

## DISTRICT OF COLUMBIA PUBLIC CHARTER SCHOOL BOARD

### Charter Actions Requiring a Vote

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

### Non-Voting Board Items

- ☒ Public Hearing Item
- ☐ Discussion Item
- ☐ Read into Record

### Policies

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

**PREPARED BY:** Rashida Young, Chief School Performance Officer

**SUBJECT:** Public Hearing on Achievement Preparatory Academy Public Charter School – Charter Agreement Amendments

- Enrollment Ceiling Decrease
- Network Reconfiguration

**DATE:** March 23, 2020

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*The DC Public Charter School Board (DC PCSB) received written notification from Achievement Preparatory Academy Public Charter School (Achievement Prep PCS) on February 3, 2020 that the school intended to close its middle school campus at the end of the current school year and request a charter amendment to reflect the closure of this campus, including a decreased enrollment ceiling and a reconfiguration of the school. At that time, Achievement Prep PCS intended for Friendship Public Charter School (Friendship PCS) to take over operation of the closing campus through an asset acquisition. DC PCSB notified the Advisory Neighborhood Commissions (ANC) and opened the proposal for public comment on February 5, 2020, intending to hold a joint public hearing and vote for both local education agencies (LEAs) on February 13, 2020. Both LEAs later determined they would submit their respective charter amendment requests individually. The LEAs also decided not to pursue an asset acquisition, and Friendship PCS revised its request to seek approval only to operate a new campus at the closing school's*

*location. On February 24, 2020, the DC PCSB Board approved Friendship PCS to open a new campus, serving grades 4-8, located in a leased facility where Achievement Prep PCS - Wahler Place Middle School currently operates.*

*On February 18, 2020, Achievement Prep PCS submitted an updated charter agreement amendment application. This revised application removed the asset acquisition request but was identical in all other respects, including the request for a campus reconfiguration and enrollment ceiling decrease.<sup>1</sup> On February 26, 2020, DC PCSB updated its public notices to reflect the changes in the amendment application. On March 6, 2020, Achievement Prep PCS's Board submitted a letter to the DC PCSB Board and to Friendship PCS, notifying them that Achievement Prep PCS no longer intended to partner with Friendship PCS in opening the new campus. However, Achievement Prep PCS did not retract its outstanding charter amendment request. The DC PCSB Board is scheduled to vote on the proposal at its April 20, 2020 board meeting. Any public comment received will be discussed before the vote.*

### **Proposal**

DC PCSB staff requests that the Board hold a public hearing on Achievement Prep PCS's charter amendment request. Per its amendment application, the school is requesting the following:

- Decrease its maximum enrollment ceiling by 355<sup>2</sup> students, from 1040 to 685, to reflect the closure of its middle school campus; and
- Reconfigure from a two-campus LEA to a single campus authorized to serve grades prekindergarten-3 (PK3) through eight.

### **Enrollment Ceiling Decrease**

Achievement Prep PCS's approved maximum enrollment for both of its current campuses combined is 1,040 students. The school reports that they presently educate 731 students, with 376 students at Wahler Place Elementary School (Wahler Place ES) and 355 students at Wahler Place Middle School (Wahler Place MS). Effective for school year (SY) 2020-21 and beyond, the school proposes to reduce its enrollment ceiling by 355 students, the number of students it currently educates at the closing Wahler Place MS, to a new maximum enrollment ceiling of 685 students.

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<sup>1</sup> Achievement Prep PCS's original and revised amendment applications also include a request to adopt the most recent version of the Elect to Adopt the Performance Management Framework as Charter Goals Policy (PMF as Goals Policy) as its charter goals. However, the school later decided to withdraw this request until after the PMF as Goals Policy is revised again, which is slated for summer 2020.

<sup>2</sup> Achievement Prep PCS's initial charter amendment application requested an enrollment decrease of 361 (which was the middle school's audited enrollment) for a maximum enrollment of 679. The school later asked for a decrease representing the number of students *enrolled* at the time the middle school closure was announced, which was 355 students.

The closing Wahler Place MS campus will be removed from Achievement Prep PCS's charter agreement.

### Campus Reconfiguration

Achievement Prep PCS currently operates as a two-campus LEA that educates students in grades PK3 through three at its Wahler Place ES campus, and grades four through eight at its Wahler Place MS campus. The Achievement Prep PCS board voted to close its middle school at the end of SY 2019-20. The school requests to reconfigure its program from a two-campus model into a single campus that will be authorized to slowly restart its middle school program, beginning in SY 2021-22, by enrolling a new cohort of fourth grade students and adding a new grade each year until it reaches maturation serving grades PK3 through eight. The school's proposed enrollment matrix is found below<sup>3</sup>.

	Academic Year 2020-21	Academic Year 2021-22	Academic Year 2022-23	Academic Year 2023-24	Academic Year 2024-25	Academic Year 2025-26	<i>Continue adding columns until SY of max enrollment</i>
<b>Grade Levels</b>	Projected	Projected	Projected	Projected	Projected	Projected	Projected
<b>PK-3</b>	70	70	70	70	65		
<b>PK-4</b>	70	70	70	70	70		
<b>Kindergarten</b>	75	72	72	72	69		
<b>Grade 1</b>	65	75	72	70	70		
<b>Grade 2</b>	60	65	72	70	68		
<b>Grade 3</b>	70	60	65	70	68		
<b>Grade 4</b>		70	70	70	68		
<b>Grade 5</b>			70	70	68		
<b>Total</b>	<b>410</b>	<b>482</b>	<b>561</b>	<b>562</b>	<b>546</b>		
<b>Grade 6</b>				70	68		
<b>Grade 7</b>					65		
<b>Grade 8</b>							
<b>Total</b>				<b>70</b>	<b>133</b>		
<b>Grade 9</b>							
<b>Grade 10</b>							
<b>Grade 11</b>							
<b>Grade 12</b>							
<b>Total</b>							
<b>LEA Total</b>	<b>410</b>	<b>482</b>	<b>561</b>	<b>632</b>	<b>679</b>		
<b># Campuses*</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>		

<sup>3</sup> As noted in footnote #2, the school's initial charter amendment application requested an enrollment decrease of 361, which has since been changed to 355. The maximum enrollment is now 685, not 679 as is shown in the current chart. The school will provide an updated enrollment matrix by the time of the vote.

### Financial Implications

In August 2015, Achievement Prep PCS entered into a ground lease agreement with the District of Columbia to lease the property at Wahler Place for thirty years beginning August 1, 2015. Since construction, capital alteration, and leasehold acquisitions costs were higher than the rent expense for the lease term, there is no rent expense for the life of the lease as the lease terms allowed for abatement for each \$1M of expenses incurred.

During May 2015, Achievement Prep PCS secured loans to finance construction and renovation of its facility and payment of its facility rent. Further, in December 2015 and December 2016, the school became a participant in the New Market Tax Credits (NMTC) program, where the school was also able to use \$23.8M and \$7.7M, respectively, in NMTC qualified funding. The total principal outstanding as of June 30, 2019, was \$31.5M. On June 27, 2019, the school fully paid off the balance of one of its loans; as such, Achievement Prep PCS will not be required to make additional principal payments for these NMTC loans until May 2024.

Pending DC PCSB's approval of the school's proposed campus closure, the plan to operate only grades PK3-3 in SY 2020-21 will result in net operating deficits for each of the next five years. However, as of June 30, 2019, the school maintained a strong balance sheet with a current ratio above 15.0 and more than \$7.4M (~165 days) of cash on hand. The level of cash on hand indicates that the school has ample reserves to cover the deficits in the short-term. In the long term, the school would either need to expand enrollment or sublease a portion of its facility to achieve break even. Historical trends show that the school has been able to achieve its enrollment projections within a 10% margin each year.

Attachment B provides a copy of Achievement Prep PCS's proposed budget in accordance with the amendments proposed in its application materials.

### **Background**

After careful consideration of its middle school program's performance, the Chief Executive Officer and founding leader of Achievement Prep PCS, with support from the school's board, determined that Wahler Place MS is severely underperforming, and the quality of education being offered to its middle school students is "unacceptable." In a candid letter shared with DC PCSB and the school's internal stakeholders, Achievement Prep PCS acknowledged that it is under-educating its middle school students, and the current performance of Wahler Place MS does not align with why Achievement Prep PCS was originally founded.

The school reports that on January 7, 2020, Achievement Prep PCS's board approved the LEA to "pursue options of intervention with [Wahler Place MS]," and on January 29, 2020, the school's board voted unanimously to 1) close the existing Wahler Place MS, 2) pursue an asset acquisition with Friendship PCS, and 3) pursue a campus reconfiguration charter amendment. Rather than immediately shutter Wahler Place MS and displace over 350 students, the leadership at Achievement Prep PCS sought various options that would allow for a quality charter operator to absorb its middle school students and provide stability. After a discussion with several charter organizations, Achievement Prep PCS chose Friendship PCS to pursue a partnership to serve its students upon closure of the middle school at the end of SY 2019-20. While the LEAs initially pursued an asset acquisition of the middle school campus, ultimately it was decided that Achievement Prep PCS would independently close its middle school and Friendship PCS would open a new campus. On February 24, 2020, the DC PCSB Board approved Friendship PCS to open a new campus, serving grades 4-8, located in the facility where Achievement Prep PCS - Wahler Place Middle School currently operates, 908 Wahler Place SE, for at least one year.

However, on March 6, 2020, Achievement Prep PCS's Board sent a letter to DC PCSB and Friendship PCS, withdrawing its support for this new Friendship PCS campus. The school cited concern over the fact that My School DC would be unable to accommodate the new campus in the DC common lottery, and Friendship PCS would need to run its own open enrollment process, (which is consistent with its charter agreement, and as approved by the DC PCSB Board in its February vote). Achievement Prep PCS stated its newfound concern that the open enrollment process Friendship PCS planned to conduct "would violate the rights of other District families and the My School DC Common Lottery process." The letter noted that, as a result, Achievement Prep PCS "will not be partnering with [Friendship PCS] to operate at Wahler Place MS. There will [not] be a [middle school] at Achievement Prep next school year."

This decision by Achievement Prep PCS was taken after the March 2 deadline for students to participate in the common lottery. As a result, students who had been counting on attending middle school at Friendship PCS Wahler Place MS and had not applied for other options through the lottery now must either return to their neighborhood District of Columbia Public School (DCPS) school or find available spaces in public charter or other DCPS schools after other students are assigned to these schools through the lottery. Of the 348 current third through seventh grade

students at Achievement Prep PCS, 192 had submitted an application into the common lottery by the deadline, and 156 had not.<sup>4</sup>

### **Notification and Community Engagement**

Achievement Prep PCS provided the following documents, which you may view in their entirety [here](#), as evidence of its communication with staff, families, and other stakeholders regarding the LEA's intent to close Wahler Place MS and enter into a partnership with Friendship PCS at the end of SY 2019-20:

1. A signed board resolution approved by Achievement Prep PCS trustees to close the middle school and pursue a campus reconfiguration, dated January 29, 2020.
2. A letter to current Achievement Prep PCS families regarding closure of the middle school and partnership with Friendship PCS, dated January 30, 2020.
3. A letter to current Achievement Prep PCS staff regarding closure of the middle school and partnership with Friendship PCS, dated January 30, 2020.
4. Formal letters to Councilmember Trayon White, Advisory Neighborhood Commissioner (ANC) Karlene Armstead, Ward 8 Representative Markus Batchelor, and the Ward 8 Education Committee, all dated January 31, 2020.

### **Attachments to this Proposal**

Attachment A: Achievement Prep PCS Charter Amendment Application (enclosed)

Attachment B: Achievement Prep PCS Budget

Attachment C: Achievement Prep PCS Charter Agreement Amendment (will be provided before the vote)

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<sup>4</sup> The 348 third through seventh grade students include four who attend non-public placements. As noted, there were 192 applications submitted by the time of the My School DC deadline on March 2, 2020. There were 228 applications submitted as of March 13, 2020.

## **Attachment A**

A copy of Achievement Prep PCS's charter amendment application in its entirety may be found at the following link: <https://dcpcsb.egnyte.com/fi/FZfdHiIuhe>