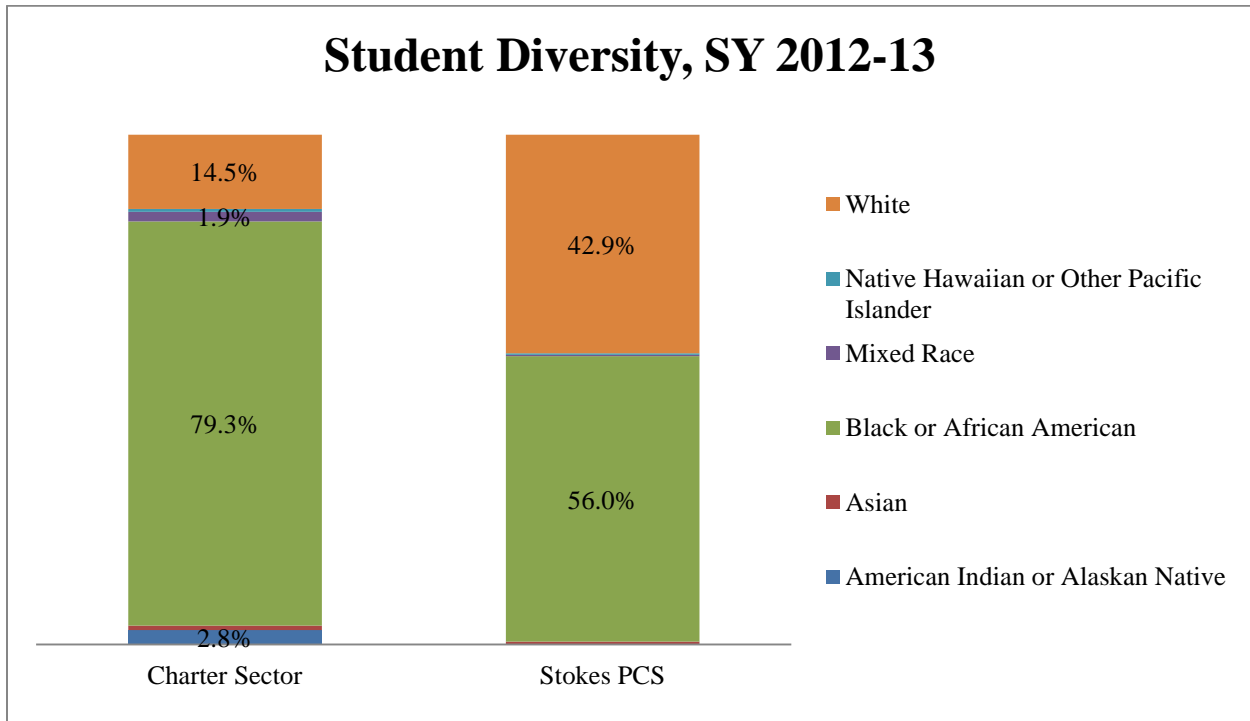
8. The school will increase students’ knowledge of other cultures, nations and languages.
9. The school will foster respect for the student’s own culture and that of others.
10. Students will be able to demonstrate cross-cultural understanding of how different peoples develop alternative ways to respond to common human challenges.
11. Students will display curiosity, openness, sensitivity and acceptance of diversity and alternative strategies for approaching and resolving issues in their lives.<sup>11</sup>

Assessment: Stokes PCS has met these goals.

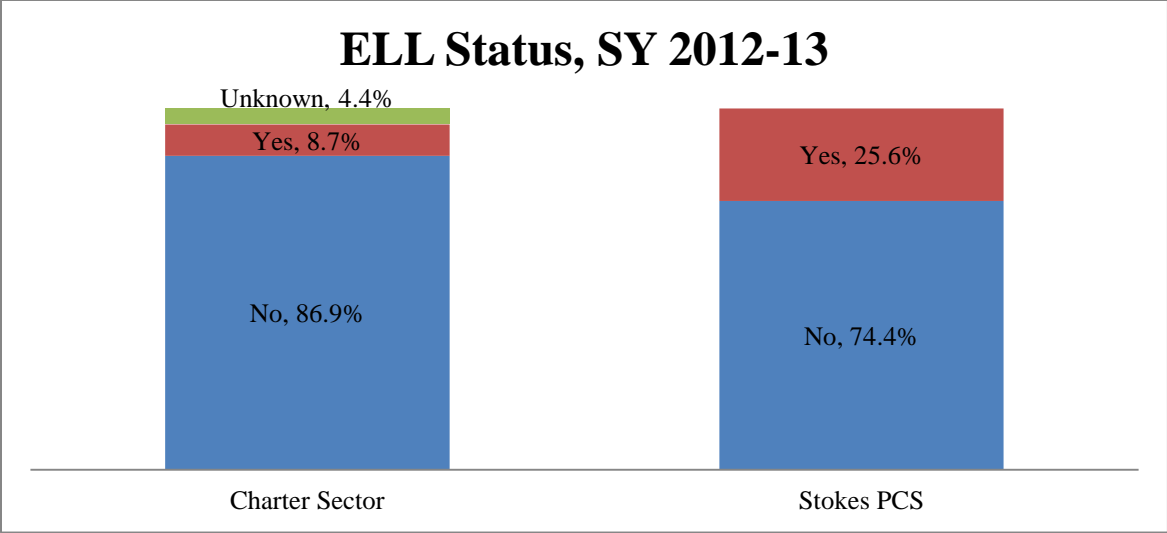
As measures of this goal, the school cites a diverse student body and faculty and staff. It also cites its conflict remediation strategies as a way of encouraging mutual respect among students. The school has a racially diverse student population relative to the public charter school sector, and has implemented policies designed to encourage students to practice conflict remediation.

Student Diversity

The school has successfully recruited a diverse student body, as measured by race and English proficiency.



<sup>11</sup> These four goals were presented separately in EW Stokes PCS’ charter application but were spoken to as one goal in EW Stokes PCS’ renewal application.



Staff and Faculty Diversity

During the QSR, reviewers noted a diverse faculty.<sup>12</sup>

Conflict Remediation

Teachers at Stokes PCS are trained in the Second Step Violence Prevention Program and conduct weekly workshops with students to develop personal conflict remediation skills and anger management techniques. Some students are even trained as Peace Coaches to take a more active role in helping their peers resolve conflicts.<sup>13</sup>

**12. The school will promote students’ emotional and physical well-being.**

**13. Students will be able to balance physical and emotional well-being with their cognitive development.<sup>14</sup>**

Assessment: **Stokes PCS has met these goals.** The school has promoted its students’ physical well-being through health and physical education classes and has received multiple awards commending its efforts towards this goal.

In the past few years, Stokes PCS has received two awards recognizing the school for its efforts to promote health among its students: a Bronze National Recognition Award from the Alliance

<sup>12</sup> See Appendix A.

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

<sup>14</sup> These two goals were presented separately in EW Stokes PCS’ charter application but were spoken to as one goal in EW Stokes PCS’ renewal application.

for a Healthier Generation<sup>15</sup> and the Gold Award of Distinction from the USDA as part of the Healthier US School Challenge.<sup>16</sup>

Every student participates in physical education and health classes; older students are allowed to choose specialized subjects in physical education, including bicycling, squash, and dance. The school also has an organic garden, the produce from which is used in the school's cafeteria.<sup>17</sup>

**14. The school will actively involve students in service to the community while preparing them for citizenship in a multicultural society.**

**15. Students will understand and demonstrate responsibility to their communities.**<sup>18,19</sup>

Assessment: **Stokes PCS has met these goals.** The school's students participate in regular service-based learning activities.

Every trimester, each grade chooses a service-learning project. The projects may be primarily service-based, such as past projects fundraising for victims of the Japanese tsunami and the Haitian and Chilean earthquakes.<sup>20</sup> Other projects are aligned with instructional themes, such as working with leaders of a West African village to design a new well as part of a class project about global access to potable water.<sup>21</sup>

**The school will provide a core liberal arts and science curriculum based on national standards of achievement.**

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

As discussed in EW Stokes PCS' Renewal Application, its curriculum was originally based on the Massachusetts curriculum standards, and is currently being aligned to conform to the Common Core State Standards.<sup>22</sup> The curriculum is purposefully mapped to ensure that all students build on the skills they acquired in previous grades.

EW Stokes PCS students take classes in language arts, foreign languages, mathematics, science, social studies, physical education, and art. Their strategy for teaching foreign languages is particularly effective: in every class, there is an English-speaking teacher, and a foreign language

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<sup>15</sup>See Annual Report 2009-10, attached to this document as Appendix F.

<sup>16</sup> See Annual Report 2010-11, attached to this document as Appendix G.

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

<sup>18</sup> These two goals were presented separately in EW Stokes PCS' charter application but were spoken to as one goal in EW Stokes PCS' renewal application.

<sup>19</sup> This goal was worded differently in the school's 2008-13 Accountability Plan: "Students will be able to apply interdisciplinary learning to community service projects."

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

<sup>21</sup> See Annual Report 2011-12, attached to this document as Appendix H.

<sup>22</sup> See Appendix E.



speaking teacher, so that the students build their foreign language proficiency throughout the day.<sup>23</sup> Project-based learning is frequently used in EW Stokes PCS' science and social studies classes.

During the QSR, reviewers found qualitative evidence of the curricular methods spoken to in EW Stokes PCS' Renewal Application.<sup>24</sup>

**16. The school will involve businesses, nonprofit organizations and educational institutions and partners to support the academic and non-academic goals of the school. A minimum of two partnerships will be established in the first year with the addition of at least one new partnership each year for the ensuing four years of the charter.**

Assessment: **Stokes PCS has achieved this goal.** The school has built partnerships with a broad array of external organizations.

In its Charter Renewal Application, Stokes PCS cites its ongoing relationships with seven organizations, including for-profit businesses, educational institutions, and school service providers. The school has also established sister school partnerships with schools in Panama and Martinique for the sixth grade students' International Study Tour.<sup>25</sup> The students' service-based learning projects have also provided opportunities for the school to build relationships with external organizations, such as the Red Cross, the Clinton-Bush Foundation, and the Chilean Embassy.<sup>26</sup>

**17. The school will involve families and other community members in all aspects of the school, including support for individual student success (e.g. volunteering, chaperoning, sponsoring/supporting enrichment activities, etc.); periodic review of and input into school objectives and curricula; support for school fundraising activities; development and review of school policies; and participation in school-sponsored activities.**

Assessment: **Stokes PCS has met this goal.** The school provides services to parents and expects families' input in school governance.

The school's counselors provide services directly to families, including individual parent counseling, parent support groups, and assistance in finding community resources.<sup>27</sup> Families are also encouraged to participate in the school's annual Parents Leadership Retreat, where families

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<sup>23</sup> See Appendix E.

<sup>24</sup> See Appendix B.

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

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

<sup>27</sup> See Appendix H.

can discuss their expectations for the school and what they see as their roles in meeting those expectations. Parents also regularly volunteer with the school and serve on school committees.<sup>28</sup>

In 2011, Stokes PCS restructured its parent engagement program to increase parental involvement in the school and its students. It instituted a home visit program and Academic Parent Teacher Team meetings to help teachers better understand their students and to help families better understand how to support their students to learn. As discussed during a QSR focus group, facilitating parent involvement is tied into EW Stokes PCS staff members' performance evaluations.<sup>29</sup>

**18. The school will provide enrichment and co-curricular and informal learning activities for students and the entire school community. Each child will be involved in at least one activity. Parents and community members will be encouraged and assisted in identifying and supporting student access to these activities in the school, home and community. In addition, informal learning and community involvement opportunities will be made available to parents, other family members and other members of the school community.**

Assessment: **Stokes PCS has met this goal.** The school provides learning activities outside the classroom and, as discussed in other goals, effectively engages parents and the greater school community.

The school provides students with several different opportunities to participate in learning activities outside the classroom. *All About Kids and Families*, Stokes PCS's before and after school program, gives students access to teachers and extra help outside of the classroom, while also promoting teamwork and creativity through sports and arts activities. Stokes PCS also operates a Saturday Academy and a summer camp program for students who need extra help with schoolwork. Stokes PCS provides no evidence by which to assess its performance on the measurable element of this goal, "Each child will be involved in at least one activity."

**19. Parents indicate overall satisfaction with the EWS program.**

Assessment: **EW Stokes PCS has met this goal.**

In its 2008-13 Accountability Plan, EW Stokes PCS set a five year target of 90% of parents will be satisfied or very satisfied with the overall school program.<sup>30</sup> However, with the introduction of the PMF, this target was never reported or assessed. Since 2011, the school set and met an early childhood goal that: "80% of parents of pre-kindergarten through second-grade students

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

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

<sup>30</sup> See Appendix B

will report being ‘Satisfied’ or ‘Highly Satisfied’ with the school on the end-of-year Parent Survey.”<sup>31</sup>

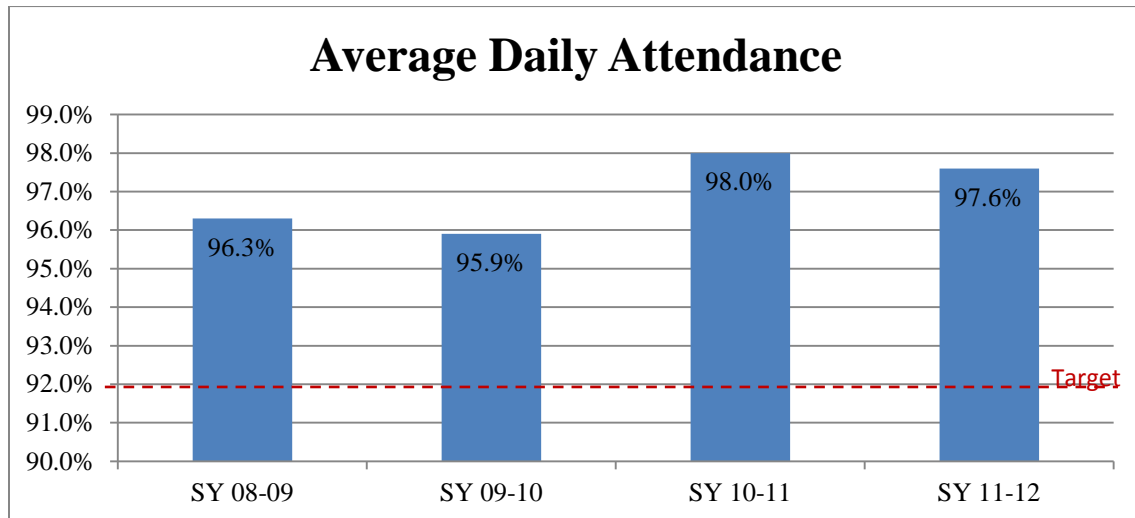
## 20. Students indicate satisfaction.

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

Comments on Goal: Stokes PCS did not include this goal in their Charter Renewal Application, but the school and PCSB agreed to assess the school’s performance on this goal in the 2008-13 Accountability Plan. As such, this goal has been included in this report. However, there is insufficient evidence on the record to assess this goal.

## 22. Students will attend school regularly.

Assessment: **EW Stokes PCS has met this goal.** Average Daily Attendance rates have exceeded the targets set by the school for the past four years. In its 2008-13 Accountability Plan, EW Stokes PCS set a target of a 92% attendance rate. For each of the past four years, the Average Daily Attendance rate has been above 95%. Since 2011, the school has set and met early childhood attendance targets.



<sup>31</sup> The text of the school’s 2010-11 PMF Accountability Plan target is very similar, though it includes the third grade: “80% of parents of preschool through third-grade students will report being ‘Satisfied’ or ‘Highly Satisfied’ with the school on the end-of-year Parent Survey.”

## **COMPLIANCE WITH APPLICABLE LAWS**

The SRA provides that the Board is justified in not approving a charter renewal application if it determines that the school has committed a material violation of applicable laws.<sup>32</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 EW Stokes PCS has consistently complied with these laws over the past fifteen years.

### **Overview of School's Legal Compliance**

Over the past fifteen years, EW Stokes PCS has largely been found to be in compliance with general, special education, and financial laws. In 2007, when Stokes underwent its first compliance review by PCSB, it was found to be substantially in compliance with all applicable laws and regulations.<sup>33</sup> In school year 2011-12, PCSB found EW Stokes PCSB to be compliant with all applicable laws and regulations.<sup>34</sup>

### **General Laws**

#### **Health and Safety**

EW Stokes has been broadly in compliance with health and safety laws, although there have been some exceptions over the school's 15-year history. In school year 1998-99, the school lacked a Certificate of Occupancy.<sup>35</sup> In school year 2000-01, the school had not upgraded its Certificate of Occupancy to include its grade three population.<sup>36</sup> In school year 1999-2000, all student health records from a random sample of fourteen health records were found to be incomplete.<sup>37</sup> In school year 2000-01, the school had not undergone an annual fire inspection.<sup>38</sup> In 2002-03, the school was found to not have an established fire drill schedule or a plan for emergency evacuation.<sup>39</sup>

#### **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. DC regulations require students to attend 180 days of school each year.<sup>40</sup> EW Stokes has been broadly in compliance with this requirement, with a few exceptions. EW Stokes PCS did not comply with this regulation in

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<sup>32</sup> SRA §38-1802.12(c)(2).

<sup>33</sup> See EW Stokes PCS Compliance Review (2007), attached to this document as Appendix I.

<sup>34</sup> See EW Stokes PCS Compliance Review (2011-12), attached to this document as Appendix J.

<sup>35</sup> See EW Stokes PCS Five-Year Review Report (2003), attached to this report as Appendix K.

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

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

<sup>38</sup> See Appendix K.

<sup>39</sup> See Appendix K.

<sup>40</sup> DCMR A-2100.4.

school years 1998-99 (during which the school calendar reflected 179 instructional days) and 2002-03 (during which the school calendar reflected 174 instructional days).<sup>41</sup>

### Maintenance and Dissemination of Student Records

The Family Educational Rights and Privacy Act requires schools to properly maintain and disseminate student records.<sup>42</sup> In 1999-2000, six student records of a random sample of fourteen student records were found to be incomplete.<sup>43</sup>

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

Because EW Stokes 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>44</sup> EW Stokes PCS Compliance Review Reports indicate that EW Stokes PCS has remained substantially in compliance with these requirements.

### Civil Rights Statutes and Regulations

Charter schools must comply with all applicable local and federal civil rights statutes.<sup>45</sup> There is no indication in the record that EW Stokes PCS has not been in compliance with these requirements.

### 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 DC residents, and two must be parents.<sup>46</sup> In its fifth year review, EW Stokes PCS’ Board of Trustees was found to have been out of compliance with this requirement in school year 1999-2000.<sup>47</sup> Since then, EW Stokes PCS has been in compliance.

### Special Education Laws

Schools are required to comply with Subchapter B of the Individuals with Disabilities Education Act<sup>48</sup> and Section 504 of the Rehabilitation Act of 1973.<sup>49</sup> EW Stokes PCS remained substantially in compliance with these laws from 1998-2003.<sup>50</sup> In 2012, PCSB conducted a

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

<sup>42</sup> 20 USC §1232g.

<sup>43</sup> See Appendix K.

<sup>44</sup> 20 USC §6300, *et. seq.*

<sup>45</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>46</sup> SRA §38-1802.5(a).

<sup>47</sup> See Appendix K.

<sup>48</sup> 20 USC §1411, *et seq.*

<sup>49</sup> 20 USC §794.

<sup>50</sup> See Appendix K.

desktop audit of eight special education indicators to assess Chavez's compliance with special education laws, and found that EW Stokes PCS has remained substantially in compliance.<sup>51</sup>

According to a 2010 OSSE determination, EWS was found to fulfill 84% of special education requirements and received a rating "Meets Requirements." This is supported by historic PCSB PDRs, in which EW Stokes PCS was found to be either "Proficient" or "Exemplary" on all indicators that related to special education compliance. PCS earned an "Exemplary" rating on issues related to special education compliance in the most recent Comprehensive Special Education Review conducted by PCSB.

## **Financial Laws**

### **Procurement Contracts**

The requires DC charter schools to utilize a competitive bidding process for any procurement contract of \$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.<sup>52</sup> To ensure compliance with this law, PCSB requires schools to submit a Determinations and Findings form to detail any qualifying procurement contract entered into.

Upon being transitioned from the Board of Education to PCSB in 2007, EW Stokes PCS was fairly consistent with its submission of contracts to PCSB for review. Five Determinations and Findings forms were submitted to PCSB between 2007 and 2009. However, the school has not recently submitted information about \$25,000+ contracts, as required by DC law. The school identified 23 \$25,000+ expenditures in its FY2010 and FY2011 audited financial statements, but no Determinations and Findings forms were submitted to PCSB for review. In 2012, EW Stokes PCS' 2011-12 financial audit indicated that the school had entered into 13 such contracts, but it had not submitted any corresponding Determinations and Findings forms. This is an important issue and must be addressed in the renewed charter.

### **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>53</sup> EW Stokes PCS did not submit their audit in a timely manner in 2000.<sup>54</sup> The school has submitted its audits in the timely manner over the past four years.

### **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

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<sup>51</sup> See Desktop Audit, attached to this report as Appendix L.

<sup>52</sup> SRA §38-1802.04(c)(1).

<sup>53</sup> SRA §38-1802.04(c)(11)(ix).

<sup>54</sup> See Appendix K.

contributed monetary or in-kind donations having a value equal to or exceeding \$500.<sup>55</sup> EW Stokes PCS has complied with this requirement by reporting on such donors in recently submitted annual reports.<sup>56</sup>

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<sup>55</sup> SRA §38-1802.04(c)(11)(xi),

<sup>56</sup> See Appendix F; Appendix G; Appendix H.

## **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 EW Stokes PCS' documentation supporting these areas. **Over the course of fifteen years EW Stokes PCS has demonstrated adherence to generally accepted accounting principles, sound fiscal management, and economic viability.** In its fifth-year review, it was noted that its financial future “appear[ed] to be stable.”<sup>57</sup>

### **Adherence to Accounting Principles**

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

### **Fiscal Management**

EW Stokes 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.

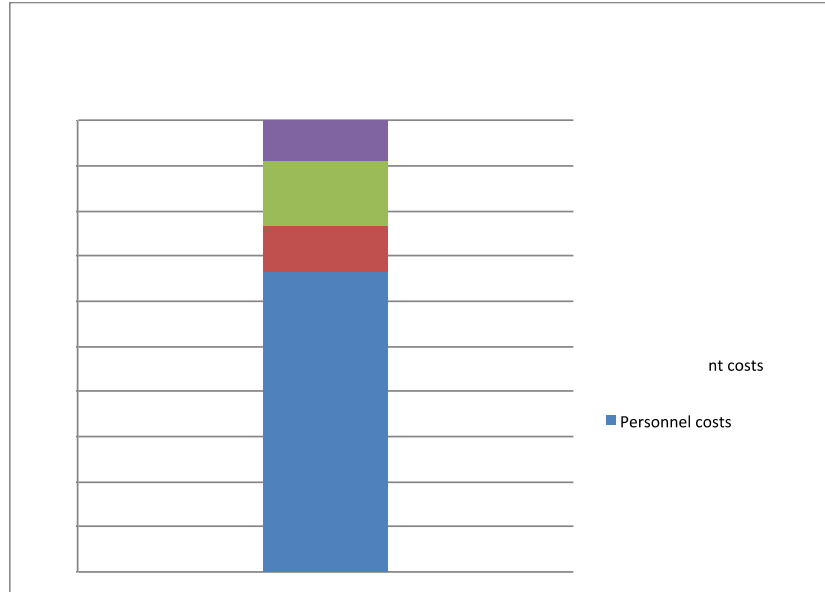
As evidenced in its FY 2011 financial audit, the school has clear, written internal controls in place to provide checks and balances to minimize the chance of misappropriating funds. The school should continuously monitor and strengthen these internal controls.

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<sup>57</sup> See Appendix K.



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



**Economic Viability**

EW Stokes PCS is economically viable.<sup>58</sup> For the year ending June 30, 2011, the school’s net assets increased to \$2.1MM from \$1.3MM the prior year, a four-year peak for the school.

One indicator of economic viability is a positive year-end annualized net income, which indicates that school management effectively deploys financial resources. EW Stokes PCS has concluded its two most recent fiscal periods with positive net income balances.

Another indicator of economic viability is high net asset reserves, which demonstrates a school’s solvency and depicts the net worth of the school should it be required to dissolve. EW Stokes PCS has amassed an adequate net asset reserve (see table below). For the period ending June 30, 2011, EW Stokes PCS’ total net assets in excess of total debts approached \$2MM.

<b>Fiscal Period</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Net Income</b>	\$(33,140)	\$(298,565)	\$108,107	\$804,713
<b>Cumulative Reserves</b>	\$809,145	\$510,580	\$1,297,543	\$2,102,256

The school should strive to maintain a net asset reserve of three to six months of operating costs, which will ensure that it can maintain its operations if planned revenues are interrupted. For the

<sup>58</sup> See E.W. Stokes activities and financial analysis sheet, attached to this document as Attachment M.

period ending June 30, 2011, EW Stokes PCS’ total current assets approached \$518K and monthly expenditures were slightly more than \$520K, representing an asset reserve of less than one month. Presuming that monthly expenditures continue to remain at FY 2011 levels, school leadership needs to strive to increase current assets by 200-300% over the next few fiscal periods.

A positive year-end amount of net working capital demonstrates a school’s ability to meet immediate financial obligations and is another indicator of economic viability. Additionally, a liquidity ratio greater than one points to a school’s ability to satisfy immediate financial obligations. EW Stokes PCS has struggled with liquidity and could continue to do so if its current asset base is not increased by a minimum of 200% within the next few fiscal periods (see table below). The school’s liquidity ratio (its ratio of cash to debt) of .54:1 is significantly lower than what is appropriate for a public charter school: an adequate measurement is a one-to-one ratio. The school should continue to strive to increase its liquidity to ensure that short-term payables are effectively managed and cash levels are adequate to cover impending debt payments.

Fiscal Period	2008	2009	2010	2011
Net-working capital:	<b>\$(2,042,289)</b>	<b>\$(1,423,823)</b>	<b>\$(2,478,649)</b>	<b>\$(447,855)</b>
Liquidity ratio:	<b>0.21</b>	<b>0.14</b>	<b>0.17</b>	<b>0.54</b>

Another indicator of the economic viability of a public charter school is student enrollment. DC public charter schools receive on average 85-90% of their annualized revenues as a result of funding received from DC for student enrollment. Public charter schools with consistent annual enrollment levels are more likely to have satisfactory financial performance metrics than those who do not. The school has a five-year average enrollment of 336 and has grown at about 2% per year since 2009, an indication that the school continues to attract students and remains a value proposition to DC parents and students alike.

	Unaudited	Audited	Audited	Audited	Audited	Five-year
	FY2013	FY2012	FY2011	FY2010	FY2009	Average
EW Stokes	342	350	350	326	314	336
Annual growth rate	-2%	0%	7%	4%	N/A	2%

While EW Stokes PCS is economically viable, it should be noted that a significant portion (approximately 95%) of the school’s total asset position is attributable to fixed assets, indicating the school’s reliance on debt to finance its expansion. High levels of fixed assets relative to current assets, coupled with minimal liquid assets, could lead to insolvency.