

DISTRICT OF COLUMBIA PUBLIC CHARTER SCHOOL BOARD

Charter Actions Requiring a Vote

- Approve a Charter Application (15 yrs)
- Approve a Charter Renewal (15 yrs)
- Approve Charter Continuance (5 or 10 yrs)
- Approve a Charter Amendment Request
- Give a Charter Notice of Concern
- Lift the Charter Notice of Concern
- Commence Charter Revocation Proceedings
- Revoke a Charter
- Board Action, Other:

Non-Voting Board Items

- Public Hearing Item
- Discussion Item
- Read into Record

Policies

- Open a New Policy or Changes to a Policy for Public Comment
- Approve a New Policy
- Approve an Amendment to an Existing Policy

PREPARED BY: Will Henderson, Chief Operating Officer

SUBJECT: Financial Oversight Policy

DATE: June 29, 2026

The DC Public Charter School Board (DC PCSB) is creating the policies and conditions to support a network of public charter schools in Washington, DC, offering families quality, equity, and diverse educational choices. This request aligns with DC PCSB's Strategic Roadmap Priority of Excellent Schools.¹

Recommendation

DC PCSB staff recommends its Board open the proposed *Financial Oversight Policy* for public comment from June 29, 2026 (after the public meeting) through August 31, 2026 at 6:00 pm. DC PCSB will consider any public comment received during the public comment period before the final vote.

Written comments may be submitted by mail or email to:

DC Public Charter School Board
100 M Street SE, Suite 400
Washington, DC 20003
public.comment@dcpcsb.org

¹ See the Strategic Roadmap here: <https://bit.ly/3EVeKYg>.

Anyone wishing to provide testimony before the Board may do so during the public hearing on August 31, 2026. The Board is scheduled to vote on the policy at the September 28, 2026 public meeting.

Background

Beginning in summer 2025, DC PCSB partnered with Yield Creative (YC), which brings significant experience in charter school policy and authorizing, to conduct a review and refresh of its financial oversight standards and practices. This work was designed to help DC PCSB reflect on past experiences and the current charter school landscape, and to integrate that learning into updated policies and practices going forward, culminating in the creation of the *Financial Oversight Policy*. Ultimately, DC PCSB seeks to strengthen its monitoring of charter school financial health by establishing clear expectations, promoting effective engagement with schools, balancing autonomy and accountability, and supporting a financially sustainable sector for DC students.

Over the past year, YC has gathered input from DC PCSB staff and Board members, school leaders, and other relevant parties across the DC charter school community. This input has informed this draft policy and the framework to guide adoption and implementation. More information is shared below. The draft of this yet to be titled implementation guide has been shared with LEAs. The final version will be publicly released at some to be determined date this school year and then annually going forward.

Proposal

DC PCSB intends to establish a new policy to better define the circumstances under which it will revoke a school's charter on financial grounds.

It is DC PCSB's responsibility under the School Reform Act (SRA) to ensure that, among other things, schools are financially responsible and viable. The SRA requires DC PCSB to revoke the charter of a local education agency (LEA) that:

- has engaged in a pattern of nonadherence to generally accepted accounting principles (GAAP);
- has engaged in a pattern of fiscal mismanagement; or
- is no longer economically viable.

Policy Overview

The policy is organized into three substantive sections and one procedural section. The three substantive sections align with the three statutory bases for revocation: 1) **Pattern of Nonadherence to GAAP**, 2) **Pattern of Fiscal Mismanagement**, and 3) **Economic Non-viability**.

Each substantive section includes the following:

- A brief **Introduction**
- **Definitions:** defining terms relevant to that section
- **Standard:** stating the rule or principle the Board will apply
- **Decision-making Norms:** providing guidance on how and when the standard will be implemented

The fourth section, **Exigent Circumstances**, provides guidance on when DC PCSB will deviate from the decision-making timing articulated elsewhere in the policy. The default expectation is that the Board will make revocation decisions in time for affected students and families to participate in the My School DC Lottery for the school year immediately following the LEA’s closure. Exigent financial circumstances mean that events that the Board was not able to anticipate require action later in the school year.

Summary of Evaluation Criteria and Performance Expectations

The three statutory bases (Topic in the chart below) are evaluated on certain criteria and performance expectations.

Criteria source indicates where the standards (Criteria) for evaluating schools come from (Sources). The sources can be independently validated, rather than relying on subjective DC PCSB judgment. For example, with respect to the GAAP nonadherence statute, the source is the professional standards that independent auditors follow. In other cases, such as for procurement, it’s based on existing legal standards or standards that the school has established for itself in its financial policies and procedures.

Expectation indicates where the policy sets the bar for satisfactory performance on a given Topic.

TOPIC	CRITERIA SOURCE(S)	EXPECTATION
GAAP Nonadherence	GAAP standards	Clean audit (unmodified opinion)
Fiscal Mismanagement	GAAP Accounting standards (related to financial controls)	No material weaknesses
	LEA Board financial policies and procedures	LEA Board adherence to its financial policies and procedures
	Conflicting interest transactions (SRA regulated)	SRA compliance
	School Management Contracts (SRA regulated)	SRA compliance
	501(c)(3) board fiduciary duties	Compliance with IRS and DC non-profit standards Adherence to LEA Board policies

Economic Nonviability	DC PCSB's Key Financial Indicators as calculated based on data from annual audited financials and quarterly unaudited financial reports	Continuously operate in a way that will enable the school to remain a going concern – at minimum – through the end of the current school year.
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Rationale

The results of an independent landscape analysis of DC PCSB's current financial oversight practices conducted by external consultants identified a critical need for formalized financial oversight. This comprehensive review included an extensive desk audit, a review of related resources from leading authorizers, and deep engagement with relevant parties. This Financial Oversight Policy addresses sector-wide requests for clarity and transparency and aligns with national best practices.

Attachment(s) to this Proposal

Attachment A: Financial Oversight Policy

<p>Date: _____</p> <p>DC PCSB Action: ____Approved ____Approved with Changes ____Rejected</p> <p>Changes to the Original Proposal:</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>
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