



2018-19 Preliminary Ten-Year Charter Review Report

National Collegiate Preparatory Public Charter High School

December 17, 2018

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KEY FINDINGS AND STAFF RECOMMENDATION

The District of Columbia Public Charter School Board (DC PCSB) staff conducted a ten-year charter review of National Collegiate Preparatory Public Charter High School (National Collegiate Prep PCHS) according to the standard required by the School Reform Act (SRA) and determined that the school did not meet two of its charter goals and student academic achievement expectations. At a ten-year charter review, the DC PCSB Board may, at its discretion, either revoke or conditionally continue the charter of a school that has not met all of its goals.¹ Due to the reasons outlined in this review report, staff recommends that the DC PCSB Board vote to initiate revocation proceedings of the school's charter, and that National Collegiate Prep PCHS close at the end of the 2018-19 school year should that be the final outcome of the revocation proceedings.

National Collegiate Prep PCHS is a single campus local education agency (LEA) that educates students in grades 9-12. On August 17, 2015, the school amended its goals and student academic achievement expectations to remove goals that it had not historically measured and to clarify business rules on others, a condition of its five-year charter review completed in July 2014. In the amended charter agreement, the school committed to meeting ten goals at its 10-year review. Of these ten, three were academic goals: one for English language arts (ELA), one for math, and one for science. DC PCSB considers academic goals to be critical in evaluating a school's performance and its student academic achievement; indeed, most DC public charter schools only have academic goals.² National Collegiate Prep PCHS did not meet its math goal. It partially met its ELA goal, and only on the strength of results from three and four years ago. For SY 2016-17 and SY 2017-18, the school performed far below city averages on the ELA state assessment, both overall and across all subgroups. The science goal could not be measured using state assessment data, as the State did not administer a valid science assessment during the review period.

Additionally, not all of the school's seven remaining non-academic goals were met. One non-academic goal was partially met, two were substantially met, and three were fully met, but the school did not meet its remaining non-academic goal regarding measuring teacher retention. In cases when goals are not fully met at a charter review, DC PCSB may either vote to continue the charter or vote to commence revocation, allowing the school an opportunity to address the findings through a public process.

¹ D.C. Code § 38-1802.13(a).

² This is consistent with the primary aim of any school, which must be the education of its students, and with the SRA's emphasis on academic performance. The SRA specifies that a school must be measured by its "goals and student academic achievement expectations." D.C. Code § 38-1802.13(a)(2). It is also consistent with DC PCSB past practice in reviewing school performance.

The school's overall performance on numerous critical measures of quality—including academic proficiency rates, year-to-year student academic growth, high school graduation rates, attendance, and reenrollment rates—has been extremely low and on a steady decline since SY 2015-16. Though not tied to DC PCSB's assessment of goal attainment, the school's poor performance in these key areas weighs in favor of initiating charter revocation rather than exercising discretion to continue the school. For example:

- Excluding alternative schools,³ National Collegiate Prep PCHS's SY 2017-18 four-year graduation rate of 59.3% is the second lowest of any non-alternative DC public charter high school, and its five-year rate of 63.6% is the lowest of any non-alternative DC public charter high school.⁴
- Since SY 2015-16, National Collegiate Prep PCHS has consistently performed below state averages in ELA and in math, both overall and across all subgroups on the state assessment, Partnership for Assessment of Readiness for College and Career (PARCC). The subpar performance is for both the percent of students Approaching or Meeting College and Career Ready (levels 3+) and those College and Career Ready (levels 4+).
- The school's SY 2017-18 re-enrollment rate, a key measure of student and family satisfaction and a leading indicator of high school dropouts, is at 71%, the lowest of any public charter high school in the District.

These measures are all components of DC PCSB's Performance Management Framework (PMF), a tool established in 2011 to evaluate all DC public charter schools along common metrics of quality. The High School PMF (HS PMF) has four components: Student academic progress in ELA and math, student academic achievement in ELA and math, gateway measures which predict college and career readiness (including 9th grade students on track to graduate, overall graduation rates, PSAT/SAT/ACT performance, college acceptance rates, and AP/IB/Dual Enrollment/Career and Technical Education Certificate results), and finally the school environment measures of attendance and re-enrollment.

In each of the past three years of this review period, National Collegiate Prep PCHS has earned the PMF's lowest rating—Tier 3—with scores (out of a possible 100%) of 32.9% in SY 2015-16, 27.9% in SY 2016-17, and 26.7% in SY 2017-18. In each of these years, the school was the lowest-scoring of more than 20 public charter high schools and among the three lowest-scoring of all public charter schools.

³ Schools with a mission to serve higher levels of at-risk and/or high-level special education students, and whose student population consists of at least 60% of students who meet at least one of various criteria (e.g. overage and under-credited, pregnant or mothering, homeless, involved in criminal justice system, been expelled, etc.).

⁴ See National Collegiate Prep PCHS adjusted cohort graduation rates, Appendix A.

When the DC PCSB Board established the PMF, it was clear that very low-performing or persistently low-performing schools on the PMF indicated low academic quality and should have their charters revoked.⁵ As revocation of a school's charter under the SRA is based on failure to meet or show progress toward meeting all of its charter goals and not on PMF results,⁶ the DC PCSB Board adopted the following policy on August 18, 2014:⁷

Tier 3 PMF results that meet one or more of the following criteria may be subject to a high-stakes review as a Candidate for Charter Revocation to determine whether the school's charter should be revoked pursuant to the SRA.

- PK-8, HS, or AE PMF score of 20.0% or lower in the most recent year.
- PK-8, HS, or AE PMF score that is a 5.0% decrease or greater within Tier 3 from one year to the next.
- **Any school performing in Tier 3 for any three of the previous five years.**

Schools that are Candidates for Charter Revocation as a result of their Tier 3 status undergo a high-stakes review immediately to gather qualitative and quantitative evidence to determine whether the school has met its charter goals and is otherwise compliant with the SRA. Prior to the charter's expiration, the SRA gives DC PCSB discretion over whether or not to revoke a charter for failure to meet its charter goals. **In the case of Candidates for Charter Revocation, DC PCSB staff will generally recommend charter revocation if a school has failed to meet any of its charter goals.**⁸

This policy was applicable last school year, when National Collegiate Prep PCHS was Tier 3 for two consecutive years with a 5.0% decrease in its PMF score from SY 2015-16 to SY 2016-17. However, as the school was already slated for its ten-year review this year, DC PCSB allowed the school an additional year to demonstrate improvement in its performance. In SY 2017-18 the school's PMF performance declined further and for the third consecutive year National Collegiate Prep PCHS earned a Tier 3 score on the PMF. Consistent with the PMF policy, no other charter school in DC PCSB's history has remained open with persistent Tier 3 scores on the PMF for three consecutive years.

⁵ DC PCSB Press Release in September 2009 about the New Performance Framework, <http://bit.ly/2E0Et6X>.

⁶ Though many public charter schools have adopted the PMF as their charter goals, pursuant to DC PCSB's *Elect to Adopt the PMF as Charter Goals* Policy.

⁷ Note that while the quoted language was adopted in August 2014, a substantially similar policy was first adopted in September 2013, http://www.dcpsb.org/sites/default/files/Release--2012_2013_PMF%20Guidelines%20revised%209%2012.pdf.

⁸ A copy of this policy may be found in the *2017 DC PCSB Performance Management Framework Technical Guide*, as well as all previous versions of this technical guide, <http://bit.ly/2DOK84g>.

In addition to these student academic achievement concerns, National Collegiate Prep PCHS has struggled to provide a special education program compliant with the Office of the State Superintendent of Education's (OSSE) compliance monitoring framework. OSSE has conducted a review of the school's compliance with federal requirements between SY 2014 and SY 2016 and has designated the school as "Needs Assistance" for three consecutive years, with the school's performance declining every year despite being on a corrective action plan⁹.

Furthermore, OSSE has found that the school has a significant discrepancy in the rate of long-term suspensions and expulsions between African-American students with disabilities and all students without disabilities. The school is also undergoing corrective action with OSSE for this issue.¹⁰

Indicative of the deteriorating performance of the school, OSSE recently issued National Collegiate Prep PCHS a notice due to the fact that "students' class schedules were not created and available to them on their first day of school on August 20, 2018, nor for much of the first week of school."¹¹ Since then, DC PCSB has conducted a partial audit of existing student schedules against their historical transcripts. Of the 32 students whose transcripts and schedules DC PCSB staff reviewed, 59% (19) had discrepancies, were incomplete, or their records required clarity. DC PCSB found the following issues in its partial audit: 1) Students are currently scheduled in courses for which they had previously passed and earned credits, 2) Students' transcripts with no information from previous grades, indicating poor recordkeeping, 3) Discrepancies between transcripts and students' schedules, and 4) Incomplete or missing transcripts for existing students. As a result, DC PCSB requested student transcripts and course schedules for all students to conduct a full audit of every student's records.¹² As of the time of this report, this audit is still underway.

Finally, it should be noted that many of DC PCSB's concerns about the school's performance are longstanding. At the school's five-year charter review, DC PCSB staff recommended charter continuance with the following warning:

This review also serves as notice to the school regarding these areas of weakness, which [DC] PCSB will review as part of the school's next charter review, which per the SRA PCSB is required to conduct at least once every five years. The school's failure to improve in these areas...may result in a finding of a material violation of the law and/or charter revocation.... Moreover, at the school's ten-year review, failure to meet

⁹ A copy of OSSE's findings per its compliance monitoring framework may be found at Appendix B.

¹⁰ See OSSE Results of Significant Discrepancy in Suspension and Expulsion Rates of Students with Disabilities, June 2018, Appendix C.

¹¹ OSSE letter to NCP PCHS found here: <https://dcpcsb.egnyte.com/dl/wLRRIVB3OO>.

¹² DC PCSB audit report: <https://dcpcsb.egnyte.com/dl/3DAPMeQ35H>.

one or more goal(s) due to insufficient evidence could be grounds for recommended charter revocation.¹³

The areas of concern cited at the five-year charter review were:

1. Non-adherence to DC PCSB's policies regarding attendance/truancy data submission;
2. Non-adherence to the SRA and DC PCSB's Contract and Minute Submission policy regarding procurement contracts;
3. A high mid-year student withdrawal rate, especially for students with disabilities; and
4. Weak economic viability as measured by its fiscal liquidity and net assets.

Separate and apart from the school's goal attainment for this review period, National Collegiate Prep PCHS continues to struggle in two of the four areas noted above (2 and 3), as detailed later in this report.

As of this ten-year charter review, the school continues to have one of the highest mid-year student withdrawal rates in the city and has not fully complied with the Contract and Minute Submission Policy.¹⁴

As documented later in this report, DC PCSB has communicated several times to the school during this review period its concerns about the school's poor academic results, along with other issues ranging from high suspension and expulsion rates to failure to submit timely information¹⁵. DC PCSB specifically called the school's attention to the fact that a school scoring Tier 3 for three out of five years could be subject to a high stakes charter review with the potential for revocation if the school did not meet one of its goals.¹⁶

Separate and apart from the determination of the school's attainment of goals and academic achievement expectations, DC PCSB staff has determined that the school has not committed a material violation of law or of its charter, though staff has serious concerns about the school's continued struggles to comply with laws relating to the education of students with disabilities. The school has also adhered to generally accepted accounting principles, has not engaged in a pattern of fiscal mismanagement, and is economically viable.

¹³ National Collegiate Prep PCHS Five-Year Charter Review, July 21, 2014, <http://bit.ly/2A4gaK5>.

¹⁴ As of July 23, 2018, this policy is now known as DC PCSB's Data and Document Submission Policy, <http://bit.ly/2TvAjsi>.

¹⁵ Refer to the 'Communication' section on page 12 of this report.

¹⁶ See DC PCSB Board to Board Invitation Letter to National Collegiate Prep PCHS, November 2017, Appendix D.

Based on these findings, DC PCSB staff recommends that the DC PCSB Board vote to initiate revocation proceedings of the school's charter, with the school closing at the end of the 2018-19 school year.

CHARTER REVIEW STANDARD

The SRA stipulates that DC PCSB “shall review [a school’s] charter at least once every [five] years.”¹⁷ As part of this review, DC PCSB must determine whether:

- (1) The school committed a violation of applicable law 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.¹⁸

If DC PCSB determines that a school has committed a violation of applicable law or a material violation of the terms of its charter, or has not met its goals and academic achievement expectations, it may, at its discretion, revoke the school’s charter, or grant the school a conditional continuance.

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 nonadherence to generally accepted accounting principles, (2) has engaged in a pattern of fiscal mismanagement, and/or (3) is no longer economically viable.¹⁹

Given the SRA’s standard for charter review, as well as DC PCSB’s obligation to revoke a school’s charter if it has engaged in the above fiscal misconduct, this report is organized into three sections. Sections One and Two are analyses of the school’s academic performance and legal compliance, respectively, and serve as the basis for DC PCSB staff’s recommendation. Section Three is an analysis of the school’s fiscal performance.

¹⁷ D.C. Code § 38-1802.12(a)(3).

¹⁸ D.C. Code § 38-1802.13(a).

¹⁹ D.C. Code § 38-1802.13(b).

BACKGROUND INFORMATION ABOUT SCHOOL

School Overview

National Collegiate Prep PCHS began operation in 2009 under authorization from DC PCSB. The school serves students in grades nine through twelve at a single campus in Ward 8 and is authorized to award International Baccalaureate (IB) diplomas.²⁰ Its mission is:

To offer a rigorous standards-based college preparatory curriculum, to maximize our students' academic achievement, provide an interdisciplinary curriculum that combines international studies themes that would offer an opportunity for an International Baccalaureate (IB) education, and prepare our students to be self-directed, lifelong learners equipped to be engaged citizens of their school, community, country, and world.²¹

As described on the school's website, National Collegiate Prep PCHS places an emphasis on college preparatory classes, electives, and experiences.²² All National Collegiate Prep PCHS juniors are enrolled in an SAT & ACT class, while sophomores participate in a seven-week skills building class on Saturdays where students work with teachers to improve skills in content areas such as science, technology, engineering, and math (STEM); geometry; and English.²³ Results of these initiatives are captured in the school's SAT/ACT and PSAT results, which show that National Collegiate Prep PCHS is consistently among the lowest scoring high schools in the charter sector for the PSAT and SAT/ACT standardized assessments.

National Collegiate Prep PCHS is also authorized to grant IB diplomas, which are awarded after students successfully complete a specialized course of study and various required assessments based on an international curriculum developed by the IB organization. The school is one of only two public charter schools and four public schools in the District of Columbia authorized to grant these diplomas. However, National Collegiate Prep PCHS has failed to award a single IB diploma in this entire review period because no students passed the rigorous IB requirements. To earn an IB diploma, a student must earn, on average, a passing score on six externally graded subjects and receive a passing grade in a course titled *Theory of Knowledge* and on the Extended Essay. Of fifty-six students at National Collegiate Prep PCHS who have attempted at least one IB assessment over the five years of this review period, only seven students passed the IB Psychology exam, one student passed the IB English Literature exam, and six students passed the IB Spanish exam. Not a single student has been eligible for the IB diploma at any time during this review period.

²⁰ See International Baccalaureate Certificate of Authorization, issued to National Collegiate Prep PCHS, dated Feb. 7, 2012, attached to this report as Appendix E.

²¹ See National Collegiate Prep PCHS charter amendment, p. 4, attached to this report as Appendix F.

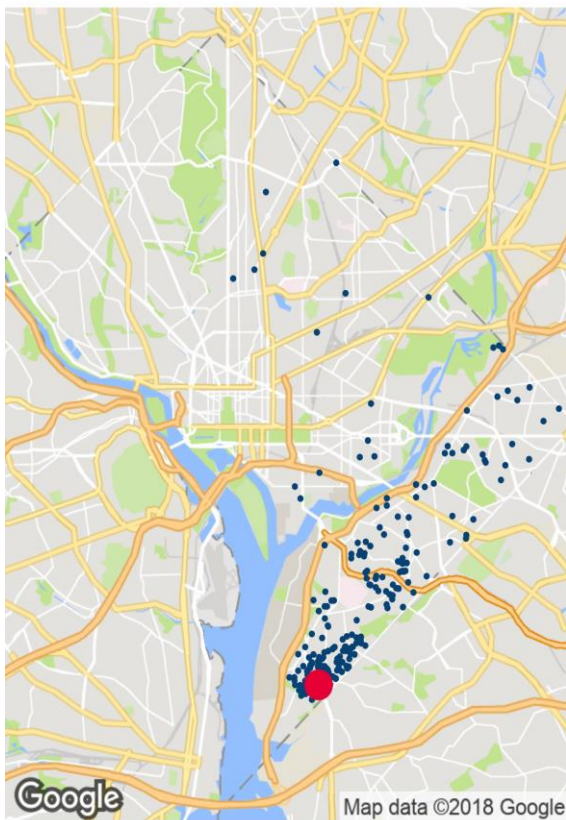
²² See National Collegiate Prep PCHS Website, <http://www.nationalprepdc.org/Home.php>.

²³ See National Collegiate Prep PCHS Website, <http://www.nationalprepdc.org/Home.php>.

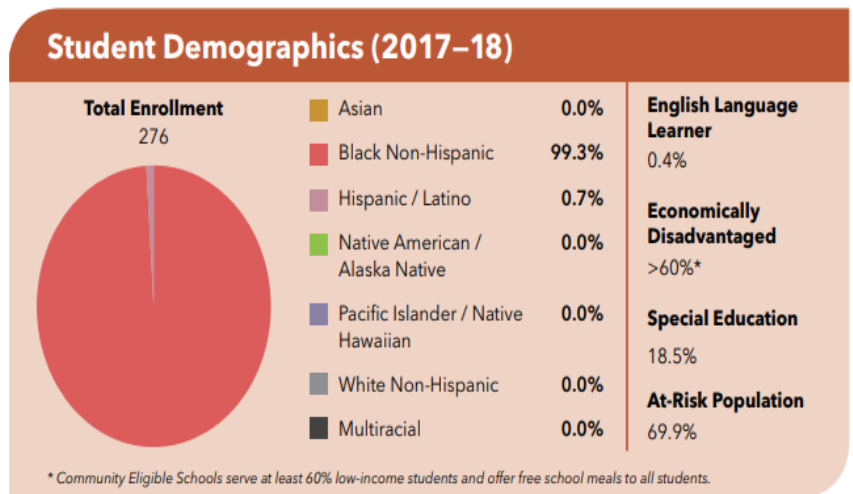
Enrollment and Demographic Trends

National Collegiate Prep PCHS has a maximum enrollment ceiling of 500 students, and the school currently serves approximately half its approved ceiling. National Collegiate Prep PCHS’s enrollment has declined since SY 2014-15 and the school has failed to meet its enrollment projections each year. In SY 2017-18, the school served a population that was 99.3% African American, with 69.9% of the student body being defined as at-risk.²⁴ The map below shows where National Collegiate Prep PCHS students live in relation to the school, which is marked by a large red dot. Each student is represented by a blue dot for SY 2017-18. The charts provided on the right shows the school’s enrollment trends over the past five years, and its student demographics in SY 2017-18.

National Collegiate Preparatory PCHS



National Collegiate Prep PCHS - Enrollment					
School Year	2014-15	2015-16	2016-17	2017-18	2018-19
Audited Enrollment	306	280	275	276	253 ²⁵
Enrollment Projections	350	350	330	290	300



²⁴ 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 <http://bit.ly/2FuwDnu>.

²⁵ Unaudited enrollment per the 2018 October count.

Performance Management Framework Outcomes

National Collegiate Prep PCHS's overall performance data on the HS PMF is summarized below²⁶. Since the school's five-year charter review in SY 2013-14, National Collegiate Prep PCHS's PMF scores have been on a downward trajectory. In SY 2015-16 the school declined from Tier 2 status on the PMF to Tier 3, due primarily to its decreasing performance in 1) student achievement on the PARCC assessment, 2) its re-enrollment rates, and 3) the percentage of ninth grade students on track to graduate in four years. Since then, the school has scored Tier 3 two additional times, with SY 2017-18 being its lowest score yet.

While National Collegiate Prep PCHS has not adopted the PMF as its charter goals, the school has earned a Tier 3 rating for three consecutive years, qualifying it as a candidate for charter revocation pursuant to DC PCSB's policy.²⁷ As further described below, the school has failed to meet two of its charter goals, including its math goal, and has only partially met its ELA goal. Consistent with DC PCSB's policy, staff recommends the Board vote to initiate charter revocation.

National Collegiate Prep PCHS – PMF Outcomes				
2013-14	2014-15	2015-16	2016-17	2017-18
Tier 2 51.4%	N/A ²⁸	Tier 3 32.9%	Tier 3 27.9%	Tier 3 26.7%

Adjusted Cohort Graduation Rate (ACGR)²⁹

Because a fundamental purpose of any high school is to graduate qualified students, DC PCSB awards ten out of the 100 possible points on the PMF for a school's graduation rates, with up to four points awarded for a school's four-year rate, and up to six points for a school's five-year rate.

National Collegiate Prep PCHS earned zero points for this measure on the PMF in both the SY 2016-17 and SY 2017-18 PMFs, indicating the school's graduation rates are well below the charter sector average. Notably, the school's graduation rates are also below the federal standard of 67% established in the Every Student Succeeds Act (ESSA).³⁰ OSSE must designate all schools failing to graduate more than one-third of their students within four or five years as requiring Comprehensive Support type 2 (CS2). In SY 2017-18, National Collegiate Prep PCHS's four-year rate of 58.3% and its five-year rate of 63.6% fell below this standard, which automatically designates the school as needing CS2 given its four-year

²⁶ See description of HS PMF measures on page 2 of this report.

²⁷ See page 8 of the 2017-18 PMF Policy Technical Guide, <http://bit.ly/2DOK84q>.

²⁸ Due to the change in the state assessment, scores and tiers were not displayed in 2014-15.

²⁹ The cohort for both the four-year ACGR and five-year ACGR is the same. The four-year ACGR accounts for students earning a diploma in four-years or fewer whereas the five-year rate includes students who earn a diploma in five years or fewer.

³⁰ ESSA is a federal statute with implementing regulations.

and five-year Adjusted Cohort Graduation Rates (ACGR)³¹ were below 67%. National Collegiate Prep PCHS is the only traditional charter high school to receive this designation. As part of the Memorandum for Understanding between OSSE and DC PCSB, DC PCSB is responsible for the oversight of schools under Comprehensive Support.³²

Five Year Charter Review

In SY 2013-14, DC PCSB conducted a five-year charter review³³ of National Collegiate Prep PCHS and determined that of the school's twelve goals at the time, only seven were measurable with sufficient evidence. Of those, the school fully met one goal, partially met five goals, and did not meet one goal. Given there was insufficient evidence for nearly half the school's goals at the time of its five-year review, DC PCSB recommended that the school amend its goals and student academic achievement expectations to ensure the school's goals moving forward were "measurable using among other indicators externally valid and reliable assessments, including the state assessment."³⁴ Staff noted that at National Collegiate Prep PCHS's ten-year review, DC PCSB may recommend charter revocation if the school fails to meet one or more of its goals due to insufficient evidence. Beyond the compliance issues noted in its 2013-14 review report, National Collegiate Prep PCHS's students performed strongly in student proficiency and academic growth from SY 2008-09 through SY 2012-13, the school years assessed in its five-year review.

Given National Collegiate Prep PCHS's mission states the school offers an IB program, DC PCSB staff noted it was unable to assess the school's academic progress for the IB program because the data had not been released by the time of its five-year review. As such, National Collegiate Prep PCHS was required to submit the data as part of its upcoming annual report and the school complied.

Also, as part of its five-year review, DC PCSB staff noted four areas of concern:

1. Non-adherence to DC PCSB's policies regarding attendance/truancy data submission;
2. Non-adherence to the SRA and DC PCSB's Data and Document Submission Policy, formerly known as the Contract and Minute Submission policy, regarding procurement contracts;
3. A high mid-year student withdrawal rate, especially for students with disabilities; and
4. Weak economic viability as measured by its fiscal liquidity and net assets.

³¹ ACGR is the percentage of first-time 9th-graders in a public high school who graduate with a regular diploma within 4 or 5 years.

³² [DC PCSB and OSSE Memorandum of Understanding for ESSA Support](#)

³³ See National Collegiate Prep PCHS Five-Year Review Report, as Appendix G.

³⁴ See Page 10 of National Collegiate Prep PCHS's SY 2013-14 Five-Year Review Report, <http://bit.ly/2A4qaK5>.

As a result, DC PCSB staff recommended that National Collegiate Prep PCHS be issued a notice of concern³⁵ in July 2014 for its violation of DC PCSB’s data submission policy, and that the Board approve the school’s continuance contingent on National Collegiate Prep PCHS bringing itself into compliance with the SRA and DC PCSB’s data submission policy. Specifically, DC PCSB staff stated that the school should adhere to requirements to not change data after validation windows have closed, submit all necessary contract procurement documentation and to retain this documentation for review purposes, and collect and keep all data necessary to assess the school’s goals.

The following chart documents the school’s performance since its five-year review in SY 2013-14, with respect to addressing the four areas of concern that were identified as part of that review. Green indicates noticeable improvement, red indicates no improvement or decline.

Item	Assessment
Non-adherence to DC PCSB’s policies regarding attendance/truancy data submission	On July 21, 2014, NCP PCHS was issued a Notice of Concern for violation of PCSB’s Data Management Policy. ³⁶ DC PCSB staff discovered via an Attendance Audit conducted on February 19, 2014 that the school was changing student absent/ present statuses past the time frame permissible. DC PCSB staff conducted a follow up audit on December 9, 2014 and found the concerns had been remedied. The Notice of Concern was lifted at the January 2015 board meeting. ³⁷ Since this time, there have been no concerns with attendance data submission, and the school has not received an Out of Compliance Notice for attendance.
Non-adherence to the SRA and DC PCSB’s Contract and Minute Submission policy regarding procurement contracts	The school’s compliance with DC PCSB’s procurement contract reporting requirements has been mixed; specifically, the school has not fully submitted procurement contracts on time, receiving a notice of concern. This is further described in Section Two of this report.
A high mid-year student withdrawal rate, especially for students with disabilities	The mid-year withdrawal rates for students with disabilities declined in SY 2014-15, and then increased steadily through SY 2017-18. Mid-year withdrawal rates for all students and students with disabilities have exceeded comparable rates for high school students in all years except SY 2014-15. The gap between rates for all students and students with disabilities also widened since SY 2015-16, both within the school and as compared to students with disabilities city-wide.
Weak economic viability as measured by its fiscal liquidity and net assets	National Collegiate Prep PCHS’s financial condition has improved since its last review. Overall, the school’s financial performance is healthy, with positive net assets of \$653K, sufficient liquidity, and low debt leverage. Additional details regarding the school’s financial performance may be found in Section Three of this report.

³⁵ See National Collegiate Prep PCHS Notice of Concern Issued on July 21, 2014, Appendix H.

³⁶ Board document issuing NCP PCHS an Attendance Submission Notice of Concern (includes the February 2014 Attendance Audit that led to the Notice of Concern): <https://dcpcsb.egnyte.com/dl/PlookVYUJm>

³⁷ Board document lifting NCP PCHS’s Attendance Notice of Concern (includes the December 2014 Attendance Audit that led to the lifting of the Notice of Concern): <https://dcpcsb.egnyte.com/dl/wKFJs4OtR>

Communication with the School

DC PCSB staff and Board members discussed performance in formal meetings with the school twice over the past five school years—on June 28, 2017 and December 14, 2017. During both meetings, participants discussed the school's charter goals in preparation for its ten-year charter review. Additionally, DC PCSB staff addressed concerns regarding National Collegiate Prep PCHS's decline in performance on the PARCC and PMF, as well as the school's decreasing re-enrollment and graduation rates. DC PCSB also discussed the school's higher than average suspension and expulsion rates and other non-academic trends. In this process, DC PCSB informed the school that it was a potential candidate for charter revocation, and specifically pointed the school toward the policy stated in the *DC PCSB Performance Management Framework Technical Guide* that a school scoring Tier 3 for three out of five years could be subject to a high stakes charter review with the potential for revocation if the school did not meet one of its goals.³⁸

On March 8, 2018, DC PCSB staff met with National Collegiate Prep PCHS to discuss the 10-year review process and data needs. DC PCSB and school leaders also had a subsequent virtual meeting on June 18, 2018 and a conference call on October 18, 2018 to finalize the business rules and discuss how DC PCSB would validate data for the school's review report.

Ongoing Audits and Concerns

In SY 2018-19, National Collegiate Prep PCHS failed to comply with submission deadlines and requirements as set by DC PCSB and OSSE regarding student schedules. The school entered into a corrective action plan with OSSE in October 2018 and is still under OSSE monitoring that is required under this plan.³⁹

As follow-up to learning about the school's noncompliance with students' schedules, on August 27, 2018, DC PCSB commenced a partial audit of the school's course schedules and transcripts for thirty-two students currently enrolled at National Collegiate Prep PCHS. After comparing each student's transcript with their course schedule for SY 2018-19, DC PCSB found multiple discrepancies, including missing grades on students' transcripts, erroneous double scheduling for courses that students had already completed and earned course credit, and incomplete or missing transcripts for students currently enrolled. Of the thirty-two students whose transcripts and schedules DC PCSB staff reviewed, nineteen (or approximately 59%) had discrepancies or their records required further clarity. As a result, on November 16, 2018, DC PCSB shared its findings with the school and requested that National Collegiate Prep PCHS submit student transcripts and course schedules for *all* students currently enrolled so DC PCSB may conduct a full audit of every student's records.⁴⁰

³⁸ See DC PCSB Board to Board Invitation Letter to National Collegiate Prep PCHS, November 2017, Appendix D.

³⁹ See Letter to Hanseul Kang, State Superintendent, from Jennifer L. Ross, National Collegiate Prep PCHSCEO, October 2018, Appendix I.

⁴⁰ DC PCSB audit report: <https://dcpcsb.egnyte.com/dl/3DAPMeQ35H>.

SECTION ONE: GOALS AND ACADEMIC ACHIEVEMENT EXPECTATIONS

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

In August 2015, National Collegiate Prep PCHS amended its goals and student academic achievement expectations to comply with conditions from its five-year review to make its goals measurable.

The chart below summarizes DC PCSB’s determinations of whether the school’s academic program met its respective goals and academic achievement expectations. These determinations are further detailed in the body of this report. The first three goals represent the school’s student academic achievement.

Goals and Academic Expectations	Met?
1 Students will demonstrate proficiency and/or content mastery in English (i.e. reading and writing)	Partially met
2 Students will demonstrate proficiency and/or content mastery in mathematics	Not met
3 Students will demonstrate proficiency and/or content mastery in science	N/A
4 Student satisfaction with the school’s programs and ability to demonstrate an understanding of Honor, Scholarship and Leadership values	Substantially met
5 Teacher satisfaction with the school’s operations and programs	Not met
6 Family/parents’ support of the school and its mission	Partially met
7 The Board of Trustees will ensure that National Collegiate Prep is financially viable and demonstrates fiduciary responsibility for all monies received by and for the school	Met
8 The Board of Trustees will ensure that National Collegiate Prep PCHS has access to appropriate and quality human and capital resources to support the education program	Met
9 The Board of Trustees will ensure that National Collegiate Prep maintains and enforces its fiscal and organizational policies	Substantially met
10 The School Corporation will earn at least 8% of the possible points on the College Readiness Indicator, which includes Advance Placement, International Baccalaureate, and Dual Enrollment Achievement, in school year (SY) 2015-16, 10% in SY 2016-17, 11% in SY 2017-18, and 12% in SY 2018-19 (its 10th year of operation).	Met

Note on Data Collection and Goal Attainment

The school's goals 1, 2, and 3 state that students will "demonstrate proficiency and/or content mastery" in three subjects—English, math, and science. During the period under review, Washington, DC did not administer a science assessment. However, while the primary source of data is unavailable, it is worth noting that the school administered 38 externally validated science tests for its IB students over the five-year review period and no students passed.

At the school's five-year review, DC PCSB analyzed National Collegiate Prep PCHS's state assessment performance in English and math in both achievement and growth, using Median Growth Percentile (MGP)⁴¹, to determine proficiency in each subject. The school's charter states that the measurement tool in SY 2018-19 for these academic goals will follow measures used in the SY 2013-14 five-year review report.

However, while achievement data on the state assessment is available, *growth* data was not available for every year of the review. Since changing state assessments to the PARCC in SY 2014-15, DC has not had a high school growth measure for the state assessment until SY 2017-18. Therefore, DC PCSB offered National Collegiate Prep PCHS the opportunity to submit alternative data demonstrating student academic growth. The school reported that it regularly administered the Northwest Evaluation Association's Measures of Academic Progress (NWEA MAP) assessment, which tracks progress over time, and asked to submit this data to support goal attainment for ELA and math.⁴² NWEA MAP reports growth as a conditional growth percentile (CGP). A student score of 50 indicates that the student tested better than half of the national testing population with the same starting grade and starting level. Similar to MGP, DC PCSB looks at the median CGP to determine if the school's students are growing similarly to the national rate.

Ultimately, National Collegiate Prep PCHS submitted its NWEA MAP data to DC PCSB in two ways: 1) For all the students tested during years of this review period when no state MGP was available, and 2) For SY 2017-18, the first year the state produced MGP for high schools using the PARCC assessment. DC PCSB accepted the NWEA MAP data provided by the school as supplemental evidence toward its goal attainment. DC PCSB considered all submissions for goal attainment as detailed in this report.

In addition to state assessment data for all years, student growth using MGP for SY 2017-18, and student growth for all years from NWEA MAP data, DC PCSB has access to the school's

⁴¹ MGP measures a student's year-to-year growth in ELA and math, as compared to other students in the same grades and with the same initial state assessment performance.

⁴² The NWEA MAP assessment is a widely-used assessment for grades K-12. The rules for how DC PCSB assesses such data are detailed in the 2017-18 PMF Policy and Technical Guide on page 30 and mirror exactly how DC PCSB has used NWEA MAP data in grades Kindergarten to second grade on the Prekindergarten (PK)-8 PMF.

performance on IB exams. At its five-year review, the school claimed not to have IB data at the time of review. However, at this review, the data are available. These results will be included as additional context throughout the report but are not included in staff determination of goal attainment.

Many charts are color coded. Please use the following key:

KEY for Campus Rate Data Charts	
3+	<ul style="list-style-type: none"> 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
4+	<ul style="list-style-type: none"> 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
n-size	<ul style="list-style-type: none"> Number of students who took the state assessment at this school
Green	<ul style="list-style-type: none"> Greater than the state average or charter sector average of the same grade band Greater than target set in school's charter agreement
Red	<ul style="list-style-type: none"> Less than the state average or charter sector average of the same grade band Less than the target set in the school's charter agreement Discipline rate is <i>higher</i> than subgroup counterpart
No Shading	<ul style="list-style-type: none"> Data from 2014-15, when the state transitioned to PARCC and the school performed below the state average. (Note – as stated above, if the school did better than the state average, this is colored green.) Consortium MGP data in 2017-18 was optional for the school to include on the PMF. (Note – as stated above, if the school did better than the consortium average, this is colored green.)

Goal 1: Students will demonstrate proficiency and/or content mastery in English (i.e. reading and writing).

Per the school’s charter agreement, DC PCSB will use the “measures used in the SY 2013-14 Review Report Analysis” to measure this goal. The measures used in the SY 2013-14 report are:

- English language arts proficiency on the state assessment
- English growth using MGP, comparing to the standard of 50⁴³
- Qualitative Evidence from the QSR⁴⁴

Assessment: **National Collegiate Prep PCHS partially met this goal.** The school fell below the state average proficiency rates in three out of five years of the review, contributing to the school’s Tier 3 performance on the PMF for three consecutive years. However, the school maintained above-average proficiency rates in SY 2014-15 and SY 2015-16, as well as above-average growth in SY 2013-14 on the previous state assessment, the DC CAS. Taking into consideration the totality of the evidence, the school partially met this goal.

⁴³ This is the standard used in the school’s five-year review
⁴⁴ National Collegiate Prep PCHS Five-Year Report, Appendix G.

ELA Proficiency

After underperforming the state proficiency rate in the last year of DC CAS, the school remained above the state average for the first two years of the PARCC assessment for both measures considered when analyzing PARCC proficiency: The percent of students who are Approaching College and Career Ready or higher (level 3+) and the percent of students who are College and Career Ready or higher (level 4+). The school is not demonstrating progress toward meeting this goal as National Collegiate Prep PCHS had a marked decline in the most recent two school years, with rates of 7.7% and 14.3% for level 4+ in SY 2016-17 and SY 2017-18, respectively. In both of these years, the school was also below the state average in students earning level 3+ and level 4+ across all subgroups. The overall percent of students earning level 3+ was over 10 points below the city average last year, and nearly 20 points below in SY 2016-17. In SY 2017-18, two-thirds of all test-takers scored a level 1 or 2 on the state assessment in ELA.

National Collegiate Prep PCHS - ELA Proficiency Grades 9-12											
	2013-2014 DC CAS			2014-2015 PARCC		2015-2016 PARCC		2016-2017 PARCC		2017-2018 PARCC	
	School	State		School	State	School	State	School	State	School	State
All	33.3	49.3	% 3 +	51.3	42.4	50.9	36.9	24.6	43.8	33.3	46.7
			% 4 +	32.9	25.1	26.4	21.0	7.7	27.3	14.3	29.3
	69		<i>denominator</i>	76		53		65		63	
Black Non-Hispanic	33.3	45.9	% 3 +	51.3	37.6	50.9	33.1	24.6	39.1	33.3	41.6
			% 4 +	32.9	19.6	26.4	17.4	7.7	21.3	14.3	22.7
	69		<i>denominator</i>	76		53		65		63	
Students with Disabilities	0.0	15.2	% 3 +	N/A	11.3	8.3	9.4	6.7	13.7	N/A	13.8
			% 4 +		3.8	0.0	3.9	0.0	5.1		3.8
	13		<i>denominator</i>	<i>n < 10</i>		12		15		<i>n < 10</i>	
Male	20.7	41.7	% 3 +	45.7	34.9	48.1	29.6	18.8	35.6	22.6	36.8
			% 4 +	20.0	19.2	22.2	15.2	3.1	19.9	6.5	22.7
	29		<i>denominator</i>	35		27		32		31	
Female	42.5	56.4	% 3 +	56.1	49.7	53.8	44.1	30.3	52	43.8	56.8
			% 4 +	43.9	30.7	30.8	26.6	12.1	34.7	21.9	35.9
	40		<i>denominator</i>	41		26		33		32	
At-Risk			% 3 +			44.1	25.0	24.0	29.3	27.5	31.0
			% 4 +			26.5	11.6	6.0	14.6	12.5	15.8
			<i>denominator</i>			34		50		40	

ELA Growth

An MGP score of 50 indicates that a school's students have average year-to-year growth in ELA, as compared to other students in the same grades and with the same initial state assessment performance. Whereas an MGP score above 50 indicates that the school's students have above-average year-to-year growth and an MGP score below 50 indicates below-average growth.

In SY 2013-14, during DC CAS administration, the school maintained above-average growth across all subgroups. Growth on the state assessment was unavailable for high schools in SY 2014-15, SY 2015-16 and SY 2016-17.⁴⁵ In SY 2017-18, growth scores were reintroduced using consortium MGP and was optional for all high schools to include on the PMF because charter schools did not know growth would be available until the end of the 2017-18 school year. National Collegiate Prep PCHS's MGP score was 35, indicating that the school's students are learning at a much lower rate than average. The school chose not to include ELA growth on the SY 2017-18 PMF. The scores from SY 2013-14 provide some basis for a relatively strong ELA program; however, the most recent scores do not show evidence that the school is making progress toward or meeting its ELA goal.

National Collegiate Prep PCHS- ELA MGP Grades 9-12					
	2013-2014 DC CAS	2014-2015 PARCC	2015-2016 PARCC	2016-2017 PARCC	2017-2018 PARCC
All	62	N/A			35
Black Non-Hispanic	62				35
Students with Disabilities	54				
Male	60				29
Female	67				36
At-Risk					38

As discussed above, while not part of the standard for review, DC PCSB offered to review alternative student growth data, given that MGP was not available. In order to use consistent and reliable measures in a way that is consistent with how MGP is calculated, DC PCSB proposed to the school to use NWEA MAP growth as detailed in the PMF Policy & Technical Guide,⁴⁶ specifically spring-to-spring data for students who returned to National Collegiate Prep PCHS each year, and fall-to-spring data for each student who was new to the school. For students without a valid NWEA MAP growth score, the technical guide states students will be included with a growth score of zero. The reason the PMF Policy & Technical Guide cites an absent growth score as zero is because the school sets its own testing windows in alignment with the publisher's recommendation and can re-test students who do not have a valid test score or who are absent. Additionally, these

⁴⁵ During those years, DC did not have high school cohorts with test-progressions large enough for valid growth measures.

⁴⁶ SY 2018-19 PMF Policy Tech Guide, <https://bit.ly/2E5JNG6>. Page 31

assessments are not externally monitored like the state assessment. To offer parity, DC PCSB offered to review the school's growth data following these agreed-upon, publish-recommended guidelines in the spring of 2018⁴⁷. DC PCSB discussed optional high school growth measures with the High School PMF Task Force on February 28, 2018, including using NWEA MAP as a potential growth option on the PMF. DC PCSB proposed and the school provided data for students in grades 9 and 10.

In response, the school submitted NWEA MAP data for the years that no growth data are available, and for DC PCSB to consider as an alternative to PARCC growth for SY 2017-18. In addition to the spring-to-spring and fall-to-spring growth data, the school also submitted fall-to-fall growth data for DC PCSB to consider. In assessing all the data submitted by the school, DC PCSB found that National Collegiate PCHS only tested anywhere from 20%-73% of students who attended the school for the Full Academic Year (FAY) of a given school year. Taking into consideration sample-sizes and the percent of students tested (often fewer than a quarter of eligible students), the results are not conclusive. Without a full set of student results, the supplemental NWEA MAP growth data are not compelling evidence to use to determine goal attainment.

The results of DC PCSB staff's analysis of these data are shown in the table below. When DC PCSB calculated the median growth values using DC PCSB's established business rules, given the low participation rate, the school earned a score of 0% each year. However, to provide transparency, the following charts show the results of students for whom the school submitted growth scores. As stated above, the evidence is inconclusive because not all students had scores. However, even when using this sub-set of students and the established business rules, the school only has a score above 50 in SY 2015-16 when fewer than half of its eligible students were tested. In the most recent years, the school's scores and percent of students tested declined. When reviewing the school's fall-to-fall data, both scores and participation rates are higher, but in no year did at least three-fourths of its eligible students have growth scores.

⁴⁷ DC PCSB proposed NWEA MAP growth rules given to the school: <https://bit.ly/2QnOgd4>

National Collegiate – NWEA MAP Reading Growth Grades 9 & 10 Spring-to-Spring for Returning and Fall-to-Spring for New Students⁴⁸				
	SY 2014-15 ⁴⁹	SY 2015-16	SY 2016-17 ⁵⁰	SY 2017-18
Median CGP ⁵¹	35.0	56.0	21.5	42.5
<i>Number of FAY Students w/CGP</i>	31	53	36	30
<i>Total Number of FAY Students</i>	150	118	141	141
<i>Participation Rate⁵²</i>	20.7%	44.9%	25.5%	21.2%

National Collegiate – NWEA MAP Reading Growth Grades 10 & 11⁵³ School's Fall-to-Fall Approach				
	SY 2014-15	SY 2015-16	SY 2016-17	SY 2017-18
	Returning from SY 2013-14	Returning from SY 2014-15	Returning from SY 2015-16	Returning from SY 2016-17
Median CGP	46.5	58.0	59.0	45.0
<i>Number of Returning FAY Students w/CGP</i>	80	78	63	68
<i>Total Number of Returning FAY Students</i>	139	115	86	114
<i>Participation Rate</i>	57.6%	67.8%	73.2%	59.6%

IB Performance in ELA

Another way to review ELA performance is through the school's IB program, which provides important context on the school's overall performance and success or failure in meeting its mission as an IB school. During this five-year review period, 40 students received an externally-validated IB grade in English. These courses include English Language and Literature in both the Standard and High Levels. A score of 4 or higher is

⁴⁸ DC PCSB's proposed approach includes spring-to-spring growth for students returning to the LEA and fall-to-spring growth for students new to the LEA. In this table, DC PCSB did not include zeros for students who did not have a growth score because the median growth value would be zero every year.

⁴⁹ The school did not report Spring-to-Spring CGPs for student during SY 2014-15. The Median CGP is reflection of Fall-to-Spring 9th grade students only and any 10th grade students new to the LEA.

⁵⁰ The school did not report Spring-to-Spring CGPs for student during SY 2016-17. The Median CGP is reflection of Fall-to-Spring 9th grade students only and any 10th grade students new to the LEA.

⁵¹ A CGP score below 50 indicates that the student tested lower than the national testing population with the same starting grade and starting level.

⁵² Participation rate should be at least 75% to make the data compelling.

⁵³ To assess fall-to-fall growth, a student's growth in 9th grade is displayed on the 10th grade fall post-test. Similarly, 10 grade growth is displayed on the 11th grade fall post-test. NWEA MAP does not produce a CGP for 12th graders.

considered a passing grade. Only one student earned a passing grade. The score distribution is as follows.

National Collegiate Prep PCSH – IB Score Distribution in ELA								
Score	N ⁵⁴	1	2	3	4	5	6	7
Number of Students	1	0	9	29	1	0	0	0

Qualitative Site Review (QSR) Evidence: ELA

In QSRs, each observed classroom is assigned an Unsatisfactory, Basic, Proficient, or Distinguished rating in classroom environment⁵⁵ and instruction⁵⁶ according to the Charlotte Danielson *Framework for Teaching*. DC PCSB conducted four unannounced English (reading and writing) observations during the February 26, 2018 – March 16, 2018 QSR.

Sixty-seven percent of English observations were rated as distinguished or proficient in the Classroom Environment domain, while fifty-six percent of English observations were rated as proficient and none as distinguished in the Instruction domain. These rates are lower than the rates at the school’s five-year review, in which seventy-five percent and sixty-five percent of observations were either distinguished or proficient for Environment and Instruction, respectively.

During the most recent QSR, the following was observed for all classrooms, not just English:

- The QSR team observed a rigorous, standards-based college preparatory curriculum concentrated in the IB and a select few other classes. In the vast majority of classes, however, the team noted a striking lack of rigor. While students in IB classes participated in highly engaging Socratic seminars and scientific experiments, the majority participated in activities that were significantly below grade level or did not require them to engage intellectually.
- Other students were given activities that lacked an evident instructional purpose and were neither rooted in a standards-based nor college preparatory curriculum.

⁵⁴ Per IB’s website, a grade of N in a subject means that IB could not provide a grade for the given subject because requirements have not been met.

⁵⁵To assess classroom environment, DC PCSB observed 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.

⁵⁶To 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 in instruction.

One class responded to a writing prompt without any writing instruction, feedback, or assessment criteria. In another observation students were instructed to create a presentation about a topic without any instructions or instructional purpose. Students spent the entire class simply copying and pasting text from the internet onto their presentations.

National Collegiate Prep PCHS– Historical QSR Results		
Year	Percent of Observations Scored Proficient or Distinguished in the Classroom Environment⁵⁷ Domain	Percent of Observations Scored Proficient or Distinguished in the Instruction⁵⁸ Domain
April 2018	59%	50%
April 2017	52%	35%
May 2015	N/A – “Strategies” Report	N/A – “Strategies” Report
November 2014	N/A – “Strategies” Report	N/A – “Strategies” Report
July 2014	N/A – “Strategies” Report	N/A – “Strategies” Report
February 2014⁵⁹	75%	60%

Goal 2: Students will demonstrate proficiency and/or content mastery in mathematics.

Per the school’s charter agreement, DC PCSB will use the “measures used in the SY 2013-14 Review Report Analysis” to measure this goal. The measures used in SY 2013-14 report are:

- Math proficiency on state assessment
- Math growth using MGP
- Qualitative Evidence from the QSR⁶⁰

Assessment: **National Collegiate Prep PCHS did not meet this goal.** The school had proficiency rates below the state average overall and across all subgroups for every year of the review period. In SY 2017-18, when the student growth measure MGP was reintroduced, the school tied for the lowest growth on MGP in the charter sector. In the most recent QSR, no observations of math were rated as distinguished in the Instruction domain (see QSR Evidence: Math below). Out of three years⁶¹ of PARCC assessment data, only three out of 175 students met or exceeded College and Career Readiness (level 4+), and 34 additional students scored Approaching College and Career Ready (level 3+). In school years 2015-16, 2016-17, and 2017-18, the school earned less than 20% of the total possible points for Math Proficiency on the PMF, contributing to the school’s Tier 3 performance for the past three

⁵⁷ See Footnote 56.

⁵⁸ See Footnote 57.

⁵⁹ The school was asked to participate in the QSR because the school was designated as a “Focus school” in August of 2013 by the Office of the State Superintendent for Education (OSSE) under DC’s Elementary and Secondary Education Act (ESEA) Flexibility Waiver based on the performance of the school’s African American and Economically Disadvantaged subgroups. See National Collegiate Prep PCHS QSR Report, February 2014, Appendix J.

⁶⁰ National Collegiate Prep PCHS Five-Year Report, Appendix G.

⁶¹ SY 2014-15 PARCC results are held harmless due to the change in state assessments.

school years. Taking all of this evidence into consideration, the school did not meet this goal.

Math Proficiency

The school's math proficiency rate is significantly under the state average in all years of the review period. In the most recent year of PARCC testing, 89.2% of tested students (approximately 58 out of 65 students) scored level 1 or 2. The school's best year of math PARCC performance was in SY 2015-16, when 30.6% (or 15 students) scored at level 3. Not a single test-taker scored College and Career Ready (level 4+) that year, and the remaining students scored in the lowest two levels. In fact, since PARCC testing began, only four students have been identified as College and Career Ready.

National Collegiate Prep PCHS - Math Proficiency Grades 9-12

	2013-2014 DC CAS			2014-2015 PARCC		2015-2016 PARCC		2016-2017 PARCC		2017-2018 PARCC	
	School	State		School	State	School	State	School	State	School	State
All	26.1	51	% 3 +	13.5	39.2	30.6	38.7	19.7	41.6	10.8	42.6
			% 4 +	1.4	14.0	0.0	16.5	1.6	19.0	3.1	21.1
	69		<i>denominator</i>	74		49		61		65	
Black Non-Hispanic	26.1	47.3	% 3 +	13.5	30.0	30.6	28.6	19.7	31.9	10.8	33.6
			% 4 +	1.4	6.3	0.0	7.7	1.6	10.3	3.1	11.2
	69		<i>denominator</i>	74		49		61		65	
Students with Disabilities	0.0	18.3	% 3 +	N/A	9.6	0.0	9.4	0.0	8.7	10.0	10.8
			% 4 +		1.4	0.0	2.6	0.0	1.4	0.0	1.7
	13		<i>denominator</i>	<i>n < 10</i>		10		14		10	
Male	31.0	45.6	% 3 +	5.7	36.2	33.3	36.0	18.8	40.3	9.4	38.8
			% 4 +	0.0	13.0	0.0	15.3	3.1	18.2	3.1	18.7
	29		<i>denominator</i>	35		24		32		32	
Female	22.5	56.0	% 3 +	20.5	42.1	28.0	41.0	20.7	42.8	12.1	46.4
			% 4 +	2.6	14.9	0.0	17.5	0.0	19.7	3.0	23.5
	40		<i>denominator</i>	39		25		29		33	
At-Risk			% 3 +			25.8	19.2	15.2	22.7	9.5	24.6
			% 4 +			0.0	4.5	0.0	5.5	0.0	6.1
			<i>denominator</i>			31		46		42	

Math Growth

In SY 2013-14 and SY 2017-18, during both DC CAS and PARCC administration, the school earned scores below 50 overall and for all subgroups, indicating that students are learning at slower rates than their peers at other schools in the city for DC CAS, and across all states who give PARCC in the most recent school year. The school's student growth results in SY 2017-18 were exceptionally low, the school did not opt to include math growth on the 2017-18 PMF.

National Collegiate Prep PCHS - Math MGP Grades 9-12					
	2013-2014 DC CAS	2014-2015 PARCC	2015-2016 PARCC	2016-2017 PARCC	2017-2018 PARCC
All	46	N/A			29
Black Non-Hispanic	45				29
Students with Disabilities	38				N <10
Male	45				37
Female	48				28
At-Risk	N/A				32

The supplemental NWEA MAP data submitted by the school revealed similar performance as with ELA but with even lower participation rates. The school produced records for a subset of eligible students, often fewer than one-third of 9th and 10th graders when viewing DC PCSB's established approach to growth. As discussed earlier in the report, with participation rates this low, following DC PCSB's growth approach, which includes untested students as a zero, the median growth each year is zero. However, to provide transparency, the following charts show the data that the school supplied. The results are not reliable and thus do not present compelling evidence to use to determine goal attainment. However, even using the spring-to-spring results for returning students and fall-to-spring for new students to the LEA, which is similar to the state's MGP, the school showed only one year at 50 (with data available for fewer than one-third of eligible students). In this year, SY 2017-18, the PARCC MGP, on which at least 95% of eligible students were tested, showed a very low result of 29.

National Collegiate – NWEA MAP Math Growth Grades 9 & 10 Spring-to-Spring for Returning and Fall-to Spring for New Students⁶²				
	SY 2014-15	SY 2015-16	SY 2016-17	SY 2017-18
Median CGP ⁶³	37.0	20.0	33.0	50.0
Number of FAY Students w/ CGP	32	39	25	46
Total Number of FAY Students	150	118	141	141
Participation Rate ⁶⁴	21.3%	33.0%	17.7%	32.6%

⁶² DC PCSB's proposed approach includes spring-to-spring growth for students returning to the LEA and fall-to-spring growth for students new to the LEA. In this table, DC PCSB did not include zeros for students who did not have a growth score because the median growth value would be zero every year.

⁶³ A CGP score below 50 indicates that the student tested lower than the national testing population with the same starting grade and starting level.

⁶⁴ Participation rate should be at least 75% to make the data reliable and compelling.

National Collegiate – NWEA MAP Math Growth Grades 10 & 11 School's Fall-to-Fall Approach				
	SY 2014-15	SY 2015-16	SY 2016-17	SY 2017-18
	Returning from SY 2013-14	Returning from SY 2014-15	Returning from SY 2015-16	Returning from SY 2016-17
Median CGP	67.0	33.0	59.0	49.5
<i>Number of Returning FAY Students w/CGP</i>	81	77	47	46
<i>Total Number of Returning FAY Students</i>	139	115	86	114
<i>Participation Rate</i>	58.3%	67.0%	54.7%	40.4%

IB Performance in Math

During the five-year review period, 35 students received an externally-validated IB grade in Math Studies⁶⁵. The course taken was Math Studies at the Standard Level. A score of 4 or higher is considered a passing grade. No students earned a passing grade. Score distribution is as follows.

Score	N ⁶⁶	1	2	3	4	5	6	7
Number of Students	1	12	18	4	0	0	0	0

QSR Evidence: Math

DCPCSB conducted five unannounced math observations during the February 26, 2018 – March 16, 2018 QSR. Fifty-five percent of observations were rated as distinguished or proficient in the Classroom Environment domain, while 40% of observations were rated as distinguished or proficient in the Instruction domain.

Goal 3: Students will demonstrate proficiency and/or content mastery in science.

Per the school's charter agreement, DC PCSB will use the "measures used in the SY 2013-14 Review Report Analysis" to measure goal attainment. The measures used in this report are:

- Science proficiency on state assessment
- Qualitative Evidence from the QSR⁶⁷

Assessment: State science assessment results were unavailable during this review period; the measure is therefore not applicable in evaluating the attainment of this goal. DC PCSB does not have state science assessment data and only very limited QSR evidence relevant to this goal. Accordingly, this goal is not applicable as DC PCSB does not have sufficient evidence to evaluate its attainment.

⁶⁵ Math Studies is the most basic of four mathematics options offered by the IB: Math Studies, Standard-Level Math, Higher-Level Math, and Further Higher-Level Math

⁶⁶ A score of 'N' means no score was awarded for the subject because all requirements *have not* been met.

⁶⁷ National Collegiate Prep PCHS Five-Year Report, Appendix G.

IB Performance in Science

During the five-year review period, 38 students received an externally-validated IB grade in a science subject as indicated by the school's course catalogue each year, which included only Biology at both the Standard and High Levels. A score of 4 or higher is considered a passing grade. No students earned a passing grade. Score distribution is as follows.

Grade	N ⁶⁸	1	2	3	4	5	6	7
Number of Students	1	11	24	2	0	0	0	0

QSR Evidence: Science

DC PCSB conducted two unannounced science observations during the February 26, 2018 – March 16, 2018. Fifty percent of observations were rated distinguished or proficient in both the Classroom Environment and Instruction domain.

Goal 4: Student satisfaction with the school's programs and ability to demonstrate an understanding of Honor, Scholarship and Leadership values.

Per the school's charter agreement, "this goal will be measured [using] the percentage of the School's students being suspended as reported in the Equity Reports; fewer than 10% is this measurement's target."

Assessment: **National Collegiate Prep PCHS partially met this goal.** The suspension rate was under 10% in two years of the review period. In SY 2016-17, the school had its highest suspension rate of the review period—more than double the state average suspension rate for high schools, which is 13.1%. Additionally, it should be noted that the school has had a much higher suspension rate for its students with disabilities compared to the school-wide rate for every year of the review period until the most recent. The school was notified about this disproportionality in an outlier email in September 2017.⁶⁹

National Collegiate Prep PCHS – Suspension Rate (%)				
2013-14	2014-15 ⁷⁰	2015-16	2016-17	2017-18
5.2%	See footnote	22.5%	31.6%	3.3%

⁶⁸ See Footnote 55.

⁶⁹ See National Collegiate Prep PCHS Preliminary Discipline Data Outlier Email, September 2017, Appendix K.

⁷⁰ The 5.0% reported by the school in SY 2014-15 is not an accurate reflection of the percent of students who were suspended from the school. During this year, the school had a program in which students were removed from the classroom and assigned to attend after school classes for disciplinary reasons. Such instances represented one-day and multi-day occurrences when students were not permitted to attend class during the regular school day. These students were not recorded as out-of-school suspensions. DC PCSB informed the school of DC PCSB policy which states that these removals constituted out-of-school suspensions, and the school retired the practice.

National Collegiate Prep PCHS – Subgroup Suspension Rate Disproportionality (%)										
	2013-14		2014-15 ⁷¹		2015-16		2016-17		2017-18	
	SPED	Non-SPED	SPED	Non-SPED	SPED	Non-SPED	SPED	Non-SPED	SPED	Non-SPED
Students with Disabilities	7.1%	4.7%	17.5%	2.4%	43.5%	16.5%	48.2%	27.4%	3.9%	3.1%
	51	274	56	249	62	218	56	219	51	225
At-Risk	At-Risk	Non-At-Risk	At-Risk	Non-At-Risk	At-Risk	Non-At-Risk	At-Risk	Non-At-Risk	At-Risk	Non-At-Risk
			6.3%	2.4%	25.7%	14.1%	34.2%	25.3%	3.6%	2.5%
			222	84	202	78	196	79	195	81

Goal 5: Teacher satisfaction with the school’s operations and programs.

Per the school’s charter agreement, “this goal will be measured by the percentage of the School’s teachers being asked to return in order to renew their contracts; 90% or greater, as reported in a statement included in the school’s annual report, is this measurement’s target.”

Assessment: **National Collegiate Prep PCHS did not meet this goal.** The school did not ask 90% or greater of its teachers to return during any year of the review period. On average, the school has asked about 64% of its teachers to return over the last five school years. The table below shows the number of teachers that were asked to return during each year of the review period. The denominator is the total number of teachers each year.

National Collegiate Prep PCHS – Teacher Renewal Offers					
	2013-14	2014-15	2015-16	2016-17	2017-18
% of Teachers asked to Return	64.7	58.3 ⁷²	65.0	71.0	64.3
<i>denominator</i>	34	36	40	31	28

In its annual report each year since SY 2013-14, the school reported the percent of teachers who returned the next school year after being asked to do so.⁷³ Of those teachers asked to return, the school reported that the vast majority who were asked to return did return as displayed in the table below. Of the 34 teachers employed in SY 2013-14, the first year of this five-year review period, 29.4% have continued at National Collegiate Prep PCS. Of all teachers ever employed at the school, only 31.2% returned for more than two years.

⁷¹ As noted in the footnote above, this data may exclude students with disabilities required to attend school after hours.

⁷² The school did not submit information for four of the teachers and DC PCSB removed them from the numerator and denominator.

⁷³ The school did not report in its annual reports on the metric measured by the goal, which is the percentage of teachers asked to return. To measure attainment for this goal, DC PCSB requested and received supplemental data from the school, including a list of teachers for each year who were asked to return and whether they returned, as well as offer letters for each teacher asked to return.

National Collegiate PCS – Accepted Teacher Renewal Offers				
2013-14	2014-15	2015-16	2016-17	2017-18
School stated goal met as evidenced by “Middle States Accreditation survey results”	90%	100%	97%	93%

Goal 6: Family/parents’ support of the school and its mission.

Per the school’s charter agreement:

This goal will be measured by the percentage of the School Corporation’s students withdrawing from the school at the end of the year in order to either attend other DC public schools, or to drop out of school, as evidenced by the My School DC Data Report, which provides student enrollment data based on the outcome of the annual Common Lottery, conducted by the Common Lottery Board; 15% or fewer is this measurement’s target.

Assessment: **National Collegiate Prep PCHS partially met this goal.**⁷⁴

To determine the percent of students who were at the school at the end of each year and withdrew to attend another DC LEA or dropped out, DC PCSB categorized all students in the following way across four years of data to determine whether or not a student should be included in the denominator of this measure:

Eligible for measure’s denominator:

- Students enrolled in June, as this is the last month of National Collegiate Prep PCHS’s school year per OSSE’s Enrollment Management System, with the following exclusions:
 - Enrolled in a non-public at the end of the school year, as per OSSE’s Enrollment Management System
 - Graduated from the school before the start of the new school year or September 1 as per OSSE’s Certified Graduation List

⁷⁴ In the school’s annual reports, the school produced percentages, referencing a MySchool DC Data Report. When DC PCSB asked for the underlying data, National Collegiate Prep PCHS said that it had not received the relevant reports from MySchool DC. Rather than determining that the goal was not met due to lack of evidence DC PCSB staff engaged with MySchool DC and OSSE, the agency that houses MySchool DC, to obtain the data required to assess this goal. DC PCSB used OSSE’s enrollment management data in conjunction with DC PCSB’s re-enrollment data as the data source for this measure. At MySchool DC’s direction, DC PCSB reviewed the same data to evaluate the students withdrawing from the school at the end of the year to attend other DC public schools or drop out. See Emails from Aaron Parrot, Director of Data and Strategy, MySchool DC and from Cat Peretti, Executive Director, MySchool DC, Appendix L.

- Student moved out of state over the summer, documents provided by the school for ACGR and re-enrollment measures on the PMF
- Student enrolled in vocational school or was incarcerated after the end of the school year per the school's self-report

Eligible for measure's numerator:

- Student not enrolled at National Collegiate Prep PCHS as per the following October Enrollment Audit and meets one or more the following:
 - Transferred to another LEA in DC
 - No documentation to determine exemption from denominator as outlined above

The percentages of students determined to have withdrawn at the end of the year due to the reasons listed above are consistent with National Collegiate Prep PCHS's declining re-enrollment rates as validated and displayed on the PMF.⁷⁵ The school met this goal in the first two years of the review period, but not in the following two. Students enrolled in SY 2015-16 and SY 2016-17 withdrew over the summer at a rate of 21.5% and 17.8%, respectively. The school's worst year of re-enrollment was in SY 2015-16 when 36 of the students (or 19.9%) enrolled at the end of the year chose to attend either DCPS or another LEA. When factoring in other reasons a student may not have reenrolled, this rate rose to 21.5%.

National Collegiate Prep PCHS - % of Eligible Students Withdrawing over Summer				
	2013-14 (withdrew before SY 2014-15)	2014-15 (withdrew before SY 2015-16)	2015-16 (withdrew before SY 2016-17)	2016-17 (withdrew before SY 2017-18)
Enrolled to End of the Year ⁷⁶	7.7%	12.5%	21.5%	17.8%
	209	200	181	185

It must be emphasized that the figures above exclude students who withdrew from the school prior to the end of the year. The rates are higher than city averages for all high school students and for students with disabilities. In the most recent years, students with disabilities are withdrawing at over twice the rate as other high schools.

The school's high rates of mid-year withdrawals have been a long-standing area of concern. The school's five-year charter review highlighted higher than average mid-year

⁷⁵ Values will not be an exact inverse of the school's PMF reenrollment rate due to business rule consideration, particularly the Enrolled to End of the Year values.

⁷⁶ Enrolled to End of Year refers to the number of students who remained enrolled on the last day of the given school year. The denominator includes only those students still enrolled, whereas the mid-year withdrawal rates include all students who appeared in the audit.

withdrawals, especially for students with disabilities. This trend has continued over the past five years. The rates below are the mid-year withdrawal rates in the Equity Reports, published each year and validated by the school. The SY 2017-18 mid-year withdrawal rates that the school validated with OSSE use different business rules; to preserve comparability, the SY 2017-18 mid-year withdrawal rates provided below follow historic Equity Reports business rules based on student-level enrollment records validated by the school.

National Collegiate Prep PCHS - Mid-Year Withdrawal Rates					
	2013-14	2014-15	2015-16	2016-17	2017-18
All Students	13.6%	13.7%	9.3%	14.9%	13.8%
<i>denominator</i>	330	303	280	275	276
All Student Citywide HS Average	9.0%	8.0%	4.0%	8.7%	8.7%
Students with Disabilities (SWD)	17.9%	8.8%	14.5%	21.4%	23.5%
<i>denominator</i>	56	57	62	56	51
SWD Charter HS Average	11.2%	11.3%	7.1%	9.8%	9.4%

Goal 7: The Board of Trustees will ensure that National Prep is financially viable and demonstrates fiduciary responsibility for all monies received by and for the school.

Per the school’s charter agreement, this goal is evaluated by the same measures tracked in the SY 2013-14 review report, measures based on general accounting principles that are generally considered as part of a school’s financial review.

Assessment: **National Collegiate Prep PCHS met this goal.** The school has demonstrated adequate fiscal performance. Its financial audits confirm the school has adhered to generally accepted accounting principles (GAAP) and has adequate internal controls. The school has not engaged in a pattern of fiscal mismanagement, and it is economically viable. The school does have negative enrollment trends, however, that could jeopardize the school’s long-term health. Please refer to “Section Three: Fiscal Management and Economic Viability” for more details.

Goal 8: The Board of Trustees will ensure that National Collegiate Prep PCHS has access to appropriate and quality human and capital resources to support the education program.

Per the school’s charter agreement, this goal is evaluated by the same measures tracked in the SY 2013-14 review report, the rate that the school employs Highly Qualified Teachers (HQT) according to the Elementary and Secondary Education Act (ESEA).

Assessment: **National Collegiate Prep PCHS met this goal.** The school reports having employed a high rate of Highly Qualified Teachers (as defined by the federal Elementary and Secondary Education Act) during the entirety of the review period. Highly Qualified Teachers are teachers in a core academic subject, defined as English, reading or language arts, mathematics, science, foreign languages, civics and government, economics, arts, history, and geography.

National Collegiate Prep PCHS - Highly Qualified Teachers (HQT)					
	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
% of HQT	100%	96%	100%	100%	92%
Total Teachers	28	26	26	26	26

Goal 9: The Board of Trustees will ensure that National Collegiate Prep PCHS maintains and enforces its fiscal and organizational policies.

Per the school’s charter agreement, this goal is measured by 100% timeliness⁷⁷ and completion of the submission of all required documents as reported by the DC PCSB Compliance Report issued in January of each year.

Assessment: **National Collegiate Prep PCHS substantially met this goal.** While 100% compliant each year, in SY 2016-2017, the school was late on five submissions.

National Collegiate Prep PCHS - Compliance Report Outcomes				
2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
100% Compliant	100% Compliant	100% Compliant and On-time	100% Compliant; Late on 5 Submissions	100% Compliant and On-time

⁷⁷ DC PCSB did not begin assessing timeliness until SY 2015-16.

Goal 10: The School Corporation will earn at least 8% of the possible points on the College Readiness Indicator, which includes Advance Placement, International Baccalaureate, and Dual Enrollment Achievement, in school year (SY) 2015-16, 10% in SY 2016-17, 11% in SY 2017-18, and 12% in SY 2018-19 (its 10th year of operation).

Per the school’s charter agreement, this goal is assessed using points earned on DC PCSB’s Performance Management Framework.

Assessment: National Collegiate Prep PCHS met this goal. The “college and career readiness indicator” on the PMF is calculated by dividing the number of passing grades earned in an IP, AP, or dual enrollment course (and in SY 2017-18, earning Career and Technical Education certificates) by the school’s senior year enrollment. For example, the school’s SY 2017-18 score for this indicator was 14.6, meaning that there were six passing grades on IB, AP, or dual enrollment courses out of 41 seniors.

National Collegiate Prep PCHS - AP/IB/DE/CTE⁷⁸			
	2015-2016	2016-2017	2017-2018
PMF Floor	0.0	0.0	3.3
PMF Target	45.4	45.4	33.6
School’s PMF Rate	11.3 (7/62)	10.7 (6/56)	14.6 (6/41)
Percent of Points	24.9	23.6	37.4
Goal	8.0	10.0	11.0

While the school met this goal per percent of points earned on the PMF, it should be noted that its overall performance with IB, AP, and dual enrollment was weak. The three-year average for the percent of points earned by charter high schools for this measure was 52.9% for SYs 2015-16, 2016-17, and 2017-18, but National Collegiate Prep PCHS’s average for this period fell well below average at 28.6%.

National Collegiate Prep PCHS - Instances of Passing Tests						
	2015-2016		2016-2017		2017-2018	
	Passing	Total Test Attempts	Passing	Total Test Attempts	Passing	Total Test Attempts
Advanced Placement (AP)	1	23	0	21	0	0
International Baccalaureate (IB)	0	27	3	53	5	50
Passing Dual Enrollment (DE) Grade	6	8	3	3	1	3
Total Seniors ⁷⁹	62	0	56	0	41	0

⁷⁸ The school did not submit CTE certificates for SY 2017-18.

⁷⁹ This includes all seniors enrolled at the end of the year, per PMF Policy and Technical Guide business rules.

Focusing specifically on IB, the school’s performance here is also exceptionally weak. Part of the school’s mission is “to provide an interdisciplinary curriculum which integrates international studies themes across the academic curriculum leading to an International Baccalaureate (IB) Diploma.” Based on all evidence, the school is not delivering on this mission.

During the review period, there were only fifteen instances of students passing an IB assessment out of 235 total attempts—a 6.4% passing rate. Of the 56 total students attempting IB exams, only 29 took Theory of Knowledge, indicating that not all students attempting IB exams were eligible for the IB Diploma, as Theory of Knowledge is a required course. As noted, a student needs an average of a passing grade on assessments for all six of his or her courses to earn a diploma in addition to the Theory of Knowledge Requirement. Consequently, no student at the school has yet earned an IB diploma.

To earn an IB diploma, students must meet various criteria, including passing at least six IB assessments with a four or higher in a variety of subjects, and completing a Theory of Knowledge course and an extended essay.

During the 2013-14 school year, twelve students attempted a total of 72 core subject exams (the requisite six each). These students also took Theory of Knowledge and completed an extended essay. It should be noted that in SY 2017-18 no student was reported to have taken Theory of Knowledge. The IB program at the school has become less rigorous over the review period. The tables below provide a summary of student and exam level data by year.

National Collegiate Prep PCHS – IB Student Summary					
	SY 2013-14	SY 2014-15	SY 2015-16	SY 2016-17	SY 2017-18
# of Students Who Attempted Any Exams	12	11	9	11	13
# of Students with a Minimum of 6 Exam Attempts	12	1	0	5	5
# of Students with Grade in Theory of Knowledge	12	11	0	6	0
# of Students with Grade on an Extended Essay	12	11	0	5	0

**National Collegiate Prep PCHS –
IB Core Subject Test Summary**

	SY 2013-14	SY 2014-15	SY 2015-16	SY 2016-17	SY 2017-18
# of Scores of 1	6	2	7	15	6
# of Scores of 2	28	14	16	24	22
# of Scores of 3	30	8	4	11	17
# of Scores of 4	4	1	0	3	5
# of Scores of 5, 6, or 7	2	0	0	0	0
# of Scores Reported as "N"	2	4	4	0	0
Total IB Exams	72	29	31	53	50

SECTION TWO: COMPLIANCE WITH CHARTER AND APPLICABLE LAWS

The SRA requires DC PCSB to determine at least every five years whether a school has “committed a violation of applicable law 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.”⁸⁰ The SRA contains a non-exhaustive list of applicable laws, and DC PCSB also monitors charter schools for compliance with additional laws in annual compliance reviews. DC PCSB has found National Collegiate Prep PCHS has been in substantial compliance since SY 2013-14 with all applicable laws detailed in the table below.

Since SY 2013-14, National Collegiate Prep PCHS has been compliant with **ALL** the following applicable laws.⁸¹

- Fair Enrollment Process
(D.C. Code § 38-1802.06)
- Notice and Due Process for Suspensions and Expulsions
(D.C. Code § 38-1802.06(g))
- Student Health and Safety
(D.C. Code §§ 38-1802.04(c)(4), 4-1321.02, 38-651)
- Equal Employment
D.C. Code § 38-1802.04(c)(5))
- Insurance
(As required by the school’s charter)
- Facility Licenses
(D.C. Code § 47-2851.03(d); D.C. Mun. Regs., tit. 14, §§ 14-1401 *et seq.*)
- Proper Composition of Board of Trustees
(D.C. Code § 38-1802.05(a))
- Accreditation Status
(D.C. Code § 38-1802.02(16))

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 data form to detail any qualifying procurement contract that the school has executed.

⁸⁰ SRA § 38.1802.13(a).

⁸¹ Detailed compliance chart may be found in Appendix M.

National Collegiate Prep PCHS has sporadically complied with DC PCSB's Procurement Contract Submission Requirements. The table below captures the number of procurement contracts for which documentation was submitted during the last five fiscal years. Some of the contracts included in the table below were not supported by full contract packages, including bidding documentation, because the school either did not properly bid the contract or was not able to produce documentation.

Fiscal Year Submitted	Number of Contracts
2014	0
2015	21
2016	0
2017	16
2018	15

DC PCSB began implementing a new Procurement Contract Submission and Conflicting Interest Policy on July 1, 2018. Since that date, the school has not submitted documentation for any new contracts, but did submit outstanding documentation for three contracts entered into during FY 2017. The school's most recent procurement contract bidding submission to DC PCSB documenting a new contract was on December 7, 2017. Because the school has not submitted documentation for any new contracts since December 2017, DC PCSB staff is concerned that the school is not properly reporting procurement contracts.

The LEA has been contacted regarding noncompliance with the current Procurement Contract Submission and Conflict of Interest Policy. During DC PCSB's review of FY 2016-17 procurement contract submissions, staff found that National Collegiate Prep PCHS did not submit complete packages for three vendors uploaded and/or effective during that time and requested additional documentation. National Collegiate Prep PCHS uploaded its FY 2016-17 assurance statement stating that DC PCSB's list of vendors was correct, but the school did not upload the requested documentation. An Early Warning Notice was sent to the school on October 3, 2018 requesting that the missing documentation be uploaded by October 10, 2018 to avoid receiving an Out of Compliance Notice. When the school missed that deadline, it received an Out of Compliance Notice on October 17, 2018 and was informed that it must submit the necessary document by October 19, 2018 to avoid receiving a Notice of Concern. The school submitted the documentation before the deadline.

Special Education Compliance

Charter schools are required to comply with all federal and local special education laws, including the Individuals with Disabilities Education Act⁸² (IDEA) and Section 504 of the Rehabilitation Act of 1973.⁸³ The following section summarizes National Collegiate Prep PCHS's special education compliance from SY 2013-14 to the present.

⁸² 20 U.S.C. §§1400 *et seq.* See 20 U.S.C. §1413(a)(5).

⁸³ 29 U.S.C. § 794.

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 are summarized below.

(1) Annual Determinations

As required by federal regulation, OSSE annually analyzes each LEA's compliance with special education compliance indicators, and it publishes these findings in an Annual Determination report.⁸⁴ Each year's report is based on compliance data collected from the prior federal fiscal year. For example, in SY 2017-18, OSSE published its 2015 Annual Determination reports (based on the school's 2015-16 performance).

National Collegiate Prep PCHS's Annual Determination compliance performance is detailed in the table below.⁸⁵

School Year	Percent Compliant with Audited Special Education Federal Requirements	Determination Level⁸⁶
2014	78%	Needs Assistance
2015	70%	Needs Assistance
2016	61%	Needs Assistance

National Collegiate Prep PCHS received a Needs Assistance designation in its 2014 Determination. OSSE recommended that the school's team seek training and technical assistance to improve overall performance. However, the LEA is not legally required to undertake the recommendations or any actions. Nonetheless, National Collegiate Prep PCHS received a second Needs Assistance designation in its 2015 Determination. In accordance with IDEA section 616(e)(2)(B) and 34 CFR §§300.600(a) and 300.604, if an LEA is determined to need assistance for two or more consecutive years, OSSE must: advise the LEA of available sources of technical assistance; direct the use of LEA funds; and/or identify the LEA as a high-risk grantee and impose special conditions on the LEA's grant under Part B of the Act. As such, per the 2015 Annual Determination letter, OSSE required that the LEA:⁸⁷

⁸⁴ As required by federal regulation 34 CFR § 300.600(c).

⁸⁵ See Annual Determination reports, attached to this report as Appendix B.

⁸⁶ 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 United States Department of Education, Office of Special Education Programs (OSEP) uses for state determinations as outlined in Section 616(d) of IDEA. These categories are: Meets Requirements, Needs Assistance, Needs Intervention, and Needs Substantial Intervention.

⁸⁷ See National Collegiate PCHS's 2015 Annual Determination letter, Appendix B.

1. Develop a corrective action plan that addresses identified areas of noncompliance and includes due dates for submission of proposed evidence demonstrating completion of the corrective action plan. The corrective action plan must reflect that all corrective actions will be completed by no later than August 23, 2018.
2. Submit a copy of the corrective action plan for approval to its OSSE LEA monitor.

National Collegiate Prep PCHS submitted a corrective action plan to OSSE, in accordance with the deadline imposed by OSSE in its 2015 Determination, and OSSE approved the plan.

National Collegiate Prep PCHS received a third consecutive Needs Assistance designation in its 2016 Determination. As described in its 2016 Annual Determination letter, OSSE required that the LEA:⁸⁸

1. Develop a corrective action plan that addresses identified areas of noncompliance and includes due dates for submission of proposed evidence demonstrating completion of the corrective action plan. The corrective action plan must reflect that all corrective actions will be completed by no later than August 2, 2019.
2. Submit a copy of the corrective action plan for approval to its OSSE LEA monitor.

National Collegiate Prep PCHS submitted a corrective action plan to OSSE, though it was untimely based on the deadline imposed by OSSE in its 2016 Determination. Though OSSE received the plan, it still has not approved the plan due to it being insufficient and is still working with the school to resolve this matter.

(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 its coordinated Risk-Based Monitoring,⁸⁹ 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,⁹⁰ which OSSE then uses to determine if an LEA will receive

⁸⁸ See National Collegiate Prep PCHS's 2016 Annual Determination letter, Appendix B.

⁸⁹ See <https://osse.dc.gov/publication/risk-based-monitoring-guidance>.

⁹⁰ Part B of IDEA applies to students ages 3-22.

on-site monitoring.⁹¹ LEAs are responsible for being 100% compliant with student-level indicators and LEA-level indicators on On-Site Monitoring Reports.⁹²

In 2017, OSSE published an On-Site Compliance Monitoring Report of National Collegiate Prep PCHS based on the school’s performance in SY 2016-17.⁹³ The school has since corrected all areas of noncompliance.

SY 2016-17 On-Site Monitoring Report – LEA-Level Compliance			
Compliance Area	Compliant?	Noncompliant Indicators	Corrected?
Least Restrictive Environment (LRE)	1 of 1 indicator compliant	N/A	N/A
Individual Education Program (IEP)	1 of 1 indicator compliant	N/A	N/A
Data	1 of 2 indicator compliant	<ul style="list-style-type: none"> ▪ LEA Timely Implements Corrective Actions 	Corrected
Fiscal	4 of 4 indicators compliant	N/A	N/A

SY 2016-17 On-Site Monitoring Report – Student-Level Compliance			
Compliance Area	Compliant?	Noncompliant Indicators	Corrected?
Initial Evaluation and Reevaluation	2 of 2 indicators compliant	N/A	N/A
IEP (Individualized Education Program)	8 of 19 indicators compliant	<ul style="list-style-type: none"> ▪ Parent/Student Notified of Meeting ▪ ‘Parent’ Meets Definition in IDEA Regulations ▪ Regular Education Teacher Attended IEP Meeting ▪ Special Education Teacher Attended IEP Meeting ▪ LEA Designee Attended IEP Meeting ▪ Evaluation Interpreter Attended IEP Meeting 	Corrected

⁹¹ 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 LEAs classified as “high” risk.

⁹² If OSSE determined an LEA was less than 100% compliant with a student-level indicator that could not be corrected retroactively, OSSE would identify the point of noncompliance as an LEA-level violation and give the LEA 365 days to correct the finding.

⁹³ See SY 2016-17 On-Site Monitoring Report Attachments, attached to this report as Appendix N.

SY 2016-17 On-Site Monitoring Report – Student-Level Compliance			
Compliance Area	Compliant?	Noncompliant Indicators	Corrected?
		<ul style="list-style-type: none"> ▪ IEP Team Considered Strategies to Address Behavior ▪ ESY Determined on Individual Basis ▪ IEP Review of Progress of Annual Goal ▪ IEP Statement of Special Education and Related Services ▪ Implementation of Related Services 	
LRE (Least Restrictive Environment)	2 of 4 indicators compliant	<ul style="list-style-type: none"> ▪ IEP Least Restrictive Environment in Regular Education ▪ Supplemental Aids/Services Used Before Removal from Regular Education 	Corrected

In 2018, OSSE published an On-Site Compliance Monitoring Report of National Collegiate Prep PCHS based on the school’s performance in SY 2017-18.⁹⁴ As of September 2018, identified areas of noncompliance are not yet due for correction.

SY 2017-18 On-Site Monitoring Report – LEA-Level Compliance			
Compliance Area	Compliant?	Noncompliant Indicators	Corrected?
Least Restrictive Environment (LRE)	1 of 1 indicator compliant	N/A	N/A
Individual Education Program (IEP)	1 of 1 indicator compliant	N/A	N/A
Data	2 of 2 indicator compliant	N/A	N/A
Dispute Resolution	2 of 2 indicators compliant	N/A	N/A
Fiscal	4 of 4 indicators compliant	N/A	N/A

⁹⁴ See SY 2017-18 On-Site Monitoring Report Attachments, attached to this report as Appendix O.

SY 2017-18 On-Site Monitoring Report – Student-Level Compliance			
Compliance Area	Compliant?	Noncompliant Indicators	Corrected?
Initial Evaluation and Reevaluation	5 of 5 indicators compliant	N/A	N/A
IEP (Individualized Education Program)	18 of 22 indicators compliant	<ul style="list-style-type: none"> ▪ Parent/Student Invited to IEP Meeting ▪ LEA Designee Attended IEP Meeting ▪ PLAAFP States Effect of Disability in General Curriculum/ Appropriate Activities ▪ IEP Statesmen of Special Education and Related Services 	Not yet due
LRE (Least Restrictive Environment)	4 of 4 indicators compliant	N/A	N/A

(3) Special Conditions Reports

OSSE submits reports to the U.S. Department of Education’s Office of Special Education Programs (OSEP) three times annually,⁹⁵ detailing statewide compliance in three areas: (1) Initial Evaluation timeliness;⁹⁶ (2) Reevaluation timeliness; and (3) Secondary Transition requirements (for students at age 16 and up). National Collegiate Prep PCHS is evaluated in adhering to all three areas of compliance. The outcomes are detailed in the tables below.

Special Conditions Reporting Period – April 2014 through March 2015			
	August 1 Report (April 1 – June 30)	November 1 Report (July 1 – Sep 30)	May 1 Report (Oct 1 – March 31)
Initial Evaluation Timeliness	N/A	N/A	N/A
Reevaluation Timeliness	Not compliant	Compliant	Compliant
Secondary Transition	Not compliant	Not compliant	Not compliant

⁹⁵ Prior to SY 2014-15, OSSE conducted reviews quarterly. The data for the special conditions from that timeframe is thus organized across four quarters.

⁹⁶ Starting with SY 2017-18, the District of Columbia is no longer under special conditions with OSEP for Initial Evaluations. Moving forward, OSSE will only be required by OSEP to submit Special Condition reporting on statewide Reevaluation and Secondary Transition. 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.

Special Conditions Reporting Period – April 2015 through March 2016			
	August 1 Report (April 1 – June 30)	November 1 Report (July 1 – Sep 30)	May 1 Report (Oct 1 – Mar 31)
Initial Evaluation Timeliness	N/A	N/A	Not compliant
Reevaluation Timeliness	Not compliant	N/A	Not compliant
Secondary Transition	Compliant	N/A	Not compliant

Special Conditions Reporting Period – April 2016 through March 2017			
	August 1 Report (April 1 – June 30)	November 1 Report (July 1 – Sept 30)	May 1 Report (Oct 1 – Mar 31)
Initial Evaluation Timeliness	N/A	N/A	N/A
Reevaluation Timeliness	Compliant	N/A	N/A
Secondary Transition	Not compliant	Not compliant	Compliant

Special Conditions Reporting Period – April 2017 through March 2018			
	August 1 Report (April 1 – June 30)	November 1 Report (July 1 – Sep 30)	May 1 Report (Oct 1 – Mar 31)
Initial Evaluation Timeliness	N/A	N/A	N/A
Reevaluation Timeliness	Compliant	N/A	N/A
Secondary Transition	Compliant	N/A	N/A

Child Find Monitoring Report

“Child find” is a set of policies, procedures, and public awareness activities designed to locate, identify, and evaluate children who may require special education and related services. Each LEA must have policies and procedures in effect to ensure that all children with disabilities in need of special education and related services, regardless of severity of disability, are identified, located, and evaluated. As a result of the D.L. v. District of Columbia⁹⁷ special education litigation, in SY 2017-18 OSSE audited every LEA’s identification rate of enrolled students receiving special education services under IDEA against the 8.5% threshold established in the case. OSSE also conducted desktop reviews of all LEA child find policies to ensure that identification rates were not the results of

⁹⁷ D.L. v. The District of Columbia (Case No. 1:05-cv-01437), 860 F.3d 713, (DC Cir. 2017).

inappropriate policies and procedures.⁹⁸ Based on this review, OSSE determined if an LEA's identification rate and child find policies were compliant with IDEA and local law. LEAs deemed out of compliance were required to submit to OSSE their revised child find policies and proof of staff training. OSSE will continue child find monitoring moving forward, but it will not conduct this extensive review again in SY 2018-19.

In the updated Child Find review process, OSSE reviews LEA identification rates and LEA's Child Find Policies during the Spring of each school year. Based on this review, OSSE makes a determination of whether the LEA is out of compliance due to a low identification rate, its Child Find policy and procedures, or both. OSSE states in its notification letter to the LEA the result of its review and, if required, what actions the LEA is required to take to be deemed compliant.

During SY 2017-18, OSSE found that National Collegiate Prep PCHS identified 29.9% of its students eligible for special education, which is above the District's 2017-18 identification rate of 8.5%. Further, OSSE reviewed National Collegiate Prep PCHS's Child Find Policy, practices, and procedures. The results of the focused monitoring activities were sent to the LEA's leader.⁹⁹ Upon review, OSSE determined that the LEA is compliant with Child Find requirements and no further action is required.

Significant Discrepancy Finding

OSSE annually reviews LEAs' rates of suspension and expulsion for students with disabilities as compared to their non-disabled peers. This review is based on the prior school year's data. OSSE will annually define what constitutes "significant discrepancy" between these two rates. In SY 2017, this definition required two conditions to be met:

- Any excess in the rate of long-term suspension and expulsion between students with disabilities and students without disabilities; and,
- A rate ratio of 1.5 or higher, meaning students with disabilities from a particular racial or ethnic group are suspended or expelled at a rate that is at least one and a half times greater than the rate for all students without disabilities.

For those LEAs found to have significant discrepancy, OSSE requires the LEA to complete and submit a self-study to review its own policies and practices related to the development and implementation of individualized education programs (IEPs), procedural safeguards, and the use of positive behavioral interventions and supports. An LEA will be cited for noncompliance only if the significant discrepancy was found to be the result of the aforementioned documents not complying with regulatory requirements.

⁹⁸ For more information, see OSSE's "Dear Colleague" letter on key IDEA requirements related to D.L. v. District of Columbia at <https://osse.dc.gov/publication/dear-colleague-letter-key-idea-requirements-related-dl-v-district-columbia>.

⁹⁹ Please find the Child Find Focused Monitoring Report for National Collegiate Prep PCHS attached as Appendix P.

In May 2018,¹⁰⁰ OSSE notified National Collegiate Prep PCHS that its review of SY 2016-17 data concluded that the school had a significant discrepancy in the rate of long-term suspensions and expulsions between African-American students with disabilities and all students without disabilities. OSSE requested in its notification letter to the school that the LEA complete and submit a self-study assessment. After review of the self-study, OSSE issued National Collegiate Prep PCHS a finding of noncompliance for significant discrepancy due to the following:

- Failure to notify the parents and provide parents with procedural safeguards on the date on which a decision was made to make a removal that constituted a change in placement;
- Failure to conduct functional behavior assessments, and develop and implement behavior intervention plans;
- Failure to conduct manifestation determination meetings; and
- Failure to provide educational services to enable the students to continue to participate in the general education curriculum, although in another setting.

To address the areas of noncompliance, OSSE required that National Collegiate Prep PCHS develop and implement a continuous improvement plan. On August 2018, the LEA has submitted its plan to OSSE, and it will provide evidence of progress in November 2018 and February 2019.

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. The chart below shows the two special education administrative due process complaints brought against the school that resulted in a finding of noncompliance by a Hearing Officer.¹⁰¹

Transmittal Date ¹⁰²	HOD Implementation and Timeliness Status ¹⁰³
April 2016	Implemented timely
December 2016	Not implemented and untimely

¹⁰⁰ See 2016-17 Significant Discrepancy Review Report Attachments, attached to this report as Appendix C.
¹⁰¹ 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 charter reviews and renewals, DC PCHSB reports only on HODs that resulted in a finding of noncompliance against the LEA.
¹⁰² This is the date the Office of Dispute Resolution transmits the HOD to the database a few days after the hearing officer has issued a decision.
¹⁰³ An HOD may be implemented timely, implemented untimely, or not implemented and is untimely.

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 nonadherence to generally accepted accounting principles (GAAP);
- Has engaged in a pattern of fiscal mismanagement; and/or
- Is no longer economically viable.¹⁰⁴

DC PCSB has assessed National Collegiate Prep PCHS's financial performance by reviewing the previous five years of audited financials and DC PCSB's Financial Analysis Review (FAR) reports, dating from FY 2013 through FY 2017. DC PCSB also reviewed the school's unaudited financials for FY 2018 and incorporated this data when relevant. For the purpose of this report, DC PCSB used the FY 2017 FAR Report's "meets expectation" ranges to compare the financial strength of individual measures. The ranges were established where the upper end of the range was the "target" for financial performance and the lower end was the "floor." Schools performing at or above the established targets are determined to be in a strong financial position for the specific metric being assessed. When schools' metrics fall below the established floors, they are further reviewed to determine whether this poses financial concerns. DC PCSB assesses the school's financial condition holistically in order to determine whether operations are adequately managed, sustainable, and economically viable.

KEY for Fiscal Management and Economic Viability Charts	
No Shading	<ul style="list-style-type: none">• Within an average, financially healthy range based on the FAR and general finance principles.
Red	<ul style="list-style-type: none">• Falling within a range which is cause for concern based on the FAR and general finance principles. Though this does not necessarily show fiscal mismanagement on the part of the school, it indicates that this specific measure fell below the targets that DC PCSB considers financially sound.

Summary of Findings

National Collegiate Prep PCHS has demonstrated adequate fiscal performance. Its financial audits confirm the school has adhered to GAAP and has adequate internal controls. The school has not engaged in a pattern of fiscal mismanagement, and it is economically viable.

Overall, the school's financial performance is healthy, with positive net assets of \$653k, sufficient liquidity, and low debt leverage. Trends in enrollment, however, have shown that National Collegiate Prep PCHS has not been able to consistently retain or grow its enrollment numbers, which could be problematic for its long-term viability. The school has

¹⁰⁴ See D.C. Code § 38-1802.13(b).

generated operating surpluses for three of the past five years and its net asset position has been sufficient to cover the deficits generated. However, continued deficits, complimented with negative enrollment trends, could pose a threat for the school's viability. If the school is continued, its enrollment numbers should be monitored going forward to ensure negative enrollment trends do not continue. The school's five-year review noted weak economic viability, as measured by liquidity position and net assets. This financial condition has improved, as evidenced by an increase in: Days of Cash on Hand, Current Ratio, and the Primary Reserve Ratio. Further details on each of these components are provided below.

Financial Overview

Overall, the school has exhibited adequate financial performance. The following table provides an overview of National Collegiate Prep PCHS's financial information between FY 2013 and FY 2017. National Collegiate Prep PCHS has steadily grown revenue through 2018, with unaudited financial results reflecting approximately an 11% increase total revenues from 2013. The school's days of cash on hand has increased from 10 days in 2013 to 32 days in 2018, and its current ratio has increased from 1.1 in 2013 to 4.3 in 2018, based on unaudited results. The school's net assets have also increased 93%, from 2013 to 2018, which resulted in an overall increase in its primary reserve ratio from 6% to 10%. One lingering concern for DC PCSB is the school's declining enrollment numbers given National Collegiate Prep PCHS' enrollment has been trending negatively since 2013. The school's inability to attract and retain overtime may negatively impact its fiscal performance moving forward.

Financial Highlights (\$ in 000s)						
	2013	2014	2015	2016	2017	2018*
Maximum Enrollment¹⁰⁵	500	500	500	500	500	500
Audited Enrollment	310	330	306	280	275	276
Total Revenue	\$5,688	\$6,050	\$6,616	\$6,116	\$5,972	\$6,293
Surplus/(Deficit)¹⁰⁶	\$306	(\$192)	\$615	\$46	(\$200)	\$41
Unrestricted Cash Balances	\$145	\$233	\$262	\$610	\$717	\$550
Number of Days of Cash on Hand¹⁰⁷	10	14	16	37	43	32
Net Asset Position¹⁰⁸	\$339	\$147	\$762	\$809	\$608	\$653
Primary Reserve Ratio¹⁰⁹	6%	2%	13%	13%	10%	10%

*Based on unaudited financials

Fiscal Management

Based on DC PCSB's assessment of the school's liquidity, debt burden, and cost management, the school has shown evidence of adequate fiscal management. Specifically,

¹⁰⁵ 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.

¹⁰⁶ Surplus / (Deficit) is total revenue minus total expenses.

¹⁰⁷ 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.

¹⁰⁸ Net Asset Position equals total assets minus total liabilities.

¹⁰⁹ Primary Reserve Ratio equals total net assets, less intangible assets, divided by total annual expenses.

liquidity is sufficient; the school has no outstanding debt to service; costs are effectively managed; and the internal control environment appears to be strong. These areas are discussed further below.

Liquidity

Liquidity								
	Floor	Target range	2013	2014	2015	2016	2017	2018*
Current Ratio	0.7	1.0	1.1	0.7	2.7	3.4	2.1	4.3
Number of Days of Cash on Hand	15	45	10	13	16	36	43	32

* Based on unaudited financials

Liquidity refers to the school’s ability convert assets to cash in order to meet its immediate financial obligations, particularly in the short-term. DC PCSB measures liquidity by assessing two metrics—the Current Ratio¹¹⁰ and Days of Cash on Hand¹¹¹—as well as considering the school’s solvency.

Current Ratio: The current ratio divides a school’s current assets by its current liabilities. “Current” means being available or coming due within the next year. The school’s current ratio has consistently been above the target of 1.0, except in 2014, meaning the school has the means to meet obligations that will come due in the next year. Since 2014, the school has improved its current ratio significantly, showing more than adequate liquidity to meet its financial obligations.

Days of Cash on Hand: This measure determines how many days of expenses a school can meet with the cash it has in the bank. The school’s cash on hand has increased significantly over the past five years, with an increase of approximately 22 days of cash on hand. In 2013, the school only held 10 days of cash on hand; if draws on the line of credit of \$60K were omitted from the school’s outstanding cash balance, cash on hand would have been only six days. In 2016, the school paid off its line of credit and opted not to renew the agreement. As of 2017, the school held 43 days of cash, which is close to DC PCSB’s 45-day target.

Solvency: The final measure of liquidity is solvency,¹¹² which considers the school’s overall ability to pay outstanding obligations, including amounts due to vendors, employees, and lenders if the school’s charter were to be revoked. DC PCSB reviewed National Collegiate Prep PCHS’s FY 2017 audited financial statements to determine the risk to third parties in

¹¹⁰ A school’s current ratio is its current assets divided by current liabilities.

¹¹¹ Days of Cash on Hand is the amount of unrestricted cash and cash equivalents divided by daily operating expenses, excluding depreciation & amortization.

¹¹² Except when the school owns a facility, solvency equals unrestricted cash plus receivables with a high probability of collection, minus liabilities and closure expenses.

the event of school closure. Should the DC PCSB Board vote to close National Collegiate Prep PCHS, staff expects that the school would be able to meet its operating obligations, including estimated closure costs, and the school would not have a shortfall in meeting obligations due to vendors and employees. This analysis remains unchanged for FY 2018 based on the available unaudited financials. Given the overall financial health of the school, National Collegiate Prep PCHS’s solvency is not an area of concern.

Debt Burden

Debt Burden								
	Floor	Target	2013	2014	2015	2016	2017	2018*
Debt Ratio	0.9	0.5	0.5	0.8	0.3	0.2	0.4	0.2
Debt Service Coverage Ratio	1.0		1.2		N/A – metric introduced in FY 2016		N/A – No outstanding debt	

*Based on unaudited financials

Based on DC PCSB’s assessment, there are no current concerns related to National Collegiate Prep PCHS’s debt burden. DC PCSB reviews two ratios related to debt management—the debt ratio¹¹³ and the debt service coverage ratio (DSC).¹¹⁴

Debt Ratio: In FY 2014, the school was highly leveraged, with liabilities almost equal to total assets (e.g., a debt ratio of 0.8), which is approaching the floor for this metric. Since then, the debt ratio has consistently improved to 0.4 in FY 2017, with the unaudited financials reflecting even better performance for FY 2018.

Debt Service Coverage Ratio: The debt service coverage ratio compares a school’s current year operating surplus with the interest and principal due on its debt. A high ratio implies sufficient resources were available for debt service, while a low ratio indicates a school’s inability to service its debt. The school has not had outstanding long-term debt to service within the last five years, therefore, this metric was not considered.

¹¹³ Debt Ratio equals the total liabilities divided by the total assets.

¹¹⁴ Debt Service Coverage (DSC) Ratio equals Earnings Before Interest, Depreciation, and Amortization divided by the sum of scheduled principal payments and interest paid (not including balloon payments).

Cost Management

Components of Expenses (\$ in 000s)					
	2013	2014	2015	2016	2017
Salaries and Benefits	\$3,206	\$3,653	\$3,644	\$3,982	\$4,059
Direct Student Costs	\$522	\$714	\$580	\$672	\$703
Occupancy Expenses	\$815	\$895	\$851	\$860	\$867
General Expenses¹¹⁵	\$837	\$981	\$925	\$556	\$544

As a Percent of Expenses						
	2013	2014	2015	2016	2017	FY 2017 Sector Average
Salaries and Benefits	60%	59%	61%	66%	66%	62%
Direct Student Costs	10%	11%	10%	11%	11%	10%
Occupancy Expenses	15%	14%	14%	14%	14%	16%
General Expenses	16%	16%	15%	9%	9%	10%

The tables above provide an overview of the school's spending decisions over the past five years. It appears that National Collegiate Prep PCHS's expenses are in line with sector averages.

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 National Collegiate Prep PCHS establish that the school has adhered to GAAP. The school's auditors issued unmodified audit opinions for all years and there were no material weaknesses identified in internal controls over financial reporting. Additionally, no other findings were identified in internal control over compliance and going concern considerations determined that the school has been stable over time. Based on this assessment, National Collegiate Prep PCHS appears to have an adequate internal control environment.

¹¹⁵ 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.

Internal Controls					
	2013	2014	2015	2016	2017
Modified Statement Opinion. 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
Material Weakness. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the school's financial statements will not be prevented, or detected and corrected in a timely manner.	No	No	No	No	No
Statement Non-Compliance. 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.	No	No	No	No	No
Modified Program Opinion (Uniform Guidance). 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
Program Material Weakness (Uniform Guidance). 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 non-compliance 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
Findings & Questioned Costs. 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.	0	0	0	0	0
Unresolved Prior Year Findings. The auditor discloses prior year audit findings that have not been corrected.	No	No	No	No	No
Going-Concern Issue. The auditor indicates that the financial strength of the school is questioned.	No	No	No	No	No
Debt-Compliance Issue. 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

Considering earnings, cash flows, reserves, and trends in both enrollment and revenue, DC PCSB staff has concerns regarding National Collegiate Prep PCHS's long-term economic viability. Trends in enrollment have shown that National Collegiate Prep PCHS has not been able to consistently retain or grow its enrollment numbers, which could be problematic for its long-term viability. The school has generated operating surpluses for three of the past five years and reserve numbers have been sufficient to cover the deficits generated. However, continued deficits, complimented with negative enrollment trends, could pose a threat for the school's viability.

(\$ in 000s)	Floor	2013	2014	2015	2016	2017	2018*
Surplus/(Deficit)	<0	\$306	(\$192)	\$615	\$46	(\$200)	\$41
Earnings before Depreciation and Amortization	<0	\$396	(\$84)	\$736	\$145	(\$118)	\$107

*Based on unaudited financials

Earnings and Operating Cash Flow

One measure of economic viability is whether a school runs a surplus—put simply, whether revenues exceed expenditures. While healthy schools can occasionally run deficits, in most years they do not. Earnings before Depreciation and Amortization (EBDA) removes major non-cash items from the earnings calculation and is an indicator of whether the school has generated positive cash for the year.¹¹⁶

National Collegiate Prep PCHS had positive earnings and positive EBDA in three of the last five years, with FY 2018 reflecting positive results. The school has not consistently operated at a deficit and net assets have been sufficient to cover these losses.

(\$ in 000s)	Floor	Target	2013	2014	2015	2016	2017	2018*
Net Asset Position	\$ 0	N/A	\$339	\$147	\$762	\$809	\$608	\$653
Primary Reserve Ratio	0%	25 %	6%	2%	13%	13%	10%	10%

*Based on unaudited financials

Net Asset Position

Net Asset Position measures a school's assets less its liabilities. DC PCSB would be concerned with net assets reserves below zero. The school has consistently been in a positive net asset position since FY 2013, with net assets growing over 92% to \$653k in FY 2018, based on unaudited FY 2018 results.

¹¹⁶ EBDA is the change in net assets plus depreciation and amortization.

Primary Reserve Ratio

The Primary Reserve Ratio divides net assets by a school's total expenses to measure net assets relative to the size of the school. The Primary Reserve ratio has grown from 6% in 2013 to 10% in FY 2017. This is adequate; however, the metric is still less than the DC PCSB's 25% target for this ratio.

Enrollment and Revenue Trends

The final measures of economic viability are trends in enrollment and revenues. Enrollment trends provide information about a school's ability to attract students and receive DC and Federal funds for operations. Stable or increasing enrollment and revenue indicate that a school's is likely to remain financially stable, barring extraordinary circumstances.

As noted above, National Collegiate Prep PCHS has experienced declining enrollment since 2014; this could be indicative of long-term sustainability issues. While revenue has grown disproportionately compared to enrollment, the consistent decline in enrollment is an indicator of concern.

Enrollment over Time						
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Enrollment	310	330	306	280	275	276
Growth in Enrollment	-	6%	(7%)	(8%)	(2%)	0%
Total Revenue	\$5,688	\$6,050	\$6,616	\$6,116	\$5,972	\$6,293
Growth in Revenues	-	6%	9%	(8%)	(2%)	5%