

Charter LEA Input & Incorporation

September 2025

Charter LEA Input	Incorporation into the Policy
Which charter LEAs can acquire or merge with another charter LEA or charter school	
Charter LEA leaders requested that the policy include minimum criteria that LEAs must meet to be eligible to participate in a merger or acquisition.	The policy establishes minimum criteria for LEAs to be able to participate in a merger of acquisition. These criteria are intended to be dichotomous so that LEAs can reliably self-assess their eligibility and avoid spending time on a process in which they are unlikely to receive the PCSB's approval.
Charter LEA leaders voiced concerns that mergers or acquisitions can reduce the diversity of models in the city, especially if only large networks meet the criteria or have the capacity to participate.	The policy lists several guiding principles that will inform the PCSB's decisions regarding mergers and acquisitions, which specifically include supporting academic excellence and maintaining a diverse range of options. Past acquisitions have typically been in the vein of an emergency acquisition, limiting participation to larger charter LEAs/networks with the capacity to move quickly and dedicate the necessary resources to execute an acquisition on an expedited timeline. While the policy continues to allow for emergency acquisitions, it also establishes a longer and more transparent process for standard acquisitions and for mergers that make it more feasible for smaller LEAs to participate.
Charter LEA leaders noted that a successful merger or acquisition requires LEAs to have the capacity to do due diligence to understand what is happening on the campus of the other school.	The policy establishes standards for approval, which include how the merged LEA or acquiring LEA will align and/or incorporate the academic program, enrollment sustainability and retention, staffing structure and retention, financial sustainability, and facilities of the second LEA. This includes how an acquiring LEA will address challenges of the acquired LEA in these domains. While the policy clarifies the domains of due diligence that are expected, it does not address the capacity constraints of LEAs participating in a merger or acquisition, which are best addressed by charter sector support organizations. This allows the PCSB to retain an appropriate oversight role without involvement in LEA or school operations.
The Role of the PCSB	
Charter LEA leaders did not believe that the PCSB should be matchmakers.	The PCSB's policy and approach to mergers and acquisitions does not establish it as a matchmaker between schools looking to merge, acquire, or be acquired. This function is best filled by charter sector support organizations.

Charter LEA leaders believe that the policy must include opportunities for alignment between the PCSB staff and the PCSB board.	The development and approval of the policy served as a critical opportunity for alignment between the PCSB staff and board, and the policy reflects shared thinking for the purpose and processes associated with mergers or acquisitions. This is reflected in the guiding principles and purpose of the policy. In addition, the policy outlines several formal opportunities for alignment between the LEAs, the PCSB staff, and the PCSB board. These include a Notice of Exploration submitted to the PCSB to prompt early discussions with staff of a potential merger or acquisition; a Letter of Intent submitted and reviewed by a subcommittee of the PCSB board so that the board can voice concerns or ask questions of the potential applicants early in the process; and a formal application submitted to the PCSB for consideration and approval or denial, which may be accompanied by capacity interviews between PCSB staff, board, and applicants.
Charter LEA leaders requested that the policy create early opportunities for open conversation with PCSB staff about potential mergers or acquisitions.	The policy includes a Notice of Exploration which serves as an early indicator from LEA leaders that they are considering a merger of acquisition and an opportunity for discussion with the PCSB but specifically does not indicate a commitment to move forward in the process.
Charter LEA leaders indicated that the policy should limit the PCSB from getting involved in charter LEAs' business or operations, which are outside its purview as an authorizer.	The PCSB has a role in approving mergers and acquisitions, which represent material changes to the remaining LEA's charter, but its role is one of oversight and not support. The policy and associated materials, including the application, delineate the process for the PCSB to consider a merger or acquisition and the standards for approval. Charter sector support organizations are best positioned to provide capacity and expertise related to the business or operations of a charter LEA, including those related to legal and other questions for pursuing a merger or acquisition.
Charter LEA leaders requested that the process for mergers and acquisitions be transparent, with clear criteria for decision-making	The policy creates clear and transparent processes for mergers, standard acquisitions, and emergency acquisitions. It also delineates the standards for approval that the PCSB will leverage in considering an application, which clarify the types of information the PCSB will need. It nonetheless retains the need for discretion, as the PCSB consider additional information about the charter sector, as it becomes available, including information related to sector planning.
Charter LEA leaders noted that mergers and acquisitions should be part of its strategic long-term vision for the sector.	The mergers and acquisitions policy is intended to be one of several in a suite of policies that the PCSB uses to oversee the charter sector, aligned to its guiding principles. The merger and acquisition policy will sit alongside policies for new school applications, charter review and renewal, and enrollment ceiling increases.

The M&A Process	
Charter LEA leaders noted that past acquisitions have had too short of a runway.	The policy creates a clear timeline for emergency acquisitions, while also establishing longer timelines for standard acquisitions and mergers.
Charter LEA leaders noted that DC charters and the PCSB only have experience with acquisitions, and not mergers. They requested that the policy create separate processes for each.	The policy distinguishes between mergers, standard acquisitions, and emergency acquisitions and includes guidance for LEAs on which process best suits their situation.
Charter LEAs believe that the policy and process for a merger or acquisition should be less burdensome than that for opening a new school.	The policy aims to balance rigor with burden. Mergers and acquisitions are difficult and, when they fail, can have negative impacts similar to that of a poorly launched school or an outright school closure. The process outlined in the policy will support success and will adapt the application, as needed, to individual circumstances. Importantly, an LEA proposing a merger or acquisition is not expected to answer every question listed in the application. Rather, the application is intended to serve as a question bank from which the PCSB can draw those that are most important for a particular circumstance.
Charter LEA leaders believe that the policy and process should be comprehensive and assess the financial stability, academic performance, cultural alignment, and leadership and governance, etc., of the remaining school.	All of these factors are central considerations in the application for a merger or acquisition.
Charter LEA leaders noted that the analysis of proposed merger or acquisition requires analysis beyond one-year of data included in ASPIRE or the FAR.	The policy uses ASPIRE and FAR ratings as minimum eligibility criteria for schools to pursue a merger or acquisition. The application process then requires deeper analysis of the participating LEAs' academic performance and financial footing, including how the merged LEA or acquiring LEA will ensure financial stability and academic performance moving forward and in light of any challenges for the merging or acquired school.
Charter LEA leaders requested that the policy provide a temporary reprieve from standard accountability in the years immediately following a merger or acquisition – especially since poor accountability ratings during the transition could affect lending.	The policy does not provide an automatic pause in accountability for the merged or acquiring LEA. However, the PCSB's multi-year review and renewal process provides a timeline through which the merged or acquired LEA can transition.

Charter LEA leaders expressed concerns about mergers and acquisitions in which two schools serve different student populations.	The application includes questions related to how the merged or acquiring LEA will meet the needs of their new and expanded student population, with a particular emphasis on student groups that it has not served in the past.
Charter LEA leaders requested that the policy ensure families know their options before the MySchoolDC enrollment lottery	The policy lays out a timeline in which families would be informed of a potential merger or acquisition in advance of the annual enrollment lottery, so that families can make informed choices about their child's school.
Charter LEA leaders requested that the policy create a pathway for an LEA to acquire students for a school that is closing, without having to take on the school's liabilities.	The PCSB cannot be a good steward of public resources if its mergers and acquisitions policy does not address the disbursement of a charter LEA's liabilities, alongside its assets, when it merges with or is acquired by another school. However, individual LEAs are welcome and encouraged to partner with schools that are closing to recruit students into open seats in their schools.
Charter LEA leaders noted that decisions about schools' futures should be informed by an understanding of the sector and the specific neighborhood.	The guiding principles for the policy name the importance of need and demand - which requires the PCSB to assess specific programs within the sector and neighborhood context. The policy also creates the opportunity in the Letter of Intent for charter LEAs to make the case for why a proposed merger or acquisition is responsive to community need and demand.
Charter LEA leaders believe that the merger and acquisition policy should not lead to keeping schools open that should be closed, as long as the closure is done responsibly.	The policy establishes a process for a standard acquisition, which creates an opportunity for charter LEAs to anticipate and respond to challenges well before closure becomes a potential outcome. This option is intended to minimize the occurrence of emergency acquisitions as an alternative to imminent closure. In addition, the PCSB's evaluation of standard and emergency acquisitions will assess the acquiring LEA's plan against its likelihood to lead to a high-quality charter school and its likelihood to address unmet student needs identified in the sector planning process.