

# **2017-18 Twenty-Year Charter Review Report**

## **SEED Public Charter School**

**December 18, 2017**

DC Public Charter School Board  
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## **KEY FINDINGS and BOARD VOTE**

The District of Columbia Public Charter School Board (DC PCSB) staff conducted a twenty-year charter review of the SEED Preparatory Academy Public Charter School (SEED PCS) according to the standard required by the School Reform Act (SRA), D.C. Code §§ 38-1802 *et seq.*<sup>1</sup>

SEED PCS is a single campus local education agency (LEA), serving grades six through twelve. The school adopted the Performance Management Framework (PMF) as its goals and student academic achievement expectations (goals or academic expectations) and receives two PMF scores each year - one for the middle school and one for the high school. Pursuant to the school's Charter<sup>2</sup> and Charter Agreement, SEED PCS did not meet its goals and academic expectations. While the high school had an average PMF score of 63.5%, the middle school missed the 50% minimum required per the school's Charter Agreement, earning an average PMF score of 43.9%. PMF scores at both the middle and high school campuses decreased from School Year (SY) 2012-13 to SY 2015-16, making the school ineligible for the improvement provision included in its Charter Agreement.

DC PCSB staff has determined that the school has not committed a material violation of law or of its charter, has adhered to generally accepted accounting principles (GAAP), has not engaged in a pattern of fiscal mismanagement, and is economically viable.

On December 18, 2017, the DC PCSB Board voted 5 - 0 to continue the school's charter with the conditions below. One board member recused himself from the vote.

The LEA and DC PCSB execute a charter amendment by January 15, 2018, that commits the school to the following conditions:

- The school will cease admitting new students in the 6th, 7th, and 8th grades, beginning immediately, and the middle school will close completely by the end of the 2019-20 school year
- The school's enrollment ceiling will decrease to 300 in SY 2018-19, and 250 in SY2019-20 and beyond
- The school will admit students in both the 9th and 10th grades by SY 2020-21
- The school's goals (achieving an average score of 50% on the PMF over the next five years) will be amended to eliminate the middle school from the calculation for the school's 25th year review and beyond.
- In any year that the school's overall retention rate for high school (comparing the previous year's official October enrollment count roster for 9<sup>th</sup>, 10<sup>th</sup>, and 11<sup>th</sup> graders with the current year's official October enrollment count roster for 10<sup>th</sup>,

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<sup>1</sup> D.C. Code § 38-1802.12(a)(3).

<sup>2</sup> D.C. Code § 38-1802.03(h)(2) lists the six specific provisions that comprise a school's charter under the SRA.

11<sup>th</sup>, and 12<sup>th</sup> graders) is 90.0% or greater, it will receive an enrollment ceiling increase of 25, up to a maximum of 300<sup>3</sup>.

- The school may apply to DC PCSB beginning in SY 2021-22 to re-open its middle school grade span. The DC PCSB Board will consider the track record of the high school grade span, the soundness of the proposed middle school plans, and the then extant Enrollment Ceiling Increase policy in determining whether to approve this application.

## **CHARTER REVIEW STANDARD**

The SRA provides that DC PCSB “shall review [a school’s] charter at least once every [five] years.”<sup>4</sup> As part of this review, DC PCSB must determine whether:

- (1) The school committed a material violation of applicable laws or a material violation of the conditions, terms, standards, or procedures set forth in its charter, including violations relating to the education of children with disabilities; and/or
- (2) The school failed to meet the goals and student academic achievement expectations set forth in its charter.<sup>5</sup>

If DC PCSB determines that a school has committed a material violation of applicable law or has not met its goals and expectations, as described above, it may, at its discretion, grant the school a conditional continuance or revoke the school’s charter. Additionally, there is a fiscal component to the charter review. DC PCSB is required by the SRA to revoke a school’s charter if DC PCSB determines in its review that the school (1) has engaged in a pattern of non-adherence to GAAP, (2) has engaged in a pattern of fiscal mismanagement, and/or (3) is no longer economically viable.<sup>6</sup>

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<sup>3</sup> This retention rate will be calculated using all students. Unlike the calculation for our Performance Management Framework, it will not exempt students who move out of state, or for any other reasons. The determination will be made in November of each year with the increase effective for the following school year.

<sup>4</sup> D.C. Code § 38-1802.12(a)(3).

<sup>5</sup> D.C. Code § 38-1802.12(c).

<sup>6</sup> D.C. Code § 38-1802.13(b).

## **BACKGROUND INFORMATION ABOUT SCHOOL**

### **School History and Overview**

SEED PCS began operating in 1998 under authorization from DC PCSB and operates one campus in Ward 7 serving students in grades six through twelve. SEED PCS was founded by the SEED Foundation, a nonprofit organization that provides management and support services to the school, and which controls the composition of the SEED PCS Board of Trustees. SEED PCS is one of two DC charter schools that operates a boarding program, and it receives additional public funding to operate this residential component. All SEED PCS students live on campus from Sunday evening to Friday afternoon.

The mission of the school is:

To provide an outstanding, intensive residential education program to at-risk inner-city children that prepares them, both academically and socially, for success in college and/or in the professional world.<sup>7</sup>

SEED PCS offers a college preparatory curriculum in small classroom settings. From 4:00-7:45pm each day, students participate in the Student Life Program, where they participate in academic enrichment, character programming with the Habits for Achieving Life-Long Success (HALLS) curriculum, and also receive academic intervention services.<sup>8</sup>

### **Enrollment and Demographic Trends**

The table below shows the school's enrollment. The enrollment has been close to the projections each year and was above the projection for SY 2017-18. SEED PCS currently has an enrollment ceiling of 500.

<b>SEED PCS - Enrollment</b>					
<b>Year</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
<b>Grade Levels</b>	6-12	6-12	6-12	6-12	6-12
<b>Number of Students</b>	342	336	352	361	363
<b>Enrollment Projections</b>	340	342	340	340	355

The following tables track enrollment over time. This information is important as SEED PCS's high school outcomes, which are stronger than its middle school outcomes, are the result of students who have been at the school since sixth or seventh grade.

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<sup>7</sup> See SEED PCS charter renewal agreement, p. 2, attached to this report as Appendix A.

<sup>8</sup> See SEED PCS 2015-16 Annual Report, p. 4, attached to this report as Appendix B.

Because the school does not backfill or take in new students in upper high school grades, the result is that graduating classes are a fraction of the starting class of sixth graders. There are 21 students in the school’s grade twelve class for SY 2016-17.

The below table shows audited enrollment by grade each year. The colors indicate the class size as students move from grade to grade. The trend is a significant decrease in class size as the students move through middle school and high school. For example, the sixth-grade class from SY 2012-13 started with 99 students and currently has just 35<sup>9</sup> audited enrolled students in grade ten.

While there is a decrease in the number of students from year to year, the school has a higher re-enrollment rate than the charter sector.

<b>SEED PCS Enrollment by Grade and Year (Audit #)</b>					
<b>Grade</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>2016-2017</b>
6	99	100	99	77	80
7	66	84	80	86	70
8	39	57	61	64	67
9	47	26	36	48	62
10	24	36	23	31	35
11	26	17	24	21	26
12	40	22	13	25	21
<b>Total</b>	<b>341</b>	<b>342</b>	<b>336</b>	<b>352</b>	<b>361</b>

The table below compares the number of new students who enrolled each year with the number of continuing students. The school does not regularly admit students in upper high school grades, though it admitted seventh and eighth graders in all years with the exception of SY 2015-16.

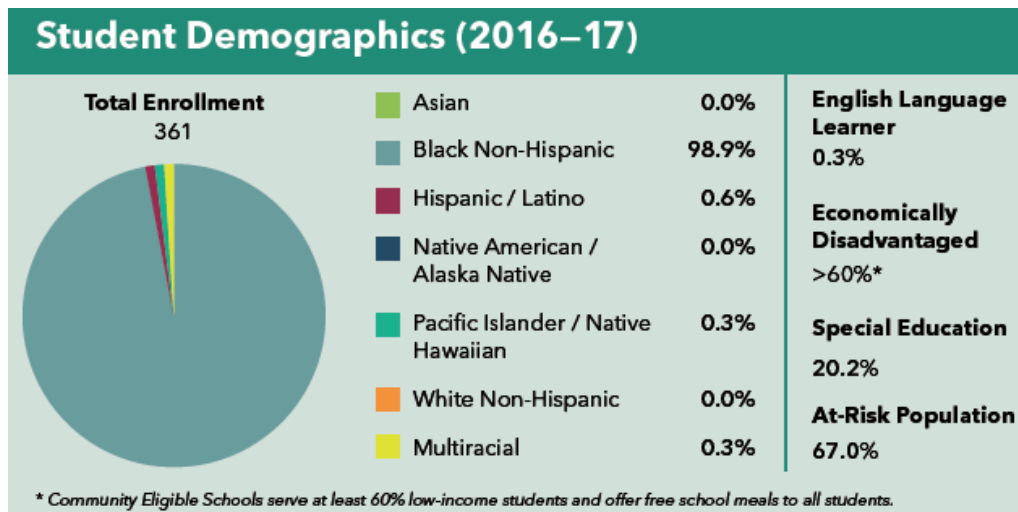
SEED PCS did not admit high school students. In SY 2015-16, a student who was listed as a 10<sup>th</sup> grader for SY 2014-15 recovered credits during the summer of 2015 and was able to be placed in the 12<sup>th</sup> grade for SY 2015-16. The tenth grader for SY 2016-17 was a former non-public placement student who returned to SEED PCS.

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<sup>9</sup> The number rises to 45 if including students who have repeated a grade over the course of the years and are therefore enrolled in an earlier grade, as well as those who have become non-public placement scholars.

SEED PCS Newly Enrolled vs. Continuing Students (By Grade)										
Grade	2012-2013		2013-2014		2014-2015		2015-2016		2016-2017	
	New Students	Continuing Students	New Students	Continuing Students	New Students	Continuing Students	New Students	Continuing Students	New Students	Continuing Students
6	91	8 <sup>10</sup>	89	11	76	23	77	0	79	1
7	7	59	7	77	13	67	0	86	5	65
8	11	28	0	57	0	61	0	64	3	64
9	0	47	0	26	0	36	0	48	0	62
10	0	24	0	36	0	23	0	31	1	34
11	0	26	0	17	0	24	0	21	0	26
12	0	40	0	22	0	13	1	24	0	21
Total	109	232	96	246	89	247	78	274	88	273
	341		342		336		352		361	

In SY 2016-17, SEED PCS served a population that was 98.9% African American, with 67% of the student body being defined as at-risk.<sup>11</sup>



### **Performance Management Framework Outcomes**

The school's overall performance data on the PMFs – which assess reading and math proficiency, academic growth, attendance, and re-enrollment, as well as other measures for high school – are summarized in the table below. PMF scores for both the middle and

<sup>10</sup> A "continuing student" in sixth grade is a student who is repeating the sixth-grade year.

<sup>11</sup> OSSE defines at-risk students as follows: "students who are homeless, in the District's foster care system, qualify for Temporary Assistance for Needy Families (TANF) or the Supplemental Nutrition Assistance Program (SNAP), or high school students that are one year older, or more, than the expected age for the grade in which the students are enrolled." Students in adult and alternative programs are not eligible to be identified as at-risk. See <https://osse.dc.gov/sites/default/files/dc/sites/osse/publication/attachments/At-Risk%20Weight%20in%20Uniform%20Per%20Student%20Funding%20Formula.pdf>.

high schools decreased from SY 2012-13 to SY 2015-16. In SY 2016-17, the high school results rebounded, while the middle school results continued a steady decline.

<b>SEED PCS - PMF Outcomes</b>					
	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
<b>Middle School</b>	<b>Tier 1</b> 62.1%	<b>Tier 2</b> 42.6%	PMF was not scored or tiered	<b>Tier 2</b> 38.8%	<b>Tier 3</b> 32.4%
<b>High School</b>	<b>Tier 1</b> 67.8%	<b>Tier 1</b> 65.7%		<b>Tier 2</b> 54.5%	<b>Tier 1</b> 66.1%

### **Communication with the School**

DC PCSB staff and Board members discussed performance issues with the school in the spring of 2015 and 2016.<sup>12</sup> During these meetings, DC PCSB staff addressed issues such as PMF performance, median growth percentile (MGP) data, attendance and suspension rates, and the upcoming SY 2017-18 charter review, emphasizing concerns over the school missing its charter goals and raising the possibility of charter revocation. Additionally, DC PCSB staff met with school leaders at SEED PCS on March 13, 2017. During this meeting, DC PCSB staff reiterated that the middle school needed to earn a score of 56.5% or higher on the SY 2016-17 PMF for the entire school (middle and high) to meet its goals and student academic achievement expectations, since SEED PCS is one campus. DC PCSB staff provided SEED PCS with a similar table to the one below.

		<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17 Score Needed</b>
<b>Results</b>	<b>6-8</b>	62.1%	42.6%	PMF was not scored or tiered	38.8%	56.5%
<b>Results</b>	<b>9-12</b>	67.8%	65.7%		54.5%	12.0%

### **Prior Charter Reviews and Renewal**

DC PCSB conducted a five-year charter review of SEED PCS in 2004 and a ten-year review in 2009. DC PCSB renewed the school’s charter in 2013. These charter review and renewal analyses are described in further detail below.

#### **Five-Year Review**

In SY 2002-03, DC PCSB conducted a charter review of SEED PCS and determined that the school had met only 1 of its 11 academic targets, and none of the three academic standards evaluated as part of DC PCSB’s charter review framework in place at the time.<sup>13</sup> However, DC PCSB noted in this review that the cause of the school’s failure to meet the

<sup>12</sup> See letters attached as Appendix C.

<sup>13</sup> See SEED PCS five-year review, attached to this report as Appendix D.



majority of its academic targets was primarily the wording of these targets.<sup>14</sup> Based on this review, the DC PCSB Board issued a Revocation Warning to the school, requiring it to meet three conditions: that the school develop an internal assessment for reading and math, conduct professional development for these new assessments, and develop an assessment to measure how students improve life skills through the boarding program.<sup>15</sup> In November 2004, the DC PCSB Board found that SEED PCS had met these conditions and fully continued the school's charter.<sup>16</sup>

### Ten-Year Review

In January 2009, DC PCSB conducted a ten-year charter review of SEED PCS and determined that the school met all academic, governance, compliance, and fiscal performance standards.<sup>17</sup> DC PCSB noted that the school's HALLS program was exemplary, and that the school had positive financial outcomes, including strong liquidity and cash flow. Based on this, the DC PCSB board voted to fully continue the school's charter.

### Charter Renewal

In April 2013, SEED PCS applied for DC PCSB to renew its charter. DC PCSB staff determined that the school had fully met 11 of its goals, and partially met one goal. The school met all goals related to the state assessment, with SEED PCS students outperforming the state average in composition, math, reading, and science proficiency from SY 2008-09 to SY 2011-12. DC PCSB found the school partially met one goal related to students developing academic skills for college and/or a career. While SEED PCS's PSAT and SAT performance outperformed the charter sector average, its AP passage rates were low.

In the renewal analysis, DC PCSB noted that the school received significant additional funding<sup>18</sup> to operate a boarding program, and given this, it encouraged SEED PCS to "set ambitious goals in its renewed charter that its students will achieve as a result of participating in its boarding model."<sup>19</sup> DC PCSB also recommended that "the school commit in its renewed charter to expand its point of entry for newly admitted students." Based on this analysis, the DC PCSB Board voted to fully continue the school's charter.

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<sup>14</sup> "The school's repeated use of a fifth-year target to meet annual targets 'consistently' put the school at a disadvantage, and caused them to miss the fifth-year target if it failed to meet the annual target one year." See SEED PCS five-year charter review.

<sup>15</sup> See February 11, 2004 letter from Thomas Loughlin, DDC PCSB Board Chair to Eric Adler, SEED PCS Board Chair, attached to this report as Appendix E.

<sup>16</sup> See November 16, 2004 letter from Thomas Nida, DC PCSB Board Chair, to Eric Adler, SEED PCS Board Chair, attached to this report as Appendix F.

<sup>17</sup> See SEED PCS ten-year charter review, attached to this report as Appendix G.

<sup>18</sup> In SY 2016, the average public charter school received \$17,539 in DC funding per pupil. In that year, SEED PCS received \$41,054 per pupil.

<sup>19</sup> See SEED PCS renewal report, p. 3, attached to this report as Appendix H.

## **SECTION ONE: GOALS AND ACADEMIC ACHIEVEMENT EXPECTATIONS**

The SRA requires DC PCSB to review whether a school has met its goals and academic expectations at least once every five years. Goals and academic expectations are only considered as part of the review analysis if they were included in a school’s charter or charter amendment approved by the DC PCSB Board.

In September 2016, SEED PCS amended its charter to adopt the early childhood/elementary school/middle school PMF (PK-8 PMF) and the high school PMF (HS PMF) as its goals and academic expectations. In September 2017, DC PCSB Board approved updates to the school’s charter agreement to reflect the revised Elect to Adopt the PMF as Goals Policy.<sup>20</sup>

The chart below summarizes DC PCSB’s determination of whether each academic program met its respective goals and academic expectations. This determination is further detailed in the body of this report.

<b>Goals and Academic Expectations</b>	<b>Met?</b>
<b>1 The School Corporation will be deemed to have met its goals and academic achievement expectations if at its twenty-year charter review in school year 2017-18, the middle school program (grades six through eight) and the high school program (grades nine through twelve) must each earn an average PMF score for SY 2012-13, 2013-14, 2015-16, 2016-17 equal to or exceeding 50%.<sup>21</sup></b>	<b>No.</b>

Assessment: **SEED PCS did not meet its goals and academic expectations.** While the high school’s average PMF score exceeded 50% during the review period, the middle school’s average score was 43.9%. Both the middle school and high school must earn average scores equal to or exceeding 50% in order to meet the goal.

The goal also contains an “improvement provision” that reads:

In cases where the school has not achieved the above thresholds, the DC PCSB Board may, at its discretion, determine that a school has met its goals and student

<sup>20</sup> Please see the Elect to Adopt the PMF as Goals Policy attached as Appendix I.

<sup>21</sup> See SEED PCS Amendment 2 to the Charter Renewal Agreement (2017), p. 2, attached to this report as Appendix J.

achievement expectations if the School Corporation has demonstrated consistent improvement on overall PMF’s scores on each PMF over the five-year period; provided that for school year 2014-15, the DC PCSB Board may consider improvement on the PMF measures.<sup>22</sup>

The steady decline in the middle school’s results from SY 2012-13 to SY 2016-17 renders the school ineligible for this provision.

The below table provides an overview of the school’s PMF performance. The school’s PMF trends are detailed on the following pages. Note that DC charter schools did not receive a score or tier on the SY 2014-15 PMF, given the District of Columbia’s transition from the DC Comprehensive Assessment System (DC CAS) to the Partnership for Assessment of Readiness for College and Careers (PARCC) assessment.

<b>SEED PCS - PMF Performance</b>						
	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>Average</b>
<b>PK-8 PMF</b>	<b>Tier 1</b> 62.1%	<b>Tier 2</b> 42.6%	PMF was not scored or tiered	<b>Tier 2</b> 38.8%	<b>Tier 3</b> 32.4%	<b>43.9%</b>
<b>High School PMF</b>	<b>Tier 1</b> 67.8%	<b>Tier 1</b> 65.7%		<b>Tier 2</b> 54.5%	<b>Tier 1</b> 66.1%	<b>63.5%</b>

### **Student Academic Achievement and Progress Measures**

The PMF measures progress and achievement in English Language Arts (ELA) and math. The proficiency tables display results for subgroups only if more than 10 students took the state assessment. The PMF also includes attendance and re-enrollment. Many charts are color coded according to the following key:

<b>KEY for Campus Rate Data Charts</b>	
<b>3+</b>	A PARCC score of 3 = Approaching College and Career Ready 3+ denotes the percentage of students who obtained a 3, 4 or 5 on the PARCC
<b>4+</b>	A PARCC score of 4 = College and Career Ready 4+ denotes the percentage of students who obtained a 4 or 5 on the PARCC 4+ is considered to be proficient
<b>n-size</b>	Number of students who took the state assessment at this school
<b>Green</b>	<ul style="list-style-type: none"> <li>Met the EC PMF floor in 2013-14</li> <li>Greater than or equal the state average or charter sector average of the same grade band</li> </ul>
<b>Red</b>	<ul style="list-style-type: none"> <li>Did not meet the EC PMF floor in 2013-14</li> <li>Less than the state average or charter sector average of the same grade band</li> </ul>
<b>No Shading</b>	<ul style="list-style-type: none"> <li>Data from 2014-15, when the state transitioned to PARCC. (Note – if the school did better than the state average, this is colored green.</li> </ul>

<sup>22</sup> See SEED PCS Amendment 2 to the Charter Renewal Agreement (2017), pp. 2-3.

## English Language Arts (ELA) Proficiency

### Middle School

Over the past four years, the middle school's ELA proficiency has been below the state average, and in SY 2016-17 only 9.9% of the middle school students were proficient, compared to the state average of 30.2%.

ELA proficiency among the middle school's subgroups has been consistently below the state average, with the exception of female students in SY 2012-13 and economically disadvantaged students in SYs 2012-13 and 2014-15. In SYs 2015-16 and 2016-17 the percentage of black students approaching expectations (3+) and meeting or exceeding expectations (4+) on the PARCC are far below the state average for this subgroup. At-risk students also performed below the state average.

In SY 2014-15, the state switched to the PARCC assessment. To allow schools an opportunity to adjust to the new assessment, SY 2014-15 PARCC outcomes that are lower than the state average will not be considered in charter review analyses regarding goal attainment.

<b>SEED PCS ELA Proficiency: Middle School</b>											
Subgroup	2012-2013 DC CAS		2013-2014 DC CAS			2014-2015 PARCC		2015-2016 PARCC		2016-2017 PARCC	
	School	State	School	State		School	State	School	State	School	State
All	45.3	50.9	34.2	51.8	3 +	39.6	47.8	28.2	51.8	30.7	53.9
					4 +	13.4	24.2	7.8	27.3	9.9	30.2
	190		225		n-size	217		206		202	
Black Non-Hispanic	45.3	46.2	34.4	46.2	3 +	40.0	40.5	28.2	45.3	31.2	46.8
					4 +	13.5	16.5	7.8	19.5	10.1	21.8
	190		224		n-size	215		206		199	
Students with Disabilities	N/A	19.5	N/A	20.9	3 +	6.1	12.5	2.5	15.3	5.4	16.8
					4 +	3.0	4.0	0.0	4.5	2.7	5.2
	<i>n &lt; 10</i>		<i>n &lt; 10</i>		n-size	33		40		37	
Econ Dis	48.1	44.7	33.9	44.3	3 +	39.0	38.2	27.7	43.5	30.7	45.9
					4 +	12.2	13.9	7.4	18.2	9.9	20.8
	133		177		n-size	164		202		202	

<b>SEED PCS ELA Proficiency: Middle School</b>											
Subgroup	2012-2013 DC CAS		2013-2014 DC CAS			2014-2015 PARCC		2015-2016 PARCC		2016-2017 PARCC	
	School	State	School	State		School	State	School	State	School	State
At-Risk	N/A	N/A	N/A	N/A	3 +	N/A	N/A	25.0	37.8	27.7	39.5
					4 +			5.5	13.8	10.2	15.8
					n-size			128		137	
Male	33.3	44.0	24.4	45.3	3 +	29.3	39.8	19.2	43.0	22.4	44.9
					4 +	11.2	19.1	9.1	21.3	6.1	23.2
	99		119		n-size	116		99		98	
Female	58.2	58.0	45.3	58.2	3 +	51.5	55.9	36.4	60.6	38.5	62.9
					4 +	15.8	29.3	6.5	33.3	13.5	37.3
	91		106		n-size	101		107		104	

SEED PCS increased their middle school ELA proficiency rates in SY 2016-17 in all but one proficiency category (Male 4+).

#### High School

From SY 2012-13 through SY 2015-16, the high school's ELA proficiency was above the state average. Yet since the PARCC was introduced in SY 2014-15, the high school's ELA proficiency has decreased each year, falling significantly from SY 2014-15 to SY 2015-16, and then declining further, below the state average, in SY 2016-17. In SY 2015-16, however, the at-risk population at SEED PCS performed above the state average on ELA proficiency. All subgroups performed below the state average in SY 2016-17, with the exception of female students and students with disabilities.

<b>SEED PCS ELA Proficiency: High School</b>											
Subgroup	2012-2013 DC CAS		2013-2014 DC CAS			2014-2015 PARCC		2015-2016 PARCC		2016-2017 PARCC	
	School	State	School	State		School	State	School	State	School	State
All	66.7	45.0	63.6	49.3	3 +	95.5	42.4	43.8	36.9	38.1	43.8
					4 +	63.6	25.1	28.1	21	19.0	27.3
	21		33		n-size	22		32		42	
Black Non-Hispanic	65.0	40.7	63.6	45.9	3 +	95.5	37.6	43.8	33.1	39.0	39.1
					4 +	63.6	19.6	28.1	17.4	19.5	21.3

## SEED PCS ELA Proficiency: High School

Subgroup	2012-2013 DC CAS		2013-2014 DC CAS			2014-2015 PARCC		2015-2016 PARCC		2016-2017 PARCC	
	School	State	School	State		School	State	School	State	School	State
	20		33		n-size	22		32		41	
Students with Disabilities	N/A	13.9	N/A	15.2	3 +	N/A	11.3	N/A	9.4	9.1	13.7
					4 +		3.8		3.9	9.1	5.1
	n < 10		n < 10		n-size	n < 10		n < 10		11	
Econ Dis	63.2	37.6	66.7	41.6	3 +	94.1	33.7	43.8	33.1	38.1	38.1
					4 +	58.8	16.5	28.1	17.4	19.0	21.2
	19		24		n-size	17		32		42	
At-Risk	N/A	N/A	N/A	N/A	3 +			46.7	25.0	26.9	29.3
					4 +			26.7	11.6	11.5	14.6
					n-size			15		26	
Male	N/A	38.9	63.6	41.7	3 +		34.9	21.4	29.6	20.0	35.6
					4 +		19.2	7.1	15.2	5.0	19.9
	n < 10		11		n-size	n < 10		14		20	
Female	71.4	50.6	63.6	56.4	3 +	92.3	49.7	61.1	44.1	54.5	52.0
					4 +	53.8	30.7	44.4	26.6	31.8	34.7
	14		22		n-size	13		18		22	

### ELA Growth

A median growth percentile (MGP) of 50 indicates that a school's students have average year-to-year growth in reading proficiency, as compared to other DC students in the same grades and with the same initial state assessment performance.

### Middle School

Over the past four years, the middle school's overall and subgroup ELA MGP scores have been consistently lower than 50, indicating that these students see lower academic growth than their peers at other public charter and traditional schools. The middle school's overall and subgroup ELA MGP has declined each year since the PARCC was introduced in SY 2014-15, with the exception of students with disabilities in SY 2015-16.

SEED PCS – Middle School Reading MGP				
	2013-14	2014-15 PMF not scored or tiered	2015-16	2016-17
All	36	45	42	34
Black Non-Hispanic	36	45	42	34
Students with Disabilities	33	42	43	31
Economically Disadvantaged	36	44	40	34
Male	33	42	40	32
Female	44	49	43	34

### High School

Since the switch to the PARCC exam in SY 2014-15, there have been no valid growth measures shown for high school.

### Math Proficiency

#### Middle School

While the middle school's math proficiency was above the state average in SY 2012-13, in each of the four subsequent years it has been below the state average. In SY 2016-17, only 7.0% of the middle school students were proficient, compared to the state average of 21.9%. With the exception of male students, in SY 2012-13 and SY 2013-14 the math proficiency among middle school subgroups was above the state average. Yet in the most recent two school years, every subgroup's math proficiency has been below the state average, including students who are classified as being at-risk. However, all subgroups experienced an increase in middle school math proficiency rates in SY 2016-2017 compared to SY 2015-2016.

SEED PCS Math Proficiency: Middle School											
Subgroup	2012-2013 DC CAS		2013-2014 DC CAS			2014-2015 PARCC		2015-2016 PARCC		2016-2017 PARCC	
	School	State	School	State		School	State	School	State	School	State
All	66.3	58.5	58.2	58.5	3 +	41.1	44.2	25.1	44.1	33.3	46.0

### SEED PCS Math Proficiency: Middle School

Subgroup	2012-2013 DC CAS		2013-2014 DC CAS			2014-2015 PARCC		2015-2016 PARCC		2016-2017 PARCC	
	School	State	School	State		School	State	School	State	School	State
					4 +	12.0	18.8	5.8	19.7	7.0	21.9
	180		225		n-size	209		207		201	
Black Non-Hispanic	66.3	53.9	58.0	52.9	3 +	41.5	37.2	25.1	36.1	33.8	37.7
					4 +	12.1	12.7	5.8	12.5	7.1	14.0
	190		224		n-size	207		207		198	
Students with Disabilities	N/A	25.8	N/A	25.9	3 +	12.1	11.9	4.9	13.7	8.3	14.4
					4 +	0.0	2.7	0.0	3.1	0.0	4.0
	n < 10		n < 10		n-size	33		41		36	
Econ Dis	63.2	53.3	57.1	51.8	3 +	41.7	34.9	24.1	34.9	33.3	36.5
					4 +	10.9	11.1	5.4	11.6	7.0	13.1
	133		177		n-size	156		203		201	
At-Risk	N/A	N/A	N/A	N/A	3 +			25.0	28.5	28.7	30.2
					4 +	N/A	N/A	5.5	8.4	6.6	9.6
					n-size			128		136	
Male	60.6	55.4	52.1	55.3	3 +	34.2	40.6	25.3	41.5	27.8	42.2
					4 +	12.3	17.3	8.1	18.3	6.2	19.5
	99		119		n-size	114		99		97	
Female	72.5	61.7	65.1	61.7	3 +	49.5	47.7	25.0	46.6	38.5	49.8
					4 +	11.6	20.4	3.7	21.2	7.7	24.2
	91		106		n-size	95		108		104	

#### High School

In SY 2012-13 and SY 2013-14, the last two years that the DC CAS was in place, SEED PCS high school's overall and subgroup math proficiency rates were significantly higher than the state average. In SY 2013-14, the high school had a 97.0% math proficiency rate, and 100.0% of male students and 97.0% of African American students scored proficient.

The PARCC exam was introduced in SY 2014-15, and high school students are required to take both the PARCC Geometry and PARCC Integrated Math II exam. In the two most recent school years, after the PARCC was introduced, the high school's overall math proficiency has been below the state average, with no students scoring meeting or exceeding expectations (4+) in SY 2015-16. (Note that in SY 2015-16, SEED PCS high school students took the Integrated Math exam instead of the Geometry exam.) In SY 2015-16, at-risk students' proficiency was above the state average. All other subgroup



math proficiency rates were below the state average. While some of these subgroup rates increased from SY 2015-16 to SY 2016-17, proficiency rates for all subgroups, measured by students scoring meeting or exceeding expectations (4+), remained below the state average in SY 2016-17.

<b>SEED PCS Math Proficiency: High School</b>											
Subgroup	2012-13 DC CAS		2013-2014 DC CAS			2014-2015 PARCC		2015-2016 PARCC		2016-2017 PARCC	
	School	State	School	State		School	State	School	State	School	State
All	85.7	44.8	97.0	51.0	3 +	17.1	39.2	28.1	38.6	35.7	41.6
					4 +	0.0	14.0	0.0	16.5	4.8	19.0
	<i>21</i>		<i>33</i>		n-size	<i>35</i>		<i>32</i>		<i>42</i>	
Black Non- Hispanic	85.0	40.4	97.0	47.3	3 +	17.1	30.0	28.1	28.6	36.6	31.9
					4 +	0.0	6.3	0.0	7.7	4.9	10.3
	<i>20</i>		<i>33</i>		n-size	<i>35</i>		<i>32</i>		<i>41</i>	
Students with Disabilities	N/A	16.1	N/A	18.3	3 +	N/A	9.6	N/A	9.4	27.3	8.7
					4 +		1.4	N/A	2.6	0.0	1.4
	<i>n &lt; 10</i>		<i>n &lt; 10</i>		n-size	<i>n &lt; 10</i>		<i>n &lt; 10</i>		<i>11</i>	
Econ Dis	84.2	37.5	95.8	44.2	3 +	18.5	27.0	28.1	25.7	35.7	31.5
					4 +	0.0	5.8	0.0	6.7	4.8	9.4
	<i>19</i>		<i>24</i>		n-size	<i>27</i>		<i>32</i>		<i>42</i>	
At-Risk	N/A	N/A	N/A	N/A	3 +	N/A	N/A	21.4	19.2	30.8	22.7
					4 +			21.4	4.5	3.8	5.5
					n-size			<i>14</i>		<i>26</i>	
Male	N/A	41.8	100.0	45.6	3 +	7.1	36.2	14.3	36.0	20.0	40.3
					4 +	0.0	13.0	0.0	15.3	10.0	18.2
	<i>n &lt; 10</i>		<i>11</i>		n-size	<i>14</i>		<i>14</i>		<i>20</i>	
Female	78.6	47.5	95.5	56.0	3 +	23.8	42.1	38.9	41.0	50.0	42.8
					4 +	0.0	14.9	0.0	17.5	0.0	19.7
	<i>14</i>		<i>22</i>		n-size	<i>21</i>		<i>18</i>		<i>22</i>	

## Math Growth

### Middle School

An MGP of 50 indicates that a school's students have average year-to-year growth in math proficiency, as compared to other DC students in the same grades and with the same initial state assessment performance. Over the past four years, with the exception

of two subgroups in SY 2014-15, the middle school’s overall and subgroup math MGP scores have been lower than 50, indicating that these students see lower academic growth than their peers. Aside from the male subgroup, the middle school’s overall and subgroup math MGP has declined each year since the PARCC was introduced in SY 2014-15.

SEED PCS – Middle School Math MGP				
	2013-14	2014-15 PMF not scored or tiered	2015-16	2016-17
All	43	49	47	43
Black Non-Hispanic	43	49	47	44
Students with Disabilities	47	50	47	33
Economically Disadvantaged	41	47	44	43
Male	42	47	49	44
Female	43	50	43	42

High School

Since the switch to the PARCC exam in SY 2014-15 there have been no valid growth measures shown for high school.

High School PMF Metrics

The following table defines DC PCSB measures for various high school metrics included in the PMF. When reviewing these results, it is important to remember that the number of students captured in each measure is small—and that these students had all been at SEED PCS since the sixth grade.

Indicator	Notes
Ninth grade students on track to graduate	DC PCSB calculates the percentage of ninth grade students earning enough credits to be on track to meet OSSE/LEA graduation requirements in four years.
PSAT	DC PCSB calculates the percentage of eleventh grade students scoring a combined score of at least 80 on the PSAT.

Indicator	Notes
SAT	DC PCSB calculates the percentage of twelfth grade students scoring at least 800 on the SAT (math plus critical reading score) or 16 on the ACT.
Advanced Placement (AP), International Baccalaureate (IB), dual enrollment	DC PCSB calculates this rate by dividing the number of passing AP/IB exams and dual enrollment courses by the number of twelfth grade students.
High school graduation rate	DC PCSB calculates an adjusted cohort graduation rate by dividing the number of graduating seniors by the number of students who started in the cohort's ninth grade class.
College acceptance	DC PCSB measures the percentage of twelfth grade students accepted in a full-time college program.

### Ninth Grade On Track to Graduate

While the number of Seed PCS ninth grade students on track to graduate exceeded the charter sector average by 20 percentage points in SY 2013-14, this rate declined over the next two years, to 57.4% in 2015-16. In the most recent school year, the downward trend reversed, and the rate of ninth grade students on track to graduate was 83.1%, just below the charter sector average of 83.6%.

<b>SEED PCS – High School 9<sup>th</sup> grade students on track to graduate</b>								
	2013-14		2014-15		2015-16		2016-17	
	School	Charter Sector	School	Charter Sector	School	Charter Sector	School	Charter Sector
All Students	92.0%	72.0%	72.2%	73.4%	57.4%	75.9%	83.1%	83.6%

### PSAT

In each of the last four years, the rate of SEED PCS eleventh grade students scoring 80 or higher on the PSAT has exceeded that of the charter sector. Yet, this rate has also declined significantly each year, falling from 71.4% in SY 2013-14 to 34.6% in SY 2016-17.

<b>SEED PCS – High School 11<sup>th</sup> grade students scoring 80+ on PSAT</b>								
	2013-14		2014-15		2015-16		2016-17	
	School	Charter Sector	School	Charter Sector	School	Charter Sector	School	Charter Sector
All Students	71.4%	29.6%	56.0%	24.2%	35.0%	29.2%	34.6%	26.5%

SAT

In each of the last four years, the rate of SEED PCS twelfth grade students scoring 800 or higher on the SAT, or 16 or higher on the ACT, has exceeded that of the charter sector. SEED PCS’s rate for this metric increased by 21.7 percentage points from SY 2015-16 to SY 2016-17.

<b>SEED PCS – High School</b>								
<b>12<sup>th</sup> grade students scoring 800 on the SAT (math plus critical reading score) or 16 on the ACT</b>								
	2013-14		2014-15		2015-16		2016-17	
	School	Charter Sector	School	Charter Sector	School	Charter Sector	School	Charter Sector
All Students	57.1%	37.5%	69.2%	40.8%	64.0%	44.3%	85.7%	55.2%

AP/Dual Enrollment

SEED PCS’s advanced placement/dual enrollment passage rate has been below the charter sector in each of the past four years, and was 0.0% in SY 2013-14 and SY 2014-15. Although the school’s performance on this metric increased to 20.0% in SY 2015-16, it declined the subsequent year to 4.8%.

<b>SEED PCS – High School</b>								
<b>12<sup>th</sup> grade students Advanced Placement/Dual Enrollment Passage Rate</b>								
	2013-14		2014-15		2015-16		2016-17	
	School	Charter Sector	School	Charter Sector	School	Charter Sector	School	Charter Sector
All Students	0.0%	10.2%	0.0%	22.5%	20.0%	25.2%	4.8%	28.2%

Four-Year Graduation Rate

SEED PCS’s four-year graduation rate has been above that of the charter sector in three of the past four years. Yet, the school’s four-year graduation rate dropped significantly from 90.9% in SY 2014-15 to 52.4% in SY 2015-16, below the charter sector average. In SY 2016-17, SEED PCS’s four-year graduation rate increased to 88.5%.

**SEED PCS – High School  
Four-Year Graduation Rate<sup>23</sup>**

	2013-14		2014-15		2015-16		2016-17	
	School	Charter Sector	School	Charter Sector	School	Charter Sector	School	Charter Sector
All Students	90.9%	67.5%	90.9%	71.2%	52.4%	75.8%	88.5%	80.3%

College Acceptance

SEED PCS’s college acceptance rate has been above that of the charter sector in two of the past four years, and was 100% in SY 2014-15.

**SEED PCS – High School  
College Acceptance**

	2013-14		2014-15		2015-16		2016-17	
	School	Charter Sector	School	Charter Sector	School	Charter Sector	School	Charter Sector
All Students	81.0%	89.7%	100%	91.4%	91.7%	97.2%	95.2%	95.8%

Attendance

SEED PCS’s middle school in-seat attendance rate has been below the state average in two of the past four years, while its high school attendance has exceeded the state rate over the past four years. In SY 2016-17, SEED PCS’s middle school attendance rate was 92.3%, 1.4 percentage points below the state average. SEED PCS’s SY 2016-17 high school attendance rate was 93.8%, above the state average of 87.3%.

**SEED PCS: In-Seat Attendance**

	2013-14		2014-15		2015-16		2016-17	
	School	State	School	State	School	State	School	State
Middle School	93.1%	92.9%	88.9%	92.8%	94.8%	93.2%	92.3%	93.7%

<sup>23</sup> Starting in SY 2014-15, DC PCSB reported the four-year graduation one year behind on the High School PMF in order to align cohorts with the five-year graduation rate.

### SEED PCS: In-Seat Attendance

	2013-14		2014-15		2015-16		2016-17	
	School	State	School	State	School	State	School	State
High School	93.5%	88.5%	94.0%	88.7%	96.3%	89.5%	93.8%	87.2%

#### Re-Enrollment

A school's re-enrollment rate indicates student and family satisfaction with a school by measuring the rate at which students who are eligible return from one year's official enrollment audit to the next year's official enrollment audit. Re-enrollment measures the continuation of students from one year to the next and does not reflect long-term attrition rates. Students who move out-of-state or have other situations that would prevent them from re-enrolling are excluded from this rate.

Except for one year, SEED PCS's re-enrollment rate at both its middle and high school has exceeded the charter sector average. Students transitioning from grade eight to grade nine are reflected in the middle school's re-enrollment rate. The school's middle and high school re-enrollment rates have also increased each year since SY 2013-14. Students are leaving SEED PCS at a rate comparable to the charter sector; however, the school is not enrolling any new students, so the enrollment continues to progressively decline by grade level.

### SEED PCS: Re-Enrollment Rate

	2013-14 to 2014-15		2014-15 to 2015-16		2015-16 to 2016-17	
	School	Charter Sector	School	Charter Sector	School	Charter Sector
Middle School	81.7%	82.8%	86.5%	78.6%	87.2%	85.2%
High School	81.6%	79.7%	82.4%	81.3%	89.9%	83.7%

#### **Qualitative Site Review (QSR) Outcomes**

DC PCSB conducts QSRs of charter schools to observe qualitative evidence of the extent to which the school is meeting its mission and goals, as well as to assess classroom environments and quality of instruction. In spring 2017, in anticipation of this charter

review, DC PCSB conducted a QSR of SEED PCS.<sup>24</sup> PCSB observed evidence that the school is meeting its mission and goals, noting that:

Teachers and administrators...appear to have strong rapport with their students and for the most part the instructional program was strong. However, the QSR team did note that in some classrooms student behavior and low-levels of rigor were of concern.<sup>25</sup>

In QSRs, each observed classroom is assigned an Unsatisfactory, Basic, Proficient, or Distinguished rating in the domains of classroom environment<sup>26</sup> and instruction.<sup>27</sup> The following table details the percentage of classrooms that were rated proficient or distinguished in each domain. Out of 39 QSRs conducted by DC PCSB in SY 2016-17, SEED PCS had the seventh-highest instruction score.

<b>% of Classrooms Rated Proficient or Distinguished in the Domain</b>	
<b>Classroom Environment</b>	<b>Instruction</b>
78%	75%

DC PCSB conducted 39 QSRs at charter schools serving grades K-12 or a configuration of those grades in SY 2016-17. The overall average for school serving K-12 in the Classroom Environment domain was 72%, and 65% for Instruction. SEED PCS received above average scores in the Classroom Environment domain and in the Instruction domain.

<sup>24</sup> See SEED PCS QSR Report 2017, attached to this report as Appendix K.

<sup>25</sup> See SEED PCS QSR report 2017, p. 2.

<sup>26</sup> To assess classroom environment, DC PCSB observes whether teachers (a) create an environment of respect and rapport; (b) establish a culture for learning; (c) manage classroom procedures; and (d) manage student behavior.

<sup>27</sup> To assess instruction, DC PCSB observes how teachers (a) communicate with students; (b) use questioning/prompts and discussion techniques; (c) engage students in learning; and (d) use assessment for instruction.

## **SECTION TWO: COMPLIANCE WITH CHARTER AND APPLICABLE LAWS**

The SRA requires DC PCSB to determine at least once every five years whether a school has “committed a material violation of applicable laws or a material violation of the conditions, terms, standards, or procedures set forth in its charter, including violations relating to the education of children with disabilities.”<sup>28</sup> The SRA contains a non-exhaustive list of applicable laws, which DC PCSB monitors in its annual compliance reviews. The below table discusses the school’s compliance with various requirements from SY 2013-14 to the time of this report’s publication.

<b>Compliance Item</b>	<b>Description</b>	<b>School’s Compliance Status SY 2013-14 to Present<sup>29</sup></b>
<b>Fair enrollment process</b> D.C. Code § 38-1802.06	DC charter schools must have a fair and open enrollment process that randomly selects applicants and does not discriminate against students.	Compliant since SY 2013-14
<b>Notice and due process for suspensions and expulsions</b> D.C. Code § 38-1802.06(g)	DC charter school discipline policies must afford students due process <sup>30</sup> and the school must distribute such policies to students and parents.	Compliant since SY 2013-14
<b>Student health and safety</b> D.C. Code §§ 38-1802.04(c)(4), 4-1321.02, 38-651	The SRA requires DC charter schools to maintain the health and safety of its students. <sup>31</sup> To ensure that schools adhere to this clause, DC PCSB monitors schools for various indicators, including but not limited to whether schools: <ul style="list-style-type: none"> <li>- have qualified staff members that can administer medications;</li> <li>- conduct background checks for all school employees and volunteers; and</li> <li>- have an emergency response plan in place and conduct emergency drills as required by DC code and regulations.</li> </ul>	Compliant since SY 2013-14
<b>Equal employment</b> D.C. Code § 38-1802.04(c)(5)	A DC charter school’s employment policies and practices must comply with federal and local employment laws and regulations.	Compliant since SY 2013-14

<sup>28</sup> D.C. Code § 38.1802.13(a)(1).

<sup>29</sup> See Compliance Reports, attached to this report as Appendix L.

<sup>30</sup> See *Goss v. Lopez*, 419 U.S. 565 (1975).

<sup>31</sup> D.C. Code § 38.1802.04(c)(4)(A).



<b>Compliance Item</b>	<b>Description</b>	<b>School's Compliance Status SY 2013-14 to Present<sup>29</sup></b>
<b>Insurance</b> As required by the school's charter	A DC charter school must be adequately insured.	Compliant since SY 2013-14
<b>Facility licenses</b> D.C. Code § 47-2851.03(d); D.C. Mun. Regs., tit. 14, §§ 14-1401 et seq.	A DC charter school must possess all required local licenses.	Compliant since SY 2013-14
<b>Proper composition of Board of Trustees</b> D.C. Code § 38-1802.05(a)	A DC charter school's Board of Trustees must have: an odd number of members that does not exceed 15; a majority of members that are DC residents; and at least two members that are parents of a student attending the school.	Compliant since SY 2013-14
<b>Accreditation Status</b> D.C. Code § 38-1802.02(16)	A DC charter school must maintain accreditation from an SRA-approved accrediting body approved by the SRA.	Compliant since SY 2013-14

**Procurement Contracts**

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

For SYs 2013-14 and 2014-15, the school did not properly submit all contract documents. However, these contracts were entered into before DC PCSB implemented the current version of the Procurement Contract Submission Policy and it would be impractical for the school to submit these contracts at this time. For SY 2015-16, DC PCSB staff found the school to be in compliance with the Procurement Contract Submission Policy.

## **Special Education Compliance**

Charter schools are required to comply with all federal and local laws, regarding students with disabilities, including the Individuals with Disabilities Education Act<sup>32</sup> (IDEA) and Section 504 of the Rehabilitation Act of 1973.<sup>33</sup> The following section summarizes SEED PCS's IDEA special education compliance from SY 2013-14 to the present.

### **The D.C. Office of the State Superintendent of Education (OSSE) Special Education Compliance Reviews**

OSSE monitors charter schools' special education compliance and publishes three primary types of reports detailing these findings: (1) Annual Determinations; (2) On-Site Monitoring; and (3) Special Conditions Reports. OSSE's findings regarding special education compliance for SEED PCS are summarized below.

#### **(1) Annual Determinations**

As required by federal regulation, OSSE annually analyzes each LEA's compliance with special education compliance indicators and publishes these findings in an Annual Determination report.<sup>34</sup> Each year's report is based on compliance data collected from the prior federal fiscal year. For example, in SY 2016-17, OSSE published its 2014 Annual Determination reports (based on the school's SY 2014-15 performance).

The LEA's Annual Determination compliance performance is detailed in the table below.<sup>35</sup>

<b>Year</b>	<b>Percent Compliant with Audited Special Education Federal Requirements</b>	<b>Determination Level<sup>36</sup></b>
2013	82%	Meets Requirements
2014	91%	Meets Requirements
2015	70%	Needs Assistance

SEED PCS received a Needs Assistance designation in its 2015 Determination. OSSE recommended that the school's team seek training and technical assistance to improve

<sup>32</sup> 20 U.S.C. §§ 1400 *et seq.* See 20 U.S.C. § 1413(a)(5).

<sup>33</sup> 29 U.S.C. § 794.

<sup>34</sup> As required by federal regulation 34 CFR § 300.600(c).

<sup>35</sup> See Annual Determination reports, attached to this report as Appendix M.

<sup>36</sup> The IDEA requires OSSE as the State educational agency (SEA) to make determinations annually about the performance of LEAs. OSSE is required to use the same categories that the US Department of Education, Office of Special Education Programs (OSEP) uses for state determinations as outlined in Section 616(d) of IDEA. In making such determinations, OSSE will assign LEAs one of the following determination levels: Meets Requirements, Needs Assistance, Needs Intervention, and Needs Substantial Intervention.

overall performance. However, the LEA is not legally required to undertake the recommendations or any corrective actions.

**(2) On-Site Monitoring Report**

OSSE conducts an on-site assessment of an LEA’s special education compliance with student-level and LEA-level indicators in alignment with their coordinated Risk-Based Monitoring<sup>37</sup> and publishes its findings in an On-Site Monitoring Report. Annually, OSSE assigns a risk designation to each LEA based on several criteria, including its IDEA Part B performance,<sup>38</sup> which OSSE then uses to determine if an LEA will receive on-site monitoring.<sup>39</sup> LEAs are responsible for being 100% compliant with student-level indicators and LEA-level indicators on On-Site Monitoring Reports.<sup>40</sup>

In 2017, OSSE published an On-Site Compliance Monitoring Report of SEED PCS based on the school’s performance in SY 2016-17.<sup>41</sup> The school was found to be compliant in all LEA level and student-level indicators.

<b>On-Site Monitoring Report – LEA-Level Compliance</b>			
<b>Compliance Area</b>	<b>Compliant?</b>	<b>Noncompliant Indicators</b>	<b>Corrected?</b>
Least Restrictive Environment	1 of 1 indicator compliant	N/A	N/A
Individualized Education Program (IEP)	1 of 1 indicator compliant	N/A	N/A
Data	1 of 1 indicators compliant	N/A	N/A
Fiscal	4 of 4 indicators compliant	N/A	N/A

<b>On-Site Monitoring Report – Student-Level Compliance</b>			
<b>Compliance Area</b>	<b>Compliant?</b>	<b>Noncompliant Indicators</b>	<b>Corrected?</b>

<sup>37</sup> <https://osse.dc.gov/sites/default/files/dc/sites/osse/publication/attachments/Risk-Based%20Monitoring%20Guidance.pdf>

<sup>38</sup> Part B of IDEA applies to students ages 3-22.

<sup>39</sup> The type of monitoring an LEA will receive varies depending on its designation as a “high,” “medium,” or “low risk” sub-grantee. An on-site monitoring visit will occur for schools classified as “high” risk.

<sup>40</sup> If the school were found to be less than 100% compliant with a student-level indicator that could not be cured retroactively, OSSE would identify the point of noncompliance as an LEA-level violation and give the LEA 365 days to cure the finding.

<sup>41</sup> See 2016-17 On-Site Monitoring Report Attachments, attached to this report as Appendix N.

<b>On-Site Monitoring Report – Student-Level Compliance</b>			
<b>Compliance Area</b>	<b>Compliant?</b>	<b>Noncompliant Indicators</b>	<b>Corrected?</b>
Initial Evaluation and Reevaluation	5 of 5 indicators compliant	N/A	N/A
IEP	20 of 20 indicators compliant	N/A	N/A
Least Restrictive Environment	4 of 4 indicators compliant	N/A	N/A

**(3) Special Conditions Reports**

OSSE submits reports to OSEP three times annually,<sup>42</sup> detailing LEAs' compliance in three areas: (1) Initial Evaluation timeliness;<sup>43</sup> (2) Reevaluation timeliness; and (3) Secondary Transition requirements (for students at age 16 and up). SEED PCS is evaluated in adhering to all three of these areas, and the outcomes are detailed in the tables below. The school has since cured all identified points of noncompliance.

<b>Special Conditions Reporting Period – April 2013 through March 2014</b>				
	<b>Quarter 1 (April 1 – June 30)</b>	<b>Quarter 2 (July 1 – September 30)</b>	<b>Quarter 3 (October 1 – December 31)</b>	<b>Quarter 4 (January 1 – March 31)</b>
<b>Initial Evaluation Timeline</b>	N/A <sup>44</sup>	N/A	N/A	Compliant
<b>Reevaluation Timeline</b>	Compliant	N/A	N/A	Compliant
<b>Secondary Transition</b>	N/A	N/A	N/A	Not compliant

<sup>42</sup> Prior to SY 2014-15, OSSE conducted reviews quarterly. The data for the special conditions from that timeframe is thus organized across four quarters.

<sup>43</sup> Starting with SY 2017-18, OSSE is no longer under special conditions with OSEP on Initial Evaluations. Moving forward, OSSE will only report on Reevaluation and Secondary Transition in Special Conditions reporting. Initial evaluation data will still be periodically reviewed for compliance and included in Public Reporting for Annual Performance Reports (APRs). For the purposes of this report, Initial Evaluations are included since OSSE reported on this area of compliance in the past.

<sup>44</sup> Not applicable (N/A) indicates that OSSE did not conduct a review for the listed compliance area during the specified time-frame for the school.

<b>Special Conditions Reporting Period – April 2014 through March 2015</b>			
	<b>August 1 Report (April 1 – June 30)</b>	<b>November 1 Report (July 1 – Sept. 30)</b>	<b>May 1 Report (October 1 – March 31)</b>
<b>Initial Evaluation Timeline</b>	N/A	N/A	N/A
<b>Reevaluation Timeline</b>	Compliant	Compliant	Compliant
<b>Secondary Transition</b>	N/A	N/A	N/A

<b>Special Conditions Reporting Period – April 2015 through March 2016</b>			
	<b>August 1 Report (April 1 – June 30)</b>	<b>November 1 Report (July 1 – Sept. 30)</b>	<b>May 1 Report (October 1 – March 31)</b>
<b>Initial Evaluation Timeline</b>	N/A	N/A	N/A
<b>Reevaluation Timeline</b>	N/A	N/A	N/A
<b>Secondary Transition</b>	N/A	Compliant	Compliant

<b>Special Conditions Reporting Period – April 2016 through March 2017</b>			
	<b>August 1 Report (April 1 – June 30)</b>	<b>November 1 Report (July 1 – Sept. 30)</b>	<b>May 1 Report (October 1 – March 31)</b>
<b>Initial Evaluation Timeline</b>	N/A	N/A	N/A
<b>Reevaluation Timeline</b>	Compliant	N/A	N/A
<b>Secondary Transition</b>	N/A	N/A	Compliant

Hearing Officer Determination (HOD) Implementation Review

OSSE manages and oversees compliance through the HOD Tracker (formerly called the

Blackman Jones database) that tracks the timely implementation of actions required by HODs. As of July 2017, no HODs have been issued against SEED PCS.<sup>45</sup>

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<sup>45</sup> HODs are the written decisions issued as a result of a due process complaint that proceeded to hearing. Many other complaints are withdrawn for a number of reasons, including settlement. Not all outcomes are required to be tracked; thus, for the purposes of this charter reviews, DC PCSB reports only on HODs that resulted in a finding of noncompliance against the LEA.

## **SECTION THREE: FISCAL MANAGEMENT AND ECONOMIC VIABILITY**

### **INTRODUCTION**

The SRA requires DC PCSB to revoke a school’s charter if DC PCSB determines that the school:

- Has engaged in a pattern of non-adherence to generally accepted accounting principles (GAAP);
- Has engaged in a pattern of fiscal mismanagement; and/or
- Is no longer economically viable.<sup>46</sup>

The results of DC PCSB’s review of SEED PCS’s financial records are presented below.

### **SUMMARY OF FINDINGS**

SEED PCS has demonstrated adequate financial performance. Its financial audit confirms compliance with GAAP. However, the audits reveal several concerns surrounding its internal control environment dating back to Fiscal Year (FY) 2012, which appear to have been resolved by FY 2016. SEED PCS has not engaged in a pattern of fiscal mismanagement, and it is economically viable.

SEED PCS’s first year of operation was FY 1999. The data examined as a part of this review includes the last five years of audited financial data, FY 2012 through FY 2016. During this period, both enrollment and total revenues grew modestly. The school usually generated a surplus, except for the small deficit in FY 2012. The school has a strong reserve position that it has continued to build over the years. Indicators of economic viability are generally positive.

SEED PCS does not warrant any concerns for economic viability or fiscal mismanagement based on the information currently available to DC PCSB.

### **FINANCIAL OVERVIEW**

The following table provides an overview of SEED PCS’s financial information over the school’s last five years of operations. Between FY 2012 and FY 2016, enrollment and revenue grew by 4% and 9%, respectively. During the same period, the school built a strong Net Asset Position of \$16.8 million. Overall, the school exhibited adequate financial results as it continued to operate its program in a fiscally responsible manner.

<b>Financial Highlights (\$ in 000s)</b>					
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>

<sup>46</sup> See D.C. Code § 38-1802.13(b).

<b>Financial Highlights (\$ in 000s)</b>					
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Maximum Enrollment<sup>47</sup></b>	Unknown	Unknown <sup>48</sup>	500	500	500
<b>Audited Enrollment</b>	340	341	342	336	352
<b>Total Revenue</b>	\$14,187	\$14,365	\$14,242	\$14,826	\$15,401
<b>Surplus/(Deficit)<sup>49</sup></b>	(\$25)	\$52	\$15	\$20	\$965
<b>Unrestricted Cash Balances</b>	\$2,314	\$1,918	\$1,575	\$1,993	\$1,806
<b>Number of Days of Cash on Hand<sup>50</sup></b>	63	52	43	52	49
<b>Net Asset Position<sup>51</sup></b>	\$15,752	\$15,804	\$15,819	\$15,839	\$16,805
<b>Primary Reserve Ratio<sup>52</sup></b>	111%	110%	111%	107%	116%

## **FISCAL MANAGEMENT**

Overall fiscal management considers the school's liquidity, debt burden, cost management, and internal controls. Together, these factors reflect the effectiveness of school leaders and the school's board in managing school finances. SEED PCS's fiscal management appears to be sound: the school's liquidity is sufficient, it has an adequate ability to service its debt, and its operating costs are effectively managed. However, financial audits reveal several findings surrounding the school's internal control environment dating back to FY 2012. They appear to have been resolved by FY 2016. All six criteria are discussed further below.

### Liquidity

Liquidity refers to the school's ability to meet its financial obligations, particularly in the short term. Too few assets or insufficient cash to pay vendors and/or creditors is a cause for concern and threatens the school's viability.

The first indicator of a school's liquidity is its current ratio.<sup>53</sup> The current ratio measures a school's financial resources available to meet short-term obligations (i.e., those obligations due in the following 12 months). When the current ratio is less than one, the school's ability to meet these obligations is in doubt; we consider a current ratio of greater than 1.0 the "target" of acceptable performance. A current ratio below 0.7 raises concern about the school's liquidity; we consider this the "floor" of acceptable performance.

<sup>47</sup> Maximum Enrollment represents the largest possible number of students for which the school may receive public funding. It may be higher than the school's targeted or budgeted enrollment, but provides a good proxy for the school's enrollment expectations over time.

<sup>48</sup> The maximum enrollment prior to FY 2014 was not located due to missing records.

<sup>49</sup> Surplus / (Deficit) is total revenue minus total expenses.

<sup>50</sup> Number of Days of Cash on Hand equals unrestricted cash and cash equivalents divided by daily operating expenses (which equals annual operating expenses divided by 365 days). It is a measure of the school's ability to pay debts and claims as they come due.

<sup>51</sup> Net Asset Position equals total assets minus total liabilities.

<sup>52</sup> Primary Reserve Ratio equals total net assets, less intangible assets, divided by total annual expenses.

<sup>53</sup> A school's current ratio is its current assets divided by current liabilities.



While SEED PCS’s current ratio has varied over the last five years, it has been at least 1.0 each year, indicating that the school’s short-term liquidity is adequate.

The second measure, days of cash on hand, reflects a school’s ability to satisfy its financial obligations using only existing cash balances (in the event of unexpected cash delays). Typically, 45 days of cash or more is recommended; we consider this the target. Less than 15 days of cash is a liquidity concern; we consider this the floor.

SEED PCS’s days of cash on hand has also varied over the last five years, but it has been at least 45 in four of the five years under review.

Together, these metrics provide evidence of continued stability in overall liquidity.

Liquidity							
	Floor	Target	2012	2013	2014	2015	2016
<b>Current Ratio</b>	<0.7	>1.0	1.8	1.4	1.3	1.2	1.5
<b>Number of Days of Cash on Hand</b>	<15	>45	63	52	43	52	49

The final measure of liquidity is solvency,<sup>54</sup> or the school’s ability to pay outstanding obligations, including amounts due to vendors, employees, and lenders, if DC PCSB revokes the school’s charter. DC PCSB reviewed SEED PCS’s 2016 audited financial statements to determine the risk to third parties in the event of school closure. Should the DC PCSB Board vote to close SEED PCS, we expect that the school would be able to meet its operating obligations. Including estimated closure costs, we do not anticipate the school having a shortfall in meeting obligations due to vendors, employees, and lenders. Given the overall financial health of the school, this is not an area of immediate concern.

Debt Burden

As part of the evaluation of a school’s long-term viability, DC PCSB considers a school’s debt burden. DC PCSB reviews two debt ratios—the debt ratio<sup>55</sup> and the debt service coverage ratio.<sup>56</sup>

First, the debt ratio measures how leveraged a school is, or the extent to which a school relies on borrowed funds to finance its operations. A ratio greater than 0.90 is a cause for concern (the floor for this metric); a ratio below 0.50 is a signal of financial strength (the target).

<sup>54</sup> Except when the school owns a facility, solvency equals unrestricted cash plus receivables with a high probability of collection, minus liabilities and closure expenses.  
<sup>55</sup> Debt Ratio equals the total liabilities divided by the total assets.  
<sup>56</sup> Debt Service Coverage Ratio equals Earnings Before Interest, Depreciation, and Amortization divided by the sum of scheduled principal payments and interest paid (not including balloon payments).

SEED PCS’s debt ratio has exceeded our target in all five years, representing little risk to financial viability.

Second, the debt service coverage ratio is a measure of surplus available for debt servicing to interest and principal; a low ratio indicates a school’s inability to service its debt. For this metric, a ratio less than 1.0 is a cause for concern (the floor) and a ratio above 1.2 is a sign of strength (the target).

SEED PCS’s debt service coverage ratio exceeds our target significantly, which indicates it is capable of making its scheduled principal and interest payments.

Together, these measures reveal no concerns surrounding SEED PCS’s debt burden.

<b>Debt Burden</b>							
	<b>Floor</b>	<b>Target</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Debt Ratio</b>	>0.90	<0.50	0.34	0.33	0.29	0.27	0.22
<b>Debt Service Coverage Ratio</b>	<1.0	>1.2	<i>N/A-metric introduced in FY16</i>				2.2

Cost Management

The following table provides an overview of the school’s spending decisions over the past five years. Since FY 2012, expenses have grown 2%, lower than the 9% growth in revenues. Expenses have been relatively consistent; the largest component has been for personnel salaries and benefits, reflecting an investment in human capital. Costs appear to be effectively managed at the school.

<b>Cost Management (\$ in 000s)</b>					
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Salaries and Benefits</b>	\$8,768	\$9,104	\$8,954	\$8,856	\$9,091
<b>Direct Student Costs</b>	\$1,831	\$1,661	\$1,579	\$1,707	\$1,404
<b>Occupancy Expenses</b>	\$2,095	\$2,050	\$2,130	\$2,505	\$2,437
<b>General Expenses<sup>57</sup></b>	\$1,518	\$1,497	\$1,563	\$1,738	\$1,503

<b>As a Percent of Expenses</b>						
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>FY16 Sector Median</b>
<b>Salaries and Benefits</b>	62%	64%	63%	60%	63%	61%
<b>Direct Student Costs</b>	13%	12%	11%	12%	10%	11%
<b>Occupancy Expenses</b>	15%	14%	15%	17%	17%	16%

<sup>57</sup> DC PCSB has worked with the Financial Oversight Task Force to revise definitions of cost categories, including combining Office Expenses and General Expenses beginning in FY 2016. Other category definitions have also changed over time.

As a Percent of Expenses						
	2012	2013	2014	2015	2016	FY16 Sector Median
General Expenses	11%	10%	11%	12%	10%	11%

Internal Controls

At the highest level, internal controls are processes assuring achievement of an organization's objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations, and policies.

Audits of SEED PCS establish that the school has adhered to GAAP. The school's auditors issued unmodified audit opinions on the financial statements for all five years.

However, based on the past five years of audits, SEED PCS had numerous significant deficiencies. In FY 2012, the school's auditors identified four significant deficiencies, three of which were during its Uniform Guidance (formerly A-133) audit, that ranged from suspected fraud to procurement issues; however, these findings were not repeated in FY 2013, indicating that the deficiencies were resolved. In FY 2014, the school's auditors identified one significant deficiency during its Uniform Guidance audit related to improper documentation; this finding was resolved by FY 2015.

However, two new significant deficiencies were discovered in FY 2015. These deficiencies resulted from (1) a member of management unilaterally hiring a friend as a contractor by circumventing established procurement processes, and (2) untimely certification of time records by employees. DC PCSB notified the school it was aware of these deficiencies via correspondence dated May 10, 2016.

While the audit results in FY 2016 did not reveal any other issues, DC PCSB will continue to monitor the school's audits to determine if there are further concerns.

Internal Controls					
	2012	2013	2014	2015	2016
<b>Modified Statement Opinion.</b> The auditor issues an opinion letter on the basic financial statements. An <i>unmodified</i> opinion means the auditor is satisfied professionally that the statements present fairly the financial position of the school and the results of operations. Should there be areas of doubt, the opinion may be <i>modified, adverse, or disclaimed</i> .	No	No	No	No	No
<b>Material Weakness.</b> A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable	No	No	No	No	No

Internal Controls					
	2012	2013	2014	2015	2016
possibility that a material misstatement of the school's financial statements will not be prevented, or detected and corrected in a timely manner.					
<b>Statement Non-Compliance.</b> The auditor tests for compliance with certain provisions of laws, regulations, contracts, and grant agreements. Non-compliance could have a direct and material effect on the determination of financial statement amounts.	Yes	No	No	No	No
<b>Modified Program Opinion (Uniform Guidance).</b> When expenditures of federal funds are greater than \$750,000, the auditor performs an extended review and issues an opinion letter on compliance with the requirements of laws, regulations, contracts, and grants applicable to each of the school's major federal programs. A <i>modified opinion</i> indicates instances of non-compliance.	No	No	No	No	No
<b>Program Material Weakness (Uniform Guidance).</b> In planning and performing the audit of major federal programs, the auditor considers internal control over compliance with the requirements of applicable laws, regulations, contracts, and grants. A material weakness in internal control indicates that there is a reasonable possibility of material noncompliance with a requirement of a federal program that will not be prevented, or detected and corrected, on a timely basis.	No	No	No	No	No
<b>Findings &amp; Questioned Costs.</b> The auditor discloses audit findings that are important enough to merit attention by those charged with governance, with documentation of corrective action plans noting the responsible party.	4	0	1	2	0
<b>Unresolved Prior Year Findings.</b> The auditor discloses prior year audit findings that have not been corrected.	No	No	No	No	No
<b>Going-Concern Issue.</b> The auditor indicates that the financial strength of the school is questioned.	No	No	No	No	No
<b>Debt-Compliance Issue.</b> The audit discloses that the school was not in compliance with certain debt covenants. A debt-compliance issue may prelude insolvency.	No	No	No	No	No

### **ECONOMIC VIABILITY**

DC PCSB assesses economic viability through six measures: cash flow, earnings, net assets, reserve balances, and trends in enrollment and revenue. Based on these six measures, SEED PCS's economic viability is not at risk. See below for further detail.

#### Operating Results

A school's fiscal operation produces a surplus or deficit each year. DC PCSB recommends a school's revenues should exceed their expenditures. SEED PCS exceeded our floor of \$0, generating a surplus in all but one of the years under review. This one-time deficit is no cause for concern when considered along with the school's cash reserves and earnings.

Additionally, in FY 2016, the school increased its surplus significantly to \$965,000 through increased revenues of \$575,000 and reduced expenses of \$370,000.

Earnings

DC PCSB reviews earnings before depreciation and amortization (EBDA)<sup>58</sup> separately from the first measure because depreciation is a non-cash expense which impacts the surplus/deficit, but not actual cash flow. Here, SEED exceeds our floor of \$0 each year, generating positive EBDA annually.

(\$ in 000s)	Floor	2012	2013	2014	2015	2016
<b>Surplus/(Deficit)</b>	<0	(\$25)	\$52	\$15	\$20	\$965
<b>Earnings before Depreciation and Amortization</b>	<0	\$901	\$983	\$969	\$1,013	\$2,033

Net Asset Position

The net asset position is the accumulation of operating results over time. DC PCSB does not set a target for this ratio but we do set a floor of \$0. SEED PCS has a strong net asset position, which has grown over time.

Primary Reserve Ratio

The primary reserve ratio is the proportion of reserves relative to operating expenditures. Our target is 25% and our floor is 0%. SEED PCS exceeded our floor each year for this metric.

(\$ in 000s)	Floor	Target	2012	2013	2014	2015	2016
<b>Net Asset Position</b>	<0	N/A	\$15,752	\$15,804	\$15,819	\$15,839	\$16,805
<b>Primary Reserve Ratio</b>	<0	>25%	111%	110%	111%	107%	116%

Enrollment and Revenue Trends

The final measures of economic viability are trends in enrollment and revenues. Enrollment trends provide information about the school’s ability to attract students and earn DC and federal funds for operations. Stable or growing enrollment and revenue indicate that the school is likely to remain financially stable. Declining enrollment, however, may be a cause for concern.

Growth in SEED PCS’s enrollment and revenue was modest but stable from FY 2012 through FY 2017. It is likely that the school will be able to continue to attract students and maintain adequate revenues.

<sup>58</sup>EBDA is the change in net assets plus depreciation and amortization.

<b>Enrollment over Time</b>						
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Enrollment</b>	340	341	342	336	352	363
<b>Growth in Enrollment</b>	0%	0%	0%	(2%)	5%	3%
<b>Growth in Revenues</b>	3%	1%	(1%)	4%	4%	N/A