



# **2018-19 Preliminary Twenty-Year Charter Review Report**

## **Meridian Public Charter School**

**December 17, 2018**

DC Public Charter School Board  
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**STAFF RECOMMENDATION AND KEY FINDINGS**

The District of Columbia Public Charter School Board (DC PCSB) staff has conducted a twenty-year charter review of Meridian Public Charter School (Meridian PCS) as required by the School Reform Act (SRA) and concludes that the school has met its goals and student academic achievement expectations through the use of the improvement provision as specified in its charter agreement, and therefore recommends that the Board use its discretion to continue the charter with conditions for the reasons outlined in this report.

Meridian PCS is a single campus local education agency (LEA) that educates students in grades prekindergarten-3 (PK3) through eight. In April 2018, Meridian PCS adopted as its goals and student academic achievement expectations the most recently revised *Elect to Adopt the Performance Management Framework (PMF) as Goals Policy*.<sup>1</sup> The PMF uses common measures across schools serving similar grades to measure school quality. The PMF measures student academic progress in English language arts (ELA) and math, student academic achievement in ELA and math, attendance, re-enrollment rates, and early childhood classroom observations.

By adopting the PMF as goals, Meridian PCS agreed to achieve an average PMF score of 50% over the period under review.<sup>2</sup> The school has failed to meet this target as it has an average PMF score of 49.5%, which is 0.5 percentage points short of the mark.

The school’s charter agreement provides the DC PCSB Board has the discretion to find that the school has met its goals if it has shown “consistent improvement on overall PMF scores over the course of the most recent five-year period.” The school has shown consistent improvement over the past three years, to what are now strong results, exceeding the 50.0% average it needed in the past two years, most recently by 9.4 percentage points.

<b>Meridian PCS – PMF Outcomes</b>					
<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>Average</b>
<b>Tier 2</b> 45.6%	<b>N/A</b> <sup>3</sup>	<b>Tier 2</b> 41.8%	<b>Tier 2</b> 51.2%	<b>Tier 2</b> 59.4%	<b>49.5%</b>

This consistent improvement means that the Board may use its discretion to apply the Improvement Provision and find that the school has met its goals. DC PCSB staff

<sup>1</sup> Please see the Elect to Adopt the PMF as Goals Policy, Appendix A.

<sup>2</sup> Specifically, per its charter agreement, the school must earn an average PMF score of at least 50% for 2013-14, 2015-16, 2016-17, and 2017-18. In SY 2014-15, no PMF scores or tiers were released due to the change in state assessment. Accordingly, the charter agreement explicitly excludes this year from consideration in calculating the average PMF score. Per its charter agreement, the school must also meet the floor of all Early Childhood PMF measures in SY 2013-14.

<sup>3</sup> No PMF score was given in 2014-15 due to the transition of statewide assessments.

recommends that the Board use its discretion to apply the provision in this instance and continue the school's charter, with conditions. Staff bases this recommendation on the following factors:

- At 49.5%, the school is just shy of earning the required average PMF score of 50.0%.
- With respect to improvement, its most recent PMF results are 13.8 points higher than SY 2013-14, the first year of the review period.
- The school's performance on the PMF for the past two years has been above 50.0%, the established target for a school undergoing a 20-year review.
- Year-to-year student academic growth (as measured by Median Growth Percentile) is well above city averages for every subgroup in both reading and math over the last two years.
- Classroom observation results from DC PCSB staff's Qualitative Site Review (QSR), conducted in April 2018, documented above sector-average percentages of proficient and distinguished observations in both instruction and culture.

Despite the school's improvements, the review revealed some areas of lingering concern:

- The school's proficiency rates on state assessments in ELA and math are below city averages.
- The school's re-enrollment rate, which is an indicator of parent satisfaction, is also below the charter sector average.
- The school's engagement with the third-party turnaround organization will end at the end of SY 2019-20, requiring the school's board and staff to continue to produce strong student outcomes without this outside support.

Separate and apart from the school's goal attainment, DC PCSB staff has determined that the school has not committed a material violation of law or of its charter, has adhered to generally accepted accounting principles, has not engaged in a pattern of fiscal mismanagement, and is economically viable.

As stated above, DC PCSB staff recommends the Board use its discretion to apply the improvement provision and continue the school's charter with the following conditions:

- 1) The school will provide DC PCSB, by March 31, 2019, a plan approved by the Meridian PCS board of trustees for maintaining its academic success after the end of its contractual agreement with its turnaround organization.
- 2) As part of this plan, the school will consider implications of growth on its overall performance and provide a revised enrollment ceiling that is consistent with current enrollment trends, re-enrollment rates, and the need to focus on continued improvement once the turnaround organization departs.

## **CHARTER REVIEW STANDARD**

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

- (1) The school committed a 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.<sup>5</sup>

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.<sup>6</sup>

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.

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

<sup>5</sup> D.C. Code § 38-1802.13(a).

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

## **BACKGROUND INFORMATION ABOUT SCHOOL**

### **School Overview**

Meridian PCS began operation in 1999 under authorization from DC PCSB and currently educates students from prekindergarten-3 (PK3) through eighth grade.<sup>7</sup> The school offered grades K-3 in its first year of operation and grew by one grade every year until it reached maturation with grades PK3-8 in SY 2004-05.

The school's mission is as follows:

Meridian Public Charter School is a rigorous Pre-K to 8th grade school, which academically and socially prepares its diverse student population to be successful in an increasingly global and technology-based society.<sup>8</sup>

In keeping with its mission, Meridian PCS emphasizes weaving technology into its academic coursework. Students learn to use technology in alignment with the school's technology performance standards, including: basic operations, keyboarding, applications, information literacy, word processing, etc.<sup>9</sup> The school also uses an inquiry-based learning model, which is a form of active instruction which involves posing a question that engages students and helps them form their own understanding of the lesson.<sup>10</sup>

Meridian PCS is a single campus LEA that operates two facilities. The school serves grades PK3-6 at its original facility at 2120 13<sup>th</sup> Street, NW, and operates a middle school program with grades 7-8 at 3029 14<sup>th</sup> Street, NW, which was authorized by a charter amendment in 2015.<sup>11</sup> Both facilities are in Ward 1.

In June 2016, Meridian PCS entered into a five-year contractual agreement with the turnaround organization TenSquare, in which TenSquare committed: "to 1) dramatically improve school performance as measured by the PMF and charter goals, and 2) to fundamentally strengthen operational and fiscal practices to ensure [Meridian PCS's] long-term viability, health, and growth."<sup>12</sup> The scope of TenSquare's turnaround plan for Meridian PCS went into effect during the summer of SY 2015-16 and is set to conclude at the end of SY 2019-20.

The school entered into this relationship after a challenging shift in the school's leadership at the end of SY 2015-16. Since that time, a TenSquare employee has served as the

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<sup>7</sup> Meridian PCS Renewal Charter Agreement, 2004, Appendix B.

<sup>8</sup> Second Amendment to the Renewed Charter Agreement between DC PCSB and Meridian PCS, Appendix C.

<sup>9</sup> Meridian PCS 2016-17 Annual Report, Appendix D.

<sup>10</sup> Meridian PCS website, <https://www.mpcs-dc.org/academics-overview/>.

<sup>11</sup> First Amendment to the Renewed Charter between DC PCSB and Meridian PCS, December 2015, Appendix E.

<sup>12</sup> A copy of Meridian PCS's contract with TenSquare may be found at Appendix F.

Executive Director of the school. TenSquare has helped the school with hiring and recruiting, filling positions such as the two school principals, Director of Operations, Director of Early Childhood, Dean, Director of Student Supports, and Data Manager, and it has implemented professional development and other supports for teachers to ensure their improvement in meeting the needs of students.

Since partnering with TenSquare, the school’s academic performance has steadily improved. Although Meridian PCS still performs below state averages regarding the percentage of students approaching and achieving proficiency (levels 3 and 4) in English language arts (ELA) and math on the state assessment, overall and for most subgroups, the school has made notable improvements in student academic growth, with above-average year-to-year growth on state assessment scores for the most recent two school years.

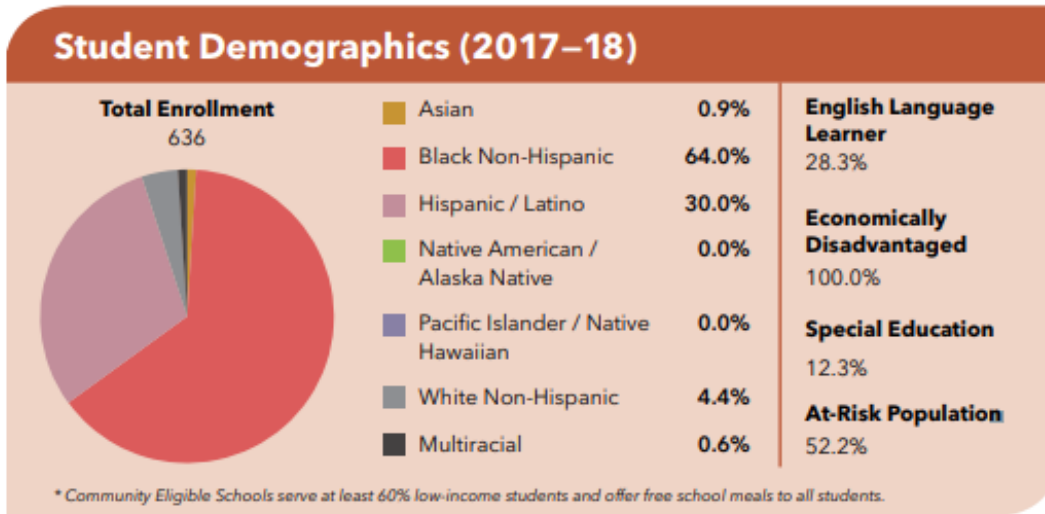
**Enrollment and Demographic Trends**

The tables below show Meridian PCS’s enrollment. While the school exceeded its enrollment projections in SY 2014-15 and 2015-16, it has enrolled below projections since then, though it ended the review period enrolling close to its projection in SY 2018-19. In SY 2018-19, Meridian PCS has an enrollment ceiling of 855, of which the school currently serves 641 students (unaudited). In SY 2017-18, the school served a population that was 64% African American, 30% Hispanic/Latino, 28% English language learner, 52% “At-Risk,”<sup>13</sup> and 100% Economically Disadvantaged.

<b>Meridian PCS – Enrollment</b>						
<b>School Year</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
<b>Audited Enrollment</b>	588	639	724	692	636	641 <sup>14</sup>
<b>Enrollment Projections</b>	600	600	630	805	695	650

<sup>13</sup> Non-adult students who receive Temporary Assistance for Needy Families or Supplemental Nutrition Assistance Program benefits, are homeless or in the foster system, or are more than a year or more behind in high school.

<sup>14</sup> As of the October enrollment count; this number is still unaudited.



## Previous Charter Reviews and Renewal

### Five-Year Charter Review

In SY 2004-05, DC PCSB conducted a five-year review of Meridian PCS and determined that the school met only one of the three academic standards, while meeting all four non-academic standards.<sup>15</sup>

DC PCSB issued Meridian PCS a Notice of Conditional Continuance on January 24, 2005 based on the school's performance in school years 1999-00 through 2003-04, enumerating several conditions the school was required to fulfill, mainly centered around ensuring that the school could provide documentation to show its compliance with the SRA and the No Child Left Behind Act.<sup>16</sup> The DC PCSB Board lifted this notice on January 11, 2006 and granted the school full charter continuance after it determined the school had fulfilled these conditions.<sup>17</sup>

### Ten-Year Charter Review

In SY 2009-10, DC PCSB conducted a ten-year review of Meridian PCS and found that the school met all of its goals.<sup>18</sup> On January 25, 2010, DC PCSB granted the school full continuance.<sup>19</sup>

<sup>15</sup> Meridian PCS 5-Year Review, Appendix G.

<sup>16</sup> Letter to Ronald Ridker, Board Chair Meridian PCS, from Thomas Nida, Board Chair DC PCSB, January 2005, Appendix H.

<sup>17</sup> Meridian PCS - Request to Lift the Notice of Conditional Continuance, January 2006, Appendix I.

<sup>18</sup> Meridian PCS 10-Year Charter Review Report, January 2010 Appendix J.

<sup>19</sup> Letter to Ronald Ridker, Board Chair Meridian PCS, from Thomas Nida, Board Chair DC PCSB, January 2010, Appendix K.



### Fifteen-Year Charter Renewal

In SY 2013-14, DC PCSB composed the fifteen-year renewal report for Meridian PCS and found that Meridian PCS substantially met its goals and student academic achievement expectations and had not materially violated the law. Based on this determination, the DC PCSB Board voted 5-0 on December 16, 2013 to renew Meridian PCS's charter.<sup>20</sup>

### **Communications with the School**

On June 8, 2017 members of the DC PCSB Board met with members of Meridian PCS's board to discuss the school's financial and academic performance. At this meeting, both parties discussed various matters, including adjustments needed to improve the school's academic program and its financial health, as well as the standard the school needed to meet in order to achieve its charter goals for its twenty-year review.

On January 25, 2018 staff and members of the DC PCSB Board met with members of Meridian PCS's board to discuss the school's financial and academic progress in advance of the school's twenty-year review. During this meeting, the parties discussed transitions in the school's Board of Trustees, changes to the school's academic curricula, the school's PMF performance, improvements in the school's financial situation, and the standards that the school must meet to achieve its charter goals.

Additionally, on April 17, 2018 DC PCSB staff met with school leaders at Meridian PCS to discuss the school's twenty-year review. Staff provided the school with a chart similar to the one in the "PMF Outcomes" section to show the school's historical PMF performance for the past few years and the target Meridian PCS needed to meet in SY 2017-18 to achieve its charter goal, which was 61.4% on the PK-8 PMF, or consistent improvement in its overall PMF score.

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<sup>20</sup> Meridian PCS 15-Year Charter Renewal Report, December 2013, Appendix L.

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

The SRA requires DC PCSB to review whether a school has met its goals and student academic achievement expectations at least once every five years. Goals and student 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 April 2018, Meridian PCS adopted as its goals and academic achievement expectations the most recently revised *Elect to Adopt the PMF as Goals Policy*.<sup>21</sup>

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.

<b>Goals and Academic Expectations</b>	<b>Met?</b>
<b>The School Corporation will be deemed to have met its goals and academic achievement expectations if, at its twenty-year charter review in school year 2018-19, the school's average PMF score for school years 2013-14, 2015-16, 2016-17, and 2017-18 is equal to or exceeds 50%; and the school has met the floor of all Early Childhood PMF measures in school year 2013-14.</b>	
<b>Improvement Provision: In cases where the school has not achieved the above threshold, the DC PCSB Board may, at its discretion, determine that the School has met its goals and student academic achievement expectations if it has demonstrated consistent improvement on overall PMF scores over the course of the most recent five-year period. In exercising its discretion, the DC PCSB Board shall also consider the strength of the untiered measures.</b>	<b>Met</b>

Assessment: **Meridian PCS has met its charter goals and academic achievement expectations through the use of the improvement provision.** The school earned an average overall PMF score of 49.5% during the review period, falling just short of the requisite 50.0%. However, the school has demonstrated consistent improvement over the review period, as it has consistently improved over the past three years and for the past two years has scored above the standard for continuance. In the last year, the school scored 9.4 percentage points above the standard of 50.0%.

The school met the floors of 9 of 10 Early Childhood (EC) PMF measures in SY 2013-14.

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<sup>21</sup> Please see the *Elect to Adopt the PMF as Goals Policy* attached as Appendix A.

Meridian PCS – PMF Outcomes					
2013-14	2014-15	2015-16	2016-17	2017-18	Average
<b>Tier 2</b> 45.6% Met 9 out of 10 EC measures <sup>22</sup>	N/A <sup>23</sup>	<b>Tier 2</b> 41.8%	<b>Tier 2</b> 51.2%	<b>Tier 2</b> 59.4%	<b>49.5%</b>

**Student Academic Achievement and Progress Measures**

The school’s PMF score is based on the following:

- Proficiency rates in English language arts (ELA) and math on the statewide assessment (since SY 2014-15, the PARCC test) taken by 3<sup>rd</sup> through 8<sup>th</sup> graders.
- Academic growth from one year to the next on the state assessment as measured by the Median Growth Percentile (MGP),<sup>24</sup> which assesses the relative year-to-year progress made by individual students at a school.
- School environment measures, including attendance rates, re-enrollment rates, and scores from the Classroom Assessment Scoring System (CLASS), which assesses classroom instruction in pre-kindergarten.

Beginning on the following page, this report reviews each of these components in detail. This review includes proficiency tables displaying assessment results overall and across subgroups as well as charts of the school’s environment measures. Many charts are color coded. Please use the following key:

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<sup>22</sup> For SY 2013-14 only, the following measures count toward goal attainment for the school’s early childhood program:

- PK CLASS Scores in the Emotional Support, Organization and Instructional Support Domains: The school must meet or exceed the threshold for the CLASS score in each domain that is scored by an external vendor.
- PK Literacy Teaching Strategies GOLD Assessment: The percent of PK3-PK4 students that complete the assessment must meet or exceed the threshold for the Teaching Strategies GOLD literacy assessment.
- PK Math Teaching Strategies GOLD Assessment: The percent of PK3-PK4 students that complete the assessment must meet or exceed the threshold for the Teaching Strategies GOLD Assessment math assessment.
- K-2 Literacy Stanford Achievement Test (SAT 10): The percent of K-2 students that complete the assessment must meet or exceed the threshold for the SAT 10 literacy assessment.
- K-2 Math Stanford Achievement Test (SAT 10): The percent of K-2 students that complete the assessment must meet or exceed the threshold for the SAT 10 math assessment.

<sup>23</sup> Due to the change in the state assessment, scores and tiers were not displayed in 2014–15.

<sup>24</sup> An MGP of 50 indicates that a school’s students have average year-to-year growth in a subject, as compared to other DC students in the same grades and with the same initial state assessment performance. An MGP above 50 indicates that the school’s students have above-average year-to-year growth, while an MGP below 50 indicates below-average growth.

<b>KEY for Campus Rate Data Charts</b>	
<b>3+</b>	<ul style="list-style-type: none"> <li>• A PARCC score of 3 = Approaching College and Career Ready</li> <li>• 3+ denotes the percentage of students who obtained a 3, 4, or 5 on the PARCC</li> </ul>
<b>4+</b>	<ul style="list-style-type: none"> <li>• A PARCC score of 4 = College and Career Ready</li> <li>• 4+ denotes the percentage of students who obtained a 4 or 5 on the PARCC</li> <li>• 4+ is considered to be proficient</li> </ul>
<b>n-size</b>	Number of students who took the state assessment at this school
<b>Green</b>	<ul style="list-style-type: none"> <li>• Met the EC PMF floor in 2013-14</li> <li>• Greater than or equal to the state average or charter sector average of the same grade band</li> </ul>
<b>Red</b>	<ul style="list-style-type: none"> <li>• Did not meet the EC PMF floor in 2013-14</li> <li>• Less than the state average or charter sector average of the same grade band</li> </ul>
<b>No Shading</b>	<ul style="list-style-type: none"> <li>• Data from 2014-15, when the state transitioned to PARCC 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.)</li> <li>• PK – 2 “display only” data that does not factor into the PMF score or goal attainment.</li> </ul>

## English Language Arts

Meridian PCS’s ELA proficiency rates have remained below the charter sector, but the school’s student academic growth in grades 3-8 during the past two years suggests that students are progressing faster than their peers toward meeting the proficiency rates on the state assessment. If Meridian PCS continues to exhibit above-average growth rates across grade levels, it will start to see proficiency rates that are equal to or exceed the state average. The school also met all the literacy targets on the EC PMF in SY 2013-14.

### ELA Proficiency

Meridian PCS’s overall proficiency rates in ELA were below the state average during every year of the review period, with over half of test-takers not meeting or exceeding the Approaching College and Career Readiness (level 3+) standard. Students with disabilities have been one of the school’s lowest performing subgroups, with only one or two test-takers meeting or exceeding College and Career Readiness (level 4+) each year. However, the school has been consistently improving since PARCC was first administered in SY 2014-15, increasing nearly eighteen percentage points in the percent of students achieving at College and Career Ready (level 4+) during the past four years. In SY 2017-18, the school’s English Learners outperformed the state average for the first time in both Approaching College and Career Ready (level 3+) and College and Career Ready (level 4+); and in that same year its at-risk students outperformed the state average for scoring College and Career Ready (level 4+).

### Meridian PCS - ELA Proficiency Grades 3-8

	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	45.7	50.5	% 3 +	39.5	48.2	43.7	51.8	46.0	54.6	48.0	57.6
			% 4 +	10.7	24.8	16.7	27.5	19.4	30.9	28.1	33.9
	256		denominator	291		293		309		302	
Black Non-Hispanic	47.8	44.0	% 3 +	37.3	40.6	39.9	44.7	45.5	47.1	43.0	50.1
			% 4 +	9.0	16.6	14.6	19.6	16.9	22.1	25.4	25.0
	159		denominator	177		178		189		193	
Hispanic / Latino	41.1	50.2	% 3 +	40.4	49.4	47.1	52.1	44.5	56.2	55.4	59.7
			% 4 +	9.6	21.4	17.3	25.3	22.7	29.3	32.7	33.2
	95		denominator	104		104		110		101	
English Learner	25.0	38.4	% 3 +	20.0	34.6	34.6	38.4	32.2	42.6	45.2	44.6
			% 4 +	2.4	11.7	9.9	14.7	12.6	17.6	24.7	20.1
	68		denominator	85		81		87		93	
Students with Disabilities	15.7	21	% 3 +	4.4	13.3	14.0	17.4	17.0	19	10.2	18.1
			% 4 +	2.2	4.2	2.0	5.6	2.1	6.4	2.0	5.9
	51		denominator	45		50		47		49	
Male	40.3	44.8	% 3 +	27.8	41.9	30.6	45.0	29.0	47.5	36.7	50.2
			% 4 +	6.3	20.4	8.3	22.7	12.2	25.1	16.5	27.8
	119		denominator	126		121		131		139	
Female	50.4	56.2	% 3 +	48.5	54.6	52.9	58.7	58.4	61.8	57.7	65.0
			% 4 +	13.9	29.2	22.7	32.4	24.7	36.7	38.0	40.0
	137		denominator	165		172		178		163	
At-Risk			% 3 +			35.1	36.8	42.0	39.9	40.7	43.6
			% 4 +			12.2	13.4	15.2	16.0	22.7	18.8
			denominator			131		138		150	

#### ELA Growth

Meridian PCS's growth has increased every year since PARCC testing began. During the most recent year, the school performed above average for every subgroup except for students with disabilities. Hispanic/Latino, Female, and At-Risk students have performed particularly well, having maintained an MGP above 50 for school years 2015-16, 2016-17, and 2017-18. An overall MGP of 55.8 in SY 2016-17 and 60.9 in SY 2017-18 indicate that the school's students are growing at faster rates than their peers in other DC schools.

<b>Meridian PCS - ELA MGP Grades 3-8</b>					
	2013-2014 (DC CAS) <sup>25</sup>	2014-2015 (Transitional) <sup>26</sup>	2015-2016 (PARCC)	2016-2017 (PARCC)	2017-2018 (PARCC)
All	44.0	40.7	48.3	55.8	60.9
Black Non-Hispanic	44.4	38.0	44.6	55.6	58.5
Hispanic / Latino	42.0	43.1	53.4	55.0	63.4
English Learner	44.9	37.4	45.6	51.0	63.9
Students with Disabilities	46.3	33.8	32.6	42.8	45.6
Male	43.4	36.0	42.3	46.5	50.8
Female	43.9	43.6	51.7	58.6	66.1
At-Risk			52.0	53.8	57.7

### ELA and K-2 Student Outcomes

DC PCSB allows schools to choose the assessments for ELA that best fit the academic program and philosophy of the early childhood environment at the school. In SY 2013-14, the school needed to meet the floor of each of these measures as established on the 2013-14 PMF. In the tables below, shading in green indicates that the school met the target for SY 2013-14.

For the remaining years, the scores on these assessments for PK3-2 are not formally included in this school's PMF score, but are included in this report as indicators of student academic progress and achievement in these grade bands and are included in the analysis when determining if the consistent improvement provision applies. The results displayed below reflect the percent of students who met or exceeded the test publisher's expectations (or "display range") for achievement at the end of the year.

Meridian PCS has performed above the floor of 75% of the Teaching Strategies GOLD in all but one year of the review period. In SY 2015-16, it earned a score of 74.1%. However, the following year it reached the target of 100%. The school's K-2 students have not performed as well, with just 29.0% meeting expectations in SY 2015-16, which is below the floor of 30.0%. However, the next year the school switched to NWEA MAP and saw an 11-point increase in median growth from SY 2016-17 to SY 2017-18. The school also exceeded the floor for the literacy rates in SY 2013-14.

<sup>25</sup> Measured individual student academic growth from the 2012-13 DC CAS to the 2013-14 DC CAS.

<sup>26</sup> Measured individual student academic growth from the 2013-14 DC CAS to the 2014-15 PARCC.

K-2 Literacy Student Outcomes		
Year	Measure	Result
2013-14	Stanford Achievement Test (SAT 10) Percent of students who met or exceeded the publisher's expectations for achievement at the end of the year  Display Range: 30 to 70	52.7
2014-15		38.7
2015-16		29.0
2016-17	Northwest Evaluation Association Measures of Academic Progress (NWEA MAP): Median percentile of student growth compared to national student performance Display Range: 30 to 70	30.0
2017-18		41.0

PK Literacy Student Outcomes		
Year	Measure	Result
2013-14	Teaching Strategies GOLD Percent of students who met or exceeded the publisher's expectations for achievement at the end of the year  Display Range: 75 to 100	96.3
2014-15		92.5
2015-16		74.1
2016-17		100.0
2017-18		96.7

## Math

Despite math proficiency rates remaining below the state average, the school's student academic growth seen in grades 3-8 in recent years indicates that if students continue to grow at the same rate, they should start to see proficiency rates equal to or exceeding the state average. For example, from SY 2016-17 to SY 2017-18, proficiency rates saw the largest single-year improvement which tracked with evidence of strong growth. Given that the school had an overall math MGP of 57.9 in SY 2017-18, the school could see even further proficiency gains in the future. The school also exceeded the floors of the math EC PMF measures in SY 2013-14.

## Math Proficiency

Meridian PCS's overall proficiency rates in math were far below the state average during every year of the review period. Unlike in ELA, the school has shown a less consistent improvement pattern in math. The school improved nearly two percentage points in both levels 3 or higher and levels 4 or higher from SY 2014-15 to SY 2015-16, only to decline again in SY 2016-17. Since PARCC testing began in SY 2014-15, over 60% of students have scored level 1 or 2.

Meridian PCS - Math Proficiency Grades 3-8											
	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	50.8	55.5	% 3 +	34.5	49.1	36.1	50.6	34.6	53.0	39.7	55.2
			% 4 +	10.0	23.4	12.6	26.7	11.0	28.3	16.9	30.7
	256		<i>denominator</i>	290		285		309		302	
Black Non-Hispanic	50.3	48.9	% 3 +	33.0	42.1	32.2	43.2	32.3	45.4	36.3	47.4
			% 4 +	9.1	16.6	9.9	19.3	9.0	20.0	14.5	22.2
	159		<i>denominator</i>	176		171		189		193	
Hispanic / Latino	50.5	59.3	% 3 +	32.7	52.1	38.5	54.2	36.4	56.0	44.6	58.7
			% 4 +	8.7	21.4	13.5	25.3	12.7	28.2	19.8	30.2
	95		<i>denominator</i>	104		104		110		101	
English Learner	33.8	50.9	% 3 +	27.1	44.4	32.1	45.4	29.9	48.1	40.9	50.5
			% 4 +	4.7	16.9	9.9	21.3	6.9	23.2	14.0	23.0
	68		<i>denominator</i>	85		81		87		93	
Students with Disabilities	20.0	26.5	% 3 +	8.9	15.8	10.0	20	6.4	21.3	6.1	20.2
			% 4 +	0.0	4.3	2.0	7.1	2.1	7.6	2.0	7.1
	50		<i>denominator</i>	45		50		47		49	
Male	52.1	53.1	% 3 +	31.2	46.6	31.9	48.2	25.2	50.2	33.8	52.5
			% 4 +	8.8	22.6	8.4	25.4	6.1	26.9	15.1	29.3
	119		<i>denominator</i>	125		119		131		139	
Female	49.6	58	% 3 +	37.0	51.7	39.2	53	41.6	55.9	44.8	58.0
			% 4 +	10.9	24.2	15.7	28.1	14.6	29.7	18.4	32.2
	137		<i>denominator</i>	165		166		178		163	
At-Risk			% 3 +			23.6	36.9	29.0	38.9	32.7	41.3
			% 4 +			5.7	14.7	6.5	15.7	10.7	17.2
			<i>denominator</i>			123		138		150	



## Math Growth

Meridian PCS's growth on the state assessment in math is similar to its growth in ELA. Since PARCC testing began, the school's MGP has increased by at least six points every year. The school performed above average in nearly every subgroup during SY 2017-18, with English learners and female students performing particularly well. An overall MGP of 51.3 in SY 2016-17 and 57.9 in SY 2017-18 indicate that the school's students have above-average year-to-year growth for the most recent two school years during the review period.

<b>Meridian PCS - Math MGP Grades 3-8</b>					
	2013-2014 (DC CAS)	2014-2015 (Transitional)	2015-2016 (PARCC)	2016-2017 (PARCC)	2017-2018 (PARCC)
All	40.8	34.5	43.3	51.3	57.9
Black Non-Hispanic	38.9	33.9	41.5	49.9	56.7
Hispanic / Latino	42.9	35.5	46.3	49.4	56.6
English Learner	47.2	36.5	44.1	46.7	58.2
Students with Disabilities	42.7	31.2	40.2	42.5	42.0
Male	39.5	34.4	43.8	50.5	55.2
Female	40.7	34.8	42.1	50.2	59.4
At-Risk			41.0	48.2	55.5

## Math PK and K-2 Student Outcomes

DC PCSB allows schools to choose the assessments for math that best fit the academic program and philosophy of the early childhood environment at the school. In SY 2013-14, these assessments are included as two of the ten measures on which the school needed to meet the floor as established on the 2013-14 PMF. In the tables below, shading in green indicates that the school met the floor of the measure for SY 2013-14.

For the remaining years, the scores on these assessments are not formally included in this school's PMF score, but are included in this report as indicators of student academic progress and achievement in these grade bands and in the analysis when determining if the consistent improvement provision applies. The results displayed below reflect the percent of students who met or exceeded the test publisher's expectations (or "display range") for achievement at the end of the year.

Similar to its early childhood ELA outcomes, the school has performed within the display range for its PK students on Teaching Strategies GOLD, nearing 100% in the past two school years, following SY 2015-16, when the school scored below the floor of 75%

The school fell in the middle of the PMF display range for K-2 students while using the Stanford Achievement Test (SAT 10), but has shown below-average growth since switching to NWEA MAP in SY 2016-17. The school fell three points on NWEA MAP from SY 2016-17 to SY 2017-18. The school exceeded the floors on the math EC PMF measures in SY 2013-14.

K-2 Math Student Outcomes		
Year	Measure	Result
2013-14	Stanford Achievement Test (SAT 10) Percent of students who met or exceeded the publisher's expectations for achievement at the end of the year  Display Range: 30 to 70	58.5
2014-15		58.3
2015-16		44.0
2016-17	Northwest Evaluation Association Measures of Academic Progress (NWEA MAP): Median percentile of student growth compared to national student performance  Display Range: 30 to 70	43.0
2017-18		40.0

PK Math Student Outcomes		
Year	Measure	Result
2013-14	Teaching Strategies GOLD Percent of students who met or exceeded the publisher's expectations for achievement at the end of the year  Display Range: 75 to 100	94.4
2014-15		78.3
2015-16		72.8
2016-17		99.3
2017-18		99.2

### School Environment Measures

School environment measures—in-seat attendance, re-enrollment, and the Classroom Assessment Scoring System (CLASS) for pre-kindergarten—are designed to show the school's climate and parent satisfaction.

#### In-Seat Attendance

DC PCSB measures In-Seat Attendance (ISA), which is the percentage of students at school without regard to whether an absence is excused or unexcused. Meridian PCS's ISA rate was above the charter sector average for the first two years of the review period; however, it declined to its lowest rate of 90.9% in SY 2015-16. The school exceeded the floor of the SY 2013-14 EC PMF attendance measures.<sup>27</sup> The rate has improved since, but was still slightly below the charter sector average in SY 2017-18.

<sup>27</sup> See EC Attendance Chart at Appendix M.

<b>Meridian PCS - Grades PK3 - 8</b>										
<b>In-Seat Attendance</b>										
	2013-14		2014-15		2015-16		2016-17		2017-18	
	School	Charter Sector	School	Charter Sector	School	Charter Sector	School	Charter Sector	School	Charter Sector
All Students	93.8	93.2	93.3	93.2	90.9	92.8	92.7	93.1	92.3	92.8

### Re-enrollment

A school's re-enrollment rate assesses family satisfaction with a school by measuring the rate at which students who are eligible return from one year's official enrollment audit to the next year's official enrollment audit.<sup>28</sup> Students who move out-of-state or have other situations that would prevent them from re-enrolling are excluded from this rate.

Meridian PCS's re-enrollment rate has been below the sector average in three out of the four years of the review period. While the school outperformed the charter sector average by 4.7 percentage points in SY 2013-14 to 2014-15, its re-enrollment rate dropped significantly the following year and has remained stagnant. Meridian PCS's re-enrollment rate has been six percentage points below the sector average in SY 2016-17 and SY 2017-18—the two most recent years of the review period. The school exceeded the floor on the SY 2013-14 EC PMF re-enrollment measure for K-2 students.

<b>Meridian PCS - Re-enrollment Rates</b>								
	2013-14 to 2014-15		2014-15 to 2015-16		2015-16 to 2016-17		2016-17 to 2017-18	
	School	Charter Sector	School	Charter Sector	School	Charter Sector	School	Charter Sector
All Students	87.7	83.0	78.9	83.0	77.2	83.9	77.8	84.4
	538		593		657		599	

### CLASS<sup>29</sup>

The table below shows Meridian PCS's CLASS performance. The school has been generally at or below the sector average during the review period, with the exception of Classroom Organization in SY 2013-14, where the school was 0.2 percentage points above the sector<sup>30</sup>. The school has closed the gap with the state average in its performance in Classroom Organization and Emotional Support, and in the last two years scored at the state average in these areas. Despite the range in performance from above, at, to below the sector

<sup>28</sup> The enrollment audit occurs in October of each school year.

<sup>29</sup> All DC early childhood programs are assessed by independent reviewers using the CLASS tool, which focuses on classroom interactions that boost student learning. The CLASS tool measures Emotional Support, Classroom Organization, and Instructional Support on a scale from 1-7. The Emotional Support and Classroom Organization indicators have a floor of three and a target of six on the PMF. On a national level, pre-school programs score lower on the Instructional Support indicator. Accordingly, DC PCSB's floor for this indicator is one with a target of four.

<sup>30</sup> Meridian PCS's SY 2013-14 CLASS performance charter may be found at Appendix N.

average, the school exceeded the floors for the CLASS measures on the SY 2013-14 EC PMF, which was the standard for review that year.

CLASS Performance Targets			
Year	Domain	School	Charter Sector
2013-14	Classroom Organization	5.4	5.2
2014-15		4.9	5.5
2015-16		5.7	5.9
2016-17		5.8	5.8
2017-18		5.8	5.8
2013-14	Emotional Support	5.7	5.7
2014-15		5.3	5.9
2015-16		5.9	6.0
2016-17		6.1	6.1
2017-18		6.0	6.0
2013-14	Instructional Support	2.0	2.5
2014-15		2.0	2.8
2015-16		2.8	3.1
2016-17		2.8	3.0
2017-18		2.9	3.2

**Qualitative Site Review (QSR) Outcomes**

DC PCSB conducts QSRs of charter schools to observe qualitative evidence of the extent to which the school is meeting its mission and goals, as well as to assess classroom environment and quality of instruction. In April of 2018, in anticipation of this charter review analysis, DC PCSB conducted a QSR of Meridian PCS.<sup>31</sup> DC PCSB reviewers noted that all teachers encouraged students to try their best and put forth quality effort at all times. The prevailing atmosphere in the classrooms was one of respect and positivity. In QSRs, each observed classroom is assigned an Unsatisfactory, Basic, Proficient, or Distinguished rating in classroom environment<sup>32</sup> and instruction.<sup>33</sup> The following table details the percentage of classrooms at each campus that were rated proficient or distinguished in each domain.

	Domain 2: Classroom Environment	Domain 3: Instruction
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<sup>31</sup> See Meridian PCS’ QSR report, attached to this report as Appendix O.  
<sup>32</sup> To 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.  
<sup>33</sup> To assess instruction, DC PCSB observes how teachers (a) communicate with students; (b) use questioning/prompts and discussion techniques; (c) engage students in learning; and (d) use assessment in instruction.

Meridian PCS	86%	73%
Average score for PK-8 schools	78%	70%

Meridian PCS scored above average compared to other PK-8 schools that received a QSR over the past five years. The scores are greater than the school's performance five years ago.

**Early Childhood Goals for School Year 2013-14**

Meridian PCS committed to scoring at least the floor of each measure on the Early Childhood (EC) PMF in SY 2013-14, the only year the EC PMF counted toward its review. The school met nine of the ten measures<sup>34</sup>.

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<sup>34</sup> A copy of the school's SY 2013-14 EC goals chart may be found at Appendix N.

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

The SRA requires DC PCSB to determine at least once every five years whether a school has “committed a 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.”<sup>35</sup> The SRA contains a non-exhaustive list of applicable laws, which DC PCSB monitors in its annual compliance reviews. The below table discusses the school’s compliance during the review period.

Since SY 2014-15, Meridian PCS has been compliant with **ALL** the following applicable laws.<sup>36</sup>

- 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.

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<sup>35</sup> D.C. Code § 38.1802.13(a).

<sup>36</sup> Detailed compliance chart may be found in Appendix P.

DC PCSB began implementing a new Procurement Contract Submission and Conflicting Interest Policy on July 1, 2018. The statistics below capture Meridian PCS's submissions and corresponding compliance with the policy. The school has been partially compliant with procurement submissions since July 1.

- **2 early warning notices** as of October 9, 2018.
- Submissions **Rejected** since July 1, 2017: **4/13**
- Submissions **Received** since July 1, 2017: **9/13**

Meridian PCS confirmed that its FY 2016-17 procurement contract summary was accurate, outside of a few contracts that were either under \$25k or were exempt and did not belong on the list, which were removed. A historical record of the school's procurement contract bidding submissions can be found here: <https://dcpcsb.egnnyte.com/fl/MtZ6EHs1P8>.

### **Special Education Compliance**

Charter schools are required to comply with all federal and local special education laws, including the Individuals with Disabilities Education Act<sup>37</sup> (IDEA) and Section 504 of the Rehabilitation Act of 1973.<sup>38</sup> The following section summarizes Meridian PCS's special education compliance from SY 2014-15 to the present.

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

OSSE monitors charter schools' special education compliance and publishes three primary types of reports detailing these findings: (1) Annual Determinations; (2) On-Site Monitoring; and (3) Special Conditions Reports. OSSE's findings regarding special education compliance 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.<sup>39</sup> 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).

Meridian PCS's Annual Determination compliance performance is detailed in the table below.<sup>40</sup>

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<sup>37</sup> 20 U.S.C. §§ 1400 *et seq.* See 20 U.S.C. § 1413(a)(5).

<sup>38</sup> 29 U.S.C. § 794.

<sup>39</sup> As required by federal regulation 34 CFR § 300.600(c).

<sup>40</sup> See Annual Determination reports, attached to this report as Appendix Q.

Year	Percent Compliant with Audited Special Education Federal Requirements	Determination Level <sup>41</sup>
2014	96%	Meets Requirements
2015	76%	Needs Assistance
2016	74%	Needs Assistance

Meridian PCS received a Needs Assistance designation in its 2015 Determination and, at the time, OSSE recommended that the school's team seek training and technical assistance to improve overall performance. However, the LEA was not legally required to undertake the recommendations or any actions. The LEA received a second Needs Assistance designation in its 2016 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.

Per the cover letter dated August 2, 2018,<sup>42</sup> OSSE required Meridian PCS to review the 2016 Determination in detail, identify areas of noncompliance, access technical assistance, and develop and complete a corrective action plan that addresses the area(s) of noncompliance. Meridian PCS was required to submit a copy of the corrective action plan by October 1, 2018 with signatures from all team members for approval to Meridian PCS's OSSE LEA monitor. As of November 16, 2018, the corrective action plan is overdue. OSSE has communicated to the school that it must submit as soon as possible. If Meridian PCS remains out of compliance, then OSSE may direct the use of funds and/or impose special conditions.

(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,<sup>43</sup> and publishes its findings in an On-Site Monitoring Report. Annually, OSSE assigns a risk designation to each LEA based on several criteria, including its IDEA Part B performance,<sup>44</sup> which OSSE then uses to determine if an LEA will receive

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<sup>41</sup> 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.

<sup>42</sup> See Meridian PCS's 2016 Annual Determination letter, attached to this report as Appendix Q.

<sup>43</sup> See <https://osse.dc.gov/publication/risk-based-monitoring-guidance>.

<sup>44</sup> Part B of IDEA applies to students ages 3-22.



on-site monitoring.<sup>45</sup> LEAs are responsible for being 100% compliant with student-level indicators and LEA-level indicators on On-Site Monitoring Reports.<sup>46</sup>

In 2017, OSSE published an On-Site Compliance Monitoring Report of Meridian PCS based on the school's performance in SY 2016-17.<sup>47</sup> The school has since corrected all areas of noncompliance.

<b>On-Site Monitoring Report – LEA-Level Compliance</b>			
<b>Compliance Area</b>	<b>Compliant?</b>	<b>Noncompliant Indicators</b>	<b>Corrected?</b>
Least Restrictive Environment	1 of 1 indicator compliant	N/A	N/A
Individualized Education Program (IEP)	1 of 1 indicator compliant	N/A	N/A
Data	2 of 2 indicators compliant	N/A	N/A
Dispute Resolution	1 of 2 indicators compliant	<ul style="list-style-type: none"> <li>▪ LEA Provides Information on State Complaints</li> </ul>	Yes
NIMAS – National Instructional Materials Accessibility Standards	1 of 1 indicator compliant	N/A	N/A
Fiscal	4 of 4 indicators compliant	N/A	N/A

<sup>45</sup> The type of monitoring an LEA will receive varies depending on its designation as a “high,” “medium,” or “low risk” sub-grantee. An on-site monitoring visit will occur for LEAs classified as “high” risk.

<sup>46</sup> 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.

<sup>47</sup> See SY 2016-17 On-Site Monitoring Report Attachments, attached to this report as Appendix R.

On-Site Monitoring Report – Student-Level Compliance			
Compliance Area	Compliant?	Noncompliant Indicators	Corrected?
Initial Evaluation and Reevaluation	3 of 5 indicators compliant	<ul style="list-style-type: none"> <li>▪ Parents Provided Procedural Safeguards</li> <li>▪ Consent Form Signature Prior to Reevaluation</li> </ul>	Yes
IEP	11 of 19 indicators compliant	<ul style="list-style-type: none"> <li>▪ Parent/Student Notified of Meeting</li> <li>▪ ‘Parent’ Meets Definition in IDEA Regulation</li> <li>▪ Regular Education Teacher Attended IEP Meeting</li> <li>▪ Evaluation Interpreter Attended IEP Meeting</li> <li>▪ ESY Determined on Individual Basis</li> <li>▪ IEP Review of Progress of Annual Goal</li> <li>▪ IEP Developed within 30 days of Initial Eligibility Determination</li> <li>▪ Implementation of Related Services</li> </ul>	Yes
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,<sup>48</sup> detailing statewide compliance in three areas: (1) Initial Evaluation timeliness;<sup>49</sup> (2) Reevaluation timeliness; and (3) Secondary Transition requirements (for students at age 16 and up). Meridian PCS is evaluated in adhering to Initial Evaluation and Reevaluation timeliness. The outcomes are detailed in the tables below. The school has corrected all identified areas of noncompliance.

<sup>48</sup> Prior to SY 2014-15, OSSE conducted reviews quarterly. The data for the special conditions from that timeframe is thus organized across four quarters.

<sup>49</sup> 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.

<b>Special Conditions Reporting Period – April 2014 through March 2015</b>			
	<b>August 1 Report (April 1 – June 30)</b>	<b>November 1 Report (July 1 – September 30)</b>	<b>May 1 Report (October 1 – March 31)</b>
<b>Initial Evaluation Timeliness</b>	N/A <sup>50</sup>	Compliant	Not compliant
<b>Reevaluation Timeliness</b>	Not compliant	Compliant	Compliant

<b>Special Conditions Reporting Period – April 2015 through March 2016</b>			
	<b>August 1 Report (April 1 – June 30)</b>	<b>November 1 Report (July 1 – September 30)</b>	<b>May 1 Report (October 1 – March 31)</b>
<b>Initial Evaluation Timeliness</b>	N/A	Not compliant	N/A
<b>Reevaluation Timeliness</b>	Not compliant	N/A	Compliant

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

<b>Special Conditions Reporting Period – April 2017 through March 2018</b>			
	<b>August 1 Report (April 1 – June 30)</b>	<b>November 1 Report (July 1 – September 30)</b>	<b>May 1 Report (October 1 – March 31)</b>
<b>Initial Evaluation Timeliness</b>	N/A	N/A	N/A
<b>Reevaluation Timeliness</b>	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 Columbia<sup>51</sup> 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

<sup>50</sup> Not applicable (N/A) indicates that OSSE did not conduct a review for the listed compliance area during the specified time-frame for the school.

<sup>51</sup> D.L. v. The District of Columbia (Case No. 1:05-cv-01437), 860 F.3d 713 (DC Cir. 2017).

inappropriate policies and procedures.<sup>52</sup> 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 determines 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 must take to be deemed compliant.

During SY 2017-18, OSSE found that Meridian PCS identified 10.8% of its students eligible for special education, which is above the District's 2017-18 identification rate of 8.5%. Further, OSSE reviewed Meridian PCS's Child Find Policy, practices, and procedures. The results of the focused monitoring activities were sent to the LEA's leader.<sup>53</sup> Upon review, OSSE determined that the LEA is compliant with Child Find requirements and no further action is required.

#### Disproportionate Representation Finding

OSSE annually reviews LEAs for inappropriate over identification or disproportionate representation by race and ethnicity of children as children with disabilities. This review is based on the current school year's enrollment audit and child count data. Only LEAs with an enrollment of 40 or more students with IEPs and five or more students with IEPs in the qualifying racial or ethnic subgroup undergo the disproportionate representation data review. For those LEAs found to have disproportionate representation, OSSE requires the LEA to complete and submit a self-study to review its own policies and practices related to child find, evaluation, and eligibility. An LEA will be cited for non-compliance only if the disproportionate representation was found to be the result of inappropriate identification.

On May 2018,<sup>54</sup> Meridian PCS was notified that it was found to have disproportionate representation in the area of overidentification in the Specific Learning Disability category for African American students. OSSE requested in its notification letter to the school that the LEA complete and submit a self-study assessment. As a result of the self-study, OSSE determined that the LEA does not have disproportionate representation data based on inappropriate identification.

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<sup>52</sup> 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>.

<sup>53</sup> Please find the Child Find Focused Monitoring Report for Meridian PCS attached as Appendix S.

<sup>54</sup> See 2017-18 Disproportionate Representation Review Report Attachments as Appendix T.

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 one special education administrative due process complaint brought against the school that resulted in a finding of noncompliance by a Hearing Officer.<sup>55</sup>

<b>Transmittal Date<sup>56</sup></b>	<b>HOD Implementation and Timeliness Status<sup>57</sup></b>
May 2018	Not implemented and untimely

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<sup>55</sup> HODs are the written decisions issued as a result of a due process complaint that proceeded to hearing. Many other complaints are withdrawn for a number of reasons, including settlement. Not all outcomes are required to be tracked; thus, for the purposes of charter reviews and renewals, DC PCSB reports only on HODs that resulted in a finding of noncompliance against the LEA.

<sup>56</sup> 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.

<sup>57</sup> An HOD may be implemented timely, implemented untimely, or not implemented and 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.<sup>58</sup>

DC PCSB has assessed Meridian PCS's financial performance by reviewing the previous five years of audited financials and DC PCSB's Financial Analysis Report (FAR), 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.

<b>KEY for Fiscal Management and Economic Viability Charts</b>	
<b>No Shading</b>	<ul style="list-style-type: none"><li>• Within an average, financially healthy range based on the FAR and general finance principles.</li></ul>
<b>Red</b>	<ul style="list-style-type: none"><li>• 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.</li></ul>

### **Summary of Findings**

Meridian PCS has demonstrated mixed fiscal performance. Between FY 2013 and FY 2016, poor cost management resulted in increasing deficits and reductions in liquidity despite growing enrollment. Audit findings also reflected an inadequate focus on internal controls in FY 2015 and FY 2016. Since that time, despite declines in enrollment, the school has generated surpluses and has significantly increased cash balances. The FY 2017 financial audit did not identify any issues. Moreover, the school's liquidity and reserves were strong throughout the period under review.

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<sup>58</sup> See D.C. Code § 38-1802.13(b).

Overall, the school's financial position is adequate with net assets of \$5.5 million, and \$2.5 million in unrestricted cash at the end of FY 2017. Unaudited results show these balances have increased to \$6.4 million in net assets and \$3.4 million in cash at the end of FY 2018.

### **Financial Overview**

Overall, the school experienced declines in earnings from FY 2013 to FY 2016, from essentially break-even performance to a deficit of \$1.7 million. At the same time, the number of days of cash on hand declined from 124 to just 28. Because the school's sizable net asset position allowed it to absorb operating losses, the school remained financially viable during this period. New leadership at the school has brought a strong focus on cost management, which has resulted in surpluses in FY 2017 and FY 2018, and revenues have remained stable while enrollment declined.

<b>Financial Highlights (\$ in 000s)</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018*</b>
<b>Maximum Enrollment<sup>59</sup></b>	855	655	775	855	855	855
<b>Audited Enrollment</b>	564	588	639	724	692	636
<b>Total Revenue</b>	\$11,120	\$11,930	\$12,750	\$13,649	\$13,404	\$13,490
<b>Surplus/(Deficit)<sup>60</sup></b>	\$4	(\$338)	(\$1,012)	(\$1,741)	\$1,432	\$1,197
<b>Unrestricted Cash Balances</b>	\$3,523	\$2,904	\$1,526	\$1,122	\$2,524	\$3,393
<b>Number of Days of Cash on Hand<sup>61</sup></b>	124	93	43	28	83	109
<b>Net Asset Position<sup>62</sup></b>	\$6,523	\$6,575	\$5,563	\$3,822	\$5,524	\$6,430
<b>Primary Reserve Ratio<sup>63</sup></b>	57%	54%	39%	24%	44%	52%

\*Based on unaudited financials

### **Fiscal Management**

While results have varied over the period under review, the school's liquidity has remained sufficient; debt leverage is at acceptable levels; and, in recent years, costs have been effectively managed. Audit findings in FY 2015 and FY 2016 indicate a lack of focus on the control environment, though the most recent audit indicates that this issue has been addressed. These areas are discussed further below.

<sup>59</sup> Maximum Enrollment represents the largest possible number of students for which the school may receive public funding. It may be higher than the school's targeted or budgeted enrollment, but provides a good proxy for the school's enrollment expectations over time.

<sup>60</sup> Surplus / (Deficit) is total revenue minus total expenses.

<sup>61</sup> Number of Days of Cash on Hand equals unrestricted cash and cash equivalents divided by daily operating expenses (which equals annual operating expenses divided by 365 days). It is a measure of the school's ability to pay debts and claims as they come due.

<sup>62</sup> Net Asset Position equals total assets minus total liabilities.

<sup>63</sup> Primary Reserve Ratio equals total net assets, less intangible assets, divided by total annual expenses.

## Liquidity

Liquidity								
	Floor	Target range	2013	2014	2015	2016	2017	2018*
<b>Current Ratio</b>	0.7	1.0	3.1	2.8	2.7	1.0	2.7	0.3
<b>Number of Days of Cash on Hand</b>	15	45	124	93	43	28	83	109

\* 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—Current Ratio<sup>64</sup> and Days of Cash on Hand<sup>65</sup>—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. While the current ratio declined significantly between FY 2013 and FY 2016, the FY 2016 value was 1.0, meaning that the school has the means to meet obligations coming due in the next year. The current ratio increased to 2.7, above the target, in FY 2017.

The sharp decline in the current ratio in FY 2018 is not a cause for concern. The school has \$10 million in debt financed with New Markets Tax Credits (NMTC) which matures in FY 2019, thus it is considered a current liability. In October 2018, the school refinanced this debt with a bridge loan that will be replaced with long-term tax-exempt financing in December 2018. The school received \$2.5 million of debt forgiveness on the NMTC financing, so the new long-term debt balance will be \$7.5 million.

**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 declined from 124 days in FY 2013 to just 28 days in FY 2016, below DC PCSB's target of 45 days. The number of days of cash on hand improved to 83 days in FY 2017 and further increased to 109 days in FY 2018.

**Solvency:** The final measure of liquidity is solvency,<sup>66</sup> 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 Meridian PCS's FY 2017 audited financial statements to determine the risk to third parties in the event of school closure. Should the DC PCSB Board vote to close Meridian PCS, 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

<sup>64</sup> A school's current ratio is its current assets divided by current liabilities.

<sup>65</sup> Days of Cash on Hand is the amount of unrestricted cash and cash equivalents divided by daily operating expenses, excluding depreciation & amortization.

<sup>66</sup> Except when the school owns a facility, solvency equals unrestricted cash plus receivables with a high probability of collection, minus liabilities and closure expenses.



employees. Given the overall financial health of the school, Meridian PCS’s solvency is not an area of concern.

Debt Burden

Debt Burden								
	Floor	Target	2013	2014	2015	2016	2017	2018*
<b>Debt Ratio</b>	0.9	0.5	0.7	0.7	0.7	0.8	0.7	0.7
<b>Debt Service Coverage Ratio</b>	1.0	1.2	N/A – metric introduced in FY 2016			(0.3)	4.5	4.5

\*Based on unaudited financials

Based on DC PCSB’s assessment, there are no current concerns related to Meridian PCS’s debt burden. DC PCSB reviews two ratios related to debt management—the debt ratio<sup>67</sup> and the debt service coverage ratio (DSC).<sup>68</sup>

**Debt Ratio:** The debt ratio compares a school’s liabilities to its total assets. Throughout the period under review, save FY 2016 when the debt ratio was 0.8, Meridian PCS has had a debt ratio of 0.7, below the DC PCSB target of 0.5 but above the floor of 0.9. This level of obligations is not a cause for concern.

**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. Negative earnings resulted in a negative debt service coverage ratio in FY 2016, but this ratio increased significantly with strong earnings in FY 2017.

Cost Management

Cost Management (\$ in 000s)					
	2013	2014	2015	2016	2017
<b>Salaries and Benefits</b>	\$6,215	\$6,643	\$8,403	\$9,439	\$6,580
<b>Direct Student Costs</b>	\$1,339	\$1,785	\$1,523	\$1,172	\$1,077
<b>Occupancy Expenses</b>	\$1,464	\$2,915	\$2,049	\$2,502	\$2,464
<b>General Expenses<sup>69</sup></b>	\$2,098	\$924	\$1,787	\$2,277	\$1,851

<sup>67</sup> Debt Ratio equals the total liabilities divided by the total assets.

<sup>68</sup> 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).

<sup>69</sup> DC PCSB has worked with the Financial Oversight Task Force to revise definitions of cost categories, including combining Office Expenses and General Expenses beginning in FY 2016. Other category definitions have also changed over time.

As a Percent of Expenses						
	2013	2014	2015	2016	2017	FY17 Sector Median
<b>Salaries and Benefits</b>	56%	54%	61%	61%	55%	62%
<b>Direct Student Costs</b>	12%	15%	11%	8%	9%	10%
<b>Occupancy Expenses</b>	13%	24%	15%	16%	21%	16%
<b>General Expenses</b>	19%	8%	13%	15%	15%	10%

The tables above provide an overview of the school's spending decisions over the past five years. Total expenses declined by over \$3.4 million, or 22%, between FY 2016 and FY 2017, indicating a strong focus on cost management. Occupancy costs were reduced, but because of the high proportion of fixed costs, occupancy costs increased as a share of total expenses as enrollment declined. General expenses have increased as a percent of all expenses in FY 2016 and FY 2017 due to expenditures for consultants to strengthen academics and focus on operational efficiencies.

### 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 Meridian PCS 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; however, findings and questioned costs were identified in the FY 2015 and FY 2016 audits, indicating a need to increase focus on internal controls. No issues were identified in the FY 2017 audit.

Internal Controls					
	2013	2014	2015	2016	2017
<b>Modified Statement Opinion.</b> The auditor issues an opinion letter on the basic financial statements. An <i>unmodified</i> opinion means the auditor is satisfied professionally that the statements present fairly the financial position of the school and the results of operations. Should there be areas of doubt, the opinion may be <i>modified, adverse, or disclaimed</i> .	No	No	No	No	No
<b>Material Weakness.</b> A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable 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
<b>Statement Non-Compliance.</b> The auditor tests for compliance with certain provisions of laws, regulations, contracts, and grant agreements. Non-compliance could have a direct and material effect on the determination of financial statement amounts.	No	No	No	No	No

Internal Controls					
	2013	2014	2015	2016	2017
<b>Modified Program Opinion (Uniform Guidance).</b> When expenditures of federal funds are greater than \$750,000, the auditor performs an extended review and issues an opinion letter on compliance with the requirements of laws, regulations, contracts, and grants applicable to each of the school's major federal programs. A <i>modified opinion</i> indicates instances of non-compliance.	No	No	No	No	No
<b>Program Material Weakness (Uniform Guidance).</b> In planning and performing the audit of major federal programs, the auditor considers internal control over compliance with the requirements of applicable laws, regulations, contracts, and grants. A material weakness in internal control indicates that there is a reasonable possibility of material 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
<b>Findings &amp; Questioned Costs.</b> The auditor discloses audit findings that are important enough to merit attention by those charged with governance, with documentation of corrective action plans noting the responsible party.	0	0	4	1	0
<b>Unresolved Prior Year Findings.</b> The auditor discloses prior year audit findings that have not been corrected.	No	No	No	No	No
<b>Going-Concern Issue.</b> The auditor indicates that the financial strength of the school is questioned.	No	No	No	No	No
<b>Debt-Compliance Issue.</b> The audit discloses that the school was not in compliance with certain debt covenants. A debt-compliance issue may prelude insolvency.	No	No	No	No	No

### **Economic Viability**

Considering earnings, cash flows, reserves, and trends in both enrollment and revenue, DC PCSB staff believes Meridian PCS is economically viable as long as it is able to maintain enrollment. While financial results have been mixed, the school's strong reserves have allowed it to absorb losses. Revenues have been essentially stable since FY 2016 despite declining enrollment as the school has been able to increase grant revenue. Recent trends in enrollment, however, are a cause for concern. Unless it is able to reduce its occupancy costs, the school must reverse the recent enrollment declines for long-term viability.

(\$ in 000s)	Floor	2013	2014	2015	2016	2017	2018*
<b>Surplus/Deficit</b>	<0	\$4	(\$338)	(\$1,012)	(\$1,741)	\$1,432	\$1,862
<b>Earnings before Depreciation and Amortization</b>	<0	\$769	\$474	(\$146)	(\$858)	\$2,329	\$2,110

\*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.<sup>70</sup>

Meridian PCS had negative earnings in three of the last five years and negative cash flows in two of those years, with FY 2018 reflecting positive results. Strong net assets and cash balances have been sufficient to cover these deficits.

(\$ in 000s)	Floor	Target	2013	2014	2015	2016	2017	2018*
<b>Net Asset Position</b>	\$ 0	N/A	\$6,523	\$6,575	\$5,563	\$3,822	\$5,524	\$6,430
<b>Primary Reserve Ratio</b>	0%	25 %	57%	54%	39%	24%	44%	52%

\* 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 had a significant net asset position, with a balance of \$5.5 million in FY 2017 and \$6.4 million in FY 2018.

### 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 school's primary reserve ratio has exceeded the DC PCSB target of 25% in all years except FY 2016, when it was 24%. Strong earnings in FY 2017 and FY 2018 have improved this ratio considerably.

### 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 is likely to remain financially stable, barring extraordinary circumstances.

Meridian PCS has experienced declining enrollment since FY 2016. While revenue has remained stable during this period, further declines in enrollment could threaten long-term viability.

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<sup>70</sup> EBDA is the change in net assets plus depreciation and amortization.

<b>Enrollment over Time</b>							
	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
<b>Enrollment</b>	564	588	639	724	692	636	641
<b>Growth in Enrollment</b>	-	6%	9%	13%	(4%)	(8%)	1%
<b>Total Revenue</b>	\$11,120	\$11,930	\$12,750	\$13,649	\$13,404	\$13,490	N/A
<b>Growth in Revenues</b>	-	7%	7%	7%	(2%)	1%	N/A