



## **Oversight Improvements Must Continue to Ensure Accountability in Use of Public Funds by D.C. Public Charter Schools**

March 17, 2015

### **Audit Team:**

Marshall Matsiga, Auditor-in-Charge

Patrick McCray, Auditor

Laura Hopman, Audit Supervisor

A Report by the Office of the District of Columbia Auditor  
Kathleen Patterson, District of Columbia Auditor



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### Why ODCA Did This Audit

The audit was conducted as a result of the fiscal year 2013 ODCA annual risk assessment.

### What ODCA Recommends

1. The PCSB should continue to strengthen its annual financial and compliance reviews to ensure all financial and contracting requirements are met, and met timely.
2. Through their oversight of D.C. public charter schools, the Mayor and Council of the District of Columbia should ensure that the PCSB has the necessary personnel and other tools to provide adequate monitoring of charter schools, including considering legislation to require for-profit management firms to provide the same level of financial information as now provided by not-for-profit firms.
3. The OSSE should work with D.C. policymakers to develop policies and procedures so that funding can more efficiently follow students, including adjusting payments to charter schools for student movement that occurs after the enrollment audit.
4. The OSSE should appropriately deploy personnel to verify that payments to charter schools for at-risk students and residential programs are accurate.
5. The PCSB should publish current fiscal policies and procedures for charter schools.

For more information regarding this report, please contact Anovia Daniels, Communications Analyst/ANC Outreach, at [Anovia.Daniels@dc.gov](mailto:Anovia.Daniels@dc.gov) or 202-727-3600.

### What ODCA Found

The mission of District of Columbia public charter schools (charter schools) is to provide an alternative free education for students who reside in the District of Columbia. Charter schools are tuition-free organizations, open to all students who are residents of the District of Columbia. During school year (SY) 2014 (July 2013 through June 2014), there were 60 authorized charter schools operating 109 campuses with an audited enrollment of 36,565 students. As sole authorizer of charter schools in the District, the D.C. Public Charter School Board (PCSB) has the power and authority to revoke charters based on performance and compliance with applicable rules and regulations.

In conducting our audit, we found that the PCSB and the Office of the State Superintendent of Education (OSSE) effectively carried out several of the duties and responsibilities that we reviewed. For example, the PCSB ensured that the schools in our sample maintained adequate insurance coverage, as required by law and the PCSB Fiscal Policy Handbook. Also, the OSSE maintained accurate records regarding the number of special education students and nearly all of the students' electronic Individualized Education Programs, that we reviewed, matched the level of service provided. Last, the PCSB improved its overall monitoring during the three school years encompassed by our audit. The PCSB provided documentation that indicated that annual compliance reviews were partially or fully conducted for all charter schools in our sample during SY 2013.

We found instances in which the PCSB's oversight of charter schools was not complete. We determined that neither the PCSB nor OSSE is authorized by statute to adjust payments to charter schools for students who entered, left or moved between charter schools during the school year. Additionally, the OSSE did not adequately verify summer and residential program payments to charter schools. Finally, the PCSB did not have current written fiscal policies and procedures to provide guidance to the charter schools regarding the schools' day-to-day fiscal operations.

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## Background

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The mission of District of Columbia public charter schools (charter schools) is to provide an alternative free education for students who reside in the District of Columbia. The U.S. Congress<sup>1</sup> and the Council of the District of Columbia<sup>2</sup> both passed laws in 1996 to authorize the creation of charter schools in the District of Columbia. The two laws were jointly codified as the District of Columbia School Reform Act of 1995.<sup>3</sup>

Charter schools are required to be organized<sup>4</sup> under the District of Columbia Nonprofit Corporation Act.<sup>5</sup> They operate in accordance with their charters – legal documents that establish requirements for funding – as approved by the District of Columbia Public Charter School Board (PCSB). Charter schools are tuition-free organizations<sup>6</sup>, open to all students who are residents of the District of Columbia.<sup>7</sup> During school year (SY) 2014 (July 2013 through June 2014), there were 60 authorized charter schools operating 109 campuses. These 109 campuses had an audited enrollment of 36,565 students. This represented approximately 44 percent of the total enrolled student population of 82,958 (D.C. Public Schools and charter schools) in the District of Columbia.

The PCSB holds primary responsibility for providing direct oversight to charter schools.<sup>8</sup> The PCSB is a 7 member board, appointed by the Mayor and confirmed by the Council of the District of Columbia.<sup>9</sup> As of 2014, the PCSB also maintained a staff of 36 employees that provide support to the board members.

As sole authorizer of charter schools in the District, the PCSB has the power and authority to revoke charters based on performance and compliance with applicable rules and regulations.<sup>10</sup> Between July 2010 and June 2013, the PCSB revoked one charter and several other charter schools scaled back operations under the threat of revocation.

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<sup>1</sup>Pub. L. No. 104-134, Title II, 110 Stat. 1321 (1996).

<sup>2</sup> D.C. Law 11-135 (1996).

<sup>3</sup> D.C. Code § 38-1800.01 et seq.

<sup>4</sup> D.C. Code § 38-1802.04(c)(16).

<sup>5</sup> D.C. Code § 29-501 et seq.

<sup>6</sup> D.C. Code § 38-1802.04(c)(2)

<sup>7</sup> D.C. Code § 38-1802.06(a).

<sup>8</sup> D.C. Code § 38-1802.02.11.

<sup>9</sup> D.C. Code § 38-1802.02.14.

<sup>10</sup> D.C. Code § 38-1802.02.13.

The PCSB-approved charters require renewal every 15 years and the PCSB conducts reviews of all charters at least once every five years.<sup>11</sup>

Charter schools authorized by the PCSB are supported primarily through local funds, but they can also receive federal and private funds and solicit and accept grants or gifts for public charter school purposes.<sup>12</sup> Local funding for the PCSB-approved charter schools during the 3 year period of our review totaled approximately \$1.549 billion.

A summary of local funding and audited enrollment by school year is shown in Figure 1 below.

**Figure 1 Charter School Budget**

School Year	Local Funding	Audited Enrollment
2011	440 million	29,356
2012	508 million	31,562
2013	601 million	34,674
<b>Total</b>	<b>1.549 billion</b>	

Source: OCFO

During the scope of the audit, charter schools received up to six total payments per year: four quarterly payments and two supplemental payments.

**Quarterly Payments**

Charter schools receive per student funding based on the District’s Uniform Per Student Funding Formula (UPSFF). The formula provides for a specified payment amount to the school for each enrolled student based on age and grade level and, for special education students, the level of need.<sup>13</sup> Charter schools receive additional local funding to maintain and operate their school facilities.<sup>14</sup> During the scope of the audit, charter schools received four quarterly payments in July, October, January, and April for student costs calculated using the UPSFF (including anticipated costs for summer programs) and for facilities.

Each summer, charter schools estimated the number of students they expected to enroll in the coming school year. The first quarterly payment in July was based on this estimate. In October of each school year, charter schools self-certified the actual number of enrolled students. The second and third quarterly payments, in October and January, were based on the self-certified enrollment. Between January and March of each school year in the scope of our

<sup>11</sup> D.C. Code § 38-1802.02.12.  
<sup>12</sup> D.C. Code § 38-1802.02.04.  
<sup>13</sup> D.C. Code § 38-2901 et seq.  
<sup>14</sup> D.C. Code § 38-2908.

audit, the Office of the State Superintendent of Education (OSSE) completed an independent enrollment audit for each charter school. The fourth quarterly payment, in April, was based on the independently audited enrollment. This fourth quarterly payment adjusted for any over- or under-payments that may have occurred during the first three quarterly payments.

The annual enrollment audit is required by D.C. Code<sup>15</sup>. For charter schools, the audit consists of an actual head count of each enrolled student. Student records are also reviewed for residential status as of October 7 of each school year.

### **Supplemental Payments**

In addition, charter schools received up to two supplemental local fund payments. They received one supplemental payment that adjusted for any increased special education needs that were identified during the course of the school year. Charter schools received another supplemental payment that adjusted for the final number of students enrolled in summer programs, which was self-reported by the charter schools. Both of these payments were calculated on a per student basis.

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<sup>15</sup> D.C. Code § 38-1804.02(d).

# Objectives, Scope and Methodology

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## Objectives

The audit was conducted as a result of the fiscal year 2013 Office of the District of Columbia (ODCA) annual risk assessment that identified D.C. Public Charter Schools, among other D.C. funded agencies and programs, with significant risk based on the following criteria: budget, asset liquidity, complexity of operations, public interest, fraud risk, and time since last audit. Our audit was limited to financial oversight. We did not address the academic performance of D.C.'s public charter schools.

The audit objectives were to determine whether:

1. The Public Charter School Board (PCSB) and Office of the State Superintendent of Education (OSSE) provided adequate financial and operational oversight to charter schools;
2. The OSSE and the Office of the Chief Financial Officer (OCFO) reconciliations of the Uniform Per Student Funding Formula were accurate;
3. Internal controls were sufficient for the summer school and residential per pupil allocation to charter schools;
4. Internal controls were sufficient for the assignment of students to special education levels of need;
5. Charter schools were in compliance with the D.C. Code requirement to competitively bid procurements equal to or in excess of \$25,000;
6. Charter schools were in compliance with the PCSB requirements to obtain insurance coverage; and
7. Charter schools were annually audited by an approved independent auditor.

## Scope

The audit scope covered school years (SY) 2011 through 2013, or July 2010 through June 2013. The District of Columbia SY runs from July through June.

## Scope Limitations

ODCA did not obtain information or documents directly from charter schools based on D.C. Code language that specifically exempts charter schools from the definition of “District of Columbia Government.”<sup>16</sup>

The scope limitation prevented us from fully determining whether charter schools were in compliance with the PCSB requirement to competitively bid procurements equal to or in excess of \$25,000, although we did obtain a sample of such procurements from the PCSB as discussed later in the report. The focus of this audit has been the Public Charter School Board as the District agency with primary authority to gather information from and monitor charter schools.

ODCA is aware of ongoing legal investigations including two lawsuits and attendant media reports of alleged misuse of public funds at the Options Public Charter School and Community Academic Public Charter School. The former remained open to students under a court mandated receivership in SY 2015.

## Methodology

In conducting the audit, we reviewed pertinent D.C. Code provisions, including the District of Columbia School Reform Act of 1995, as amended; available management letters; previous audit reports; and public media articles and publications. We also conducted interviews with the PCSB, OSSE and Office of the Chief Financial Officer (OCFO) staff.

To determine whether the PCSB and OSSE provided adequate financial and operational oversight to charter schools, we reviewed annual compliance reviews and financial oversight reviews for all schools in operation during the scope of the audit.

To determine whether the OSSE and OCFO reconciliations of the Uniform Per Student Funding Formula were accurate, we selected a sample of 12 schools and reviewed OCFO system payment reports, the OSSE student enrollment audit handbook, individual school budgets, and payment receipts.

To determine whether internal controls were sufficient for the summer school and residential per pupil allocation to charter schools, we identified schools providing summer and residential programs from a sample of 12 schools and reviewed payment

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<sup>16</sup> D.C. Code §38-1800.02(10) (A) and (B) “District of Columbia government”, (A) In general the term “District of Columbia” means the government of the District of Columbia, including, any department, agency, or instrumentality of the government of the District of Columbia, etc., and (B), The term “District of Columbia Government” neither includes the Authority nor a public charter school.

documentation, projected summer enrollment figures, and final summer program enrollment forms.

To determine whether internal controls were sufficient for the assignment of students to special education levels of need, we compared special education payments to special education needs for 12 sample charter schools. We also selected a sample of 50 student Individualized Education Programs and requested supporting documentation for the level of service indicated for each student.

To determine whether charter schools were in compliance with the PCSB requirements to obtain insurance coverage, we reviewed copies of insurance certificates for 12 sample schools.

To determine whether charter schools were annually audited by an approved independent auditor, we performed a review of the audited financial statements submitted for every charter school in operation during SYs 2012 and 2013.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## Audit Results

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In conducting our audit, we found that the Public Charter School Board (PCSB) and the Office of the State Superintendent of Education (OSSE) effectively carried out several of the duties and responsibilities that we reviewed. For example, the PCSB ensured that the schools in our sample maintained adequate insurance coverage, as required by law<sup>17</sup> and the PCSB Fiscal Policy Handbook. Also, the OSSE maintained accurate records regarding the number of special education students and nearly all of the students' electronic Individualized Education Programs, that we reviewed, matched the level of service provided. Last, the PCSB improved its overall monitoring during the three school years encompassed by our audit. The PCSB provided documentation that indicated that annual compliance reviews were partially or fully conducted for all charter schools in our sample during school year (SY) 2013.

We found instances in which the PCSB's oversight of charter schools was not complete. We determined that neither the PCSB nor OSSE is authorized by statute to adjust payments to charter schools for students who entered, left or moved between charter schools during the school year. Additionally, the OSSE did not adequately verify summer and residential program payments to charter schools. Finally, the PCSB did not have current written fiscal policies and procedures to provide guidance to the charter schools regarding the schools' day-to-day fiscal operations.

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<sup>17</sup> D.C. Code § 38-1802.04(b)(4).

**In school years 2011-2013, the PCSB did not consistently complete its planned fiscal and operational oversight activities of charter schools.**

D.C. Code grants the PCSB primary authority to monitor the finances and operations of each charter school and to ensure that each charter school complies with applicable laws and the provisions of its charter.<sup>18</sup>

During the scope of the audit, the PCSB demonstrated improved monitoring of charter schools, most notably through the creation of an Audit Management Unit and the introduction of the Charter Audit Resources Management (CHARM)<sup>19</sup> monitoring tool piloted during SY 2011 (the CHARM tool is now called the Financial Audit Review). In SYs 2011 and 2012, the PCSB did not consistently complete its planned fiscal and operational oversight activities.

During the scope of the audit, the PCSB stated that their fiscal and operational oversight of charter schools was primarily comprised of conducting annual compliance reviews, reviewing financial information, reviewing contracting information, and requiring annual audited financial statements.

**Annual Compliance Reviews**

During annual compliance reviews, the PCSB verified charter schools' compliance with federal and local laws and the charter agreement. The PCSB's annual compliance review checklist covered areas such as (1) discipline policy and due process; (2) attendance policy; (3) student health; (4) student safety; (5) charter school employees; (6) insurance; (7) occupancy, lease and license for the facility; (8) high quality teachers; (9) board of trustees; and, (10) submission of annual reports. We reviewed the PCSB's annual compliance reviews for every charter school in operation during school years (SY) 2011, 2012 and 2013. There were 54 charter schools in operation in SY 2011, 53 in SY 2012, and 57 in SY 2013.

The PCSB was unable to provide evidence that they conducted annual compliance reviews for 7 of the 54 charter schools during SY 2011 and 3 of 53 charter schools during SY 2012. In FY 2013, the PCSB completed compliance reviews for all 57 charter schools, although 7 schools lacked one or more of the required documents.

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<sup>18</sup> D.C. Code § 38-1802.11.

<sup>19</sup> The CHARM tool was created to analyze results of charter school financial audits for authorizers and to promote collaborative governance. Data warehousing, reporting and analysis are performed by the contractor tasked with creating the monitoring tool.

## **Financial Oversight Reviews**

The PCSB did not provide evidence that they conducted comprehensive financial oversight reviews in SY 2011. In SY 2011, prior to the implementation of CHARM, charter schools were required to provide financial information to the PCSB through the Authorizer Oversight Information System. The PCSB Oversight Manager was to conduct any necessary follow-up.

We requested documentation on the financial oversight reviews performed for the 54 charter schools in operation in SY 2011. The PCSB did not provide any documentation to ODCA to prove that this process was executed. The PCSB indicated that they could not provide this evidence because of significant personnel turnover.

Financial oversight reviews were completed for all charter schools in SYs 2012 and 2013. These reviews consisted of an analysis of the audited financial statements of each charter school to determine financial stability using factors such as financial performance, liquidity ratios, debt burden, sustainability, and compliance with certain applicable laws. The PCSB published the SY 2012 and 2013 financial oversight documents on their website.

## **Contract Monitoring**

Charter schools are required by D.C. Code to submit relevant contract documentation to the PCSB for contracts of \$25,000 or more. The contract documentation required should include, but is not limited to, all bids received by the school, the signed contract, and a written justification for the award of the contract. Charter schools must submit these documents to the PCSB within three days after the contract award date and at least 10 days before the effective date of the contract.<sup>20</sup>

Additionally, the PCSB required charter schools to competitively bid contracts of \$25,000 or more, with the exception of a few types of contracts, such as renewal contracts and sole-source contracts.

The PCSB does not approve contracts, but they review awards to ensure that each school adheres to its charter and all applicable laws. Failure to meet requirements can factor into decisions to extend or revoke a charter.<sup>21</sup>

The PCSB previously posted a listing of calendar year 2012 and 2013 charter school contracts on the PCSB website. From the contracts listed on the PCSB's website, we selected 60 contracts for review. Of those, 37 were from calendar year 2012 and 23 were from calendar

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<sup>20</sup> D.C. Code § 38-1802.04(c)(1)

<sup>21</sup> D.C. Code § 38-1802.13(a)(1).

year 2013. The 60 contracts totaled \$17.5 million. PCSB was unable to provide any information on calendar year 2011 contracts.

The PCSB could not provide 26 of the 60 requested contracts. The 26 contracts are listed in Appendix I. Of the 34 contracts the PCSB provided, several were missing key elements and did not comply with contracting requirements in the D.C. Code and the PCSB's Fiscal Policy Handbook. It was unclear whether the charter schools never submitted the missing documentation or whether the charter schools did submit the documentation and the PCSB could not locate it. For example, of the 34 contracts we found:

- Information missing on the pricing of rejected bids for 12 contracts;
- Lack of justification for 5 contract awards;
- Evidence that 15 contracts were submitted to the PCSB less than 10 days prior to the effective date of the contract; and
- No evidence of competitive bidding for 2 contracts.

Appendix II details the compliance of the 34 contracts with the contracting requirements.

### **Independent Audits of Financial Statements**

D.C. Code requires that each charter school submit an independently audited financial statement to the PCSB each year.<sup>22</sup> The PCSB required charter schools to submit the audited financial statements by November 1. The financial statement audits were to cover the most recent school year.

The PCSB's documentation indicated that they did not obtain several audited financial statements within the required time frame. We performed a review of the audited financial statements submitted for every charter school in operation during SYs 2012 and 2013. The PCSB could not provide audited financial statements for SY 2011. (Since the conclusion of the audit, however, the PCSB launched a new website on which they provide SY 2011 audited financial statements). Audited financial statements were completed for all charter schools in SYs 2012 and 2013 and the PCSB posted them on the PCSB website. For charter schools in operation in SY 2012, 13 out of 53 audit reports were dated after November 1, 2012, with the last submitted by February 15, 2013. For charter schools in operation in SY 2013, 7 out of 57 audit reports were dated after November 1, 2013, with the last submitted March 4, 2014. Figure 2 identifies the charter schools for which the audited financial statements were dated after the November 1<sup>st</sup> due date. This list does not include charter schools

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<sup>22</sup> D.C. Code § 38-1802.04(c)(11)(B)(ix).

that received an extension from the PCSB on the due date for audited financial statements.

**Figure 2**

**Audited Financial Statements Dated After November 1**

<b>School Year 2012 Financial Statements</b>			
	<b>School Name</b>	<b>Date Submitted</b>	<b># of Days Late</b>
1	Early Childhood Academy	02/15/2013	106
2	D.C. Bilingual	12/21/2012	50
3	Meridian	12/05/2012	34
4	William E. Doar	12/03/2012	32
5	IDEA	11/30/2012	29
6	National Collegiate	11/29/2012	28
7	Washington Latin	11/29/2012	28
8	Tree of Life	11/26/2012	25
9	Excel	11/21/2012	20
10	Eagle Academy	11/20/2012	19
11	Howard University Middle School for Math & Science	11/16/2012	15
12	Paul	11/16/2012	15
13	Washington Math Science and Technology	11/05/2012	4
<b>School Year 2013 Financial Statements</b>			
1	Options	03/14/2014	133
2	Imagine Southeast	01/29/2014	89
3	IDEA	01/17/2014	77
4	Eagle Academy	12/06/2013	35
5	Early Childhood Academy	11/27/2013	26
6	Excel	11/25/2013	24
7	Community Academy	11/20/2013	19

Consistent compliance reviews are one means of assuring the PCSB, parents and other stakeholders that charter schools are complying with federal and local laws, policies, and procedures. Inadequate financial reviews and delayed financial statement audits can signal a potential for mismanagement and misappropriation of funds. Incomplete monitoring of contracts hinders the identification of potential improper contracts, which may result in fraud, waste, and abuse.

One factor in the PCSB's lapses in financial and operational oversight may have been a lack of appropriately deployed staff. The number of charter schools rose from 49 during SY 2011 to 57 during SY 2013. The PCSB organizational structure may not have been sufficiently aligned to match the increasing number of charter schools. For example, the PCSB had six quality and accountability positions and three finance positions, one of which was vacant during the scope of the audit.

According to the national organization representing authorizing entities, the National Association of Charter School Authorizers

(NACSA), charter authorizers are encouraged to employ “competent personnel at a staffing level appropriate and sufficient to carry out all authorizing responsibilities in accordance with national standards, and commensurate with the scale of the charter school portfolio”.

NACSA recently conducted a survey of charter authorizers looking at the number of staff in comparison with the number of schools authorized and overseen by each authorizer. By this measure, the PCSB has more, rather than fewer, staff than peer organizations. The survey did not look at how staff are deployed or the proportion of staff devoted to financial and operational oversight in comparison with other responsibilities including academic performance.

As indicated above, in the year following the period of time covered by this audit, two D.C. public charter schools have been the subject of lawsuits filed by the D.C. Attorney General, related to payments made to for-profit entities serving as management organizations for those schools. The Attorney General filed suit against Options Public Charter School on October 1, 2013, and against Community Academy Public Charter School’s management company and its CEO on June 2, 2014. To assist in its oversight of public charter schools that contract with for-profit entities, the PCSB is recommending an amendment to the D.C. Code to require for-profit “charter management organizations” to disclose the same level of financial information as now required of other, not-for-profit management firms based on their exemption under state and federal tax law.

**The OSSE was not authorized by statute to adjust payments to charter schools for students who entered, left or moved between charter schools after the independent enrollment audit.**

The District's funding formula assumes that dollars follow students with public charter schools receiving funds based on the student population. Our review found that the timing of funding adjustments can be improved.

D.C. Code allows students to withdraw from charter schools at any time<sup>23</sup> and it is not unusual for students to enter, exit, and move between charter schools throughout the school year. In February 2013, the Office of the State Superintendent of Education (OSSE) published a state-wide analysis of student mobility in the District of Columbia. The analysis did not address movement of students between charter schools; instead it listed the total number of students entering and exiting charter schools between October 2011 and October 2012, based on self-reported school data. In October 2011, charter schools had a total enrollment of 29,531 students. During the school year, 1,534 students entered charter schools and 3,481 students exited charter schools. This resulted in a net loss of 1,947 students, for a final enrollment of 27,584 students between October 2011 and June 2012. The OSSE also found that the greatest student movement occurred during the periods of October through November and March through April.

Charter schools received payments that were based on the Uniform Per Student Funding Formula that provided for a specified payment amount to the charter school for each enrolled student. During the scope of the audit, the OSSE conducted a student count for each charter school in October of each school year and finalized the independent enrollment audit report between January and March. The OSSE adjusted payments to charter schools to reflect the audited enrollment. During the first two of the three years covered by our audit, the OSSE had neither statutory authorization, nor monitoring protocols in place, to be able to adjust payments to charter schools for students who entered, left or moved between charter schools after the enrollment audit was completed.

According to the OSSE, they began capturing information about student movement between schools throughout the entire school year beginning in SY 2013 through their Statewide Longitudinal Education Data (SLED)<sup>24</sup> system. Therefore, starting in SY 2013, the OSSE and the PCSB had access to the data that would be needed to

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<sup>23</sup> D.C. Code § 38-1802.06(f), Student withdrawal -- A student may withdraw from a public charter school at any time and, if otherwise eligible, enroll in a District of Columbia public school...

<sup>24</sup> Statewide Longitudinal Education Data (SLED) is a system utilized by the OSSE to track student enrollment and demographic data and to assign a unique student identifier for students enrolled in publicly funded D.C. schools.

make adjustments to charter schools payments for student movements during the school year.

The effect of not adjusting payments to charter schools for student movements after the enrollment audit is that some schools benefited at the expense of others by receiving payments for students no longer enrolled. Furthermore, charter schools that accepted new students after the independent enrollment audit did not receive any funding for those new students. The financial effect is highlighted by the OSSE's review of movement into and out of charter schools and the increased student movement during the March-April timeframe.

The PCSB staff stated that this was a systematic problem faced by many school districts and that more frequent enrollment audits would be needed to be able to effectively track student movements. More recently, the incoming Deputy Mayor for Education has expressed a strong desire to work with policymakers to authorize and implement a system to adjust payments that accounts for student movement.

**The OSSE did not independently verify whether payments to charter schools for summer and residential programs were accurate.**

The Government Accountability Office Standards of Internal Control note that ongoing monitoring includes regular management and supervisory activities, comparisons, reconciliations, and other routine actions.

The OSSE did not have sufficient monitoring procedures in place to determine whether payments to charter schools were accurate for (1) summer programs and (2) residential programs.

For summer programs, charter schools were required by D.C. Code to project preliminary summer school enrollment prior to the start of the regular school year. Then, at the end of the summer session, charter schools self-reported actual summer enrollment. The OSSE could not provide evidence of independent verification of the self-reported enrollment. Therefore, there was no way for the OSSE to know if the charter schools actually provided summer programming to the number of students for whom they were paid.

Similarly, for residential programs, the OSSE did not have a verification process to ensure that charter schools provided the services for which they were being paid. During the scope of the audit, two charter schools were to provide students with room and board in a residential setting, in addition to educational programming.

Unlike summer program funding, residential program funding was based on the independently audited enrollment. However, after the enrollment audit, the OSSE did not conduct periodic surprise site visits or other ongoing monitoring reviews to ensure that students were continually in residence at the charter schools and that meals and other services were provided throughout the school year.

The effect of not verifying that charter schools provided required services for summer school and residential programs was the possible over or under-payment to certain charter schools. For our sample of 12 charter schools, the summer program funding totaled approximately \$10.7 million for SYs 2011 through 2013. Two charter schools received a total of approximately \$23 million for residential programs for SY 2011 through FY 2013. The significant level of funding for these programs underscores the need for sufficient monitoring.

An underlying factor in the OSSE's insufficient verification of summer and residential program services appeared to be a failure to recognize the need to conduct this verification and deploy staff appropriately.

For SY 2015, charter schools are no longer receiving funding that is specifically allocated for summer programs. Instead, charter schools are receiving funding for students identified as at-risk. Charter schools are able to spend this funding as they deem appropriate, which may or may not include summer programming. Even with these changes, the OSSE should verify that funding for at-risk students is spent in compliance with D.C. Code.

**The PCSB did not have current written fiscal policies and procedures to provide guidance to the charter schools regarding the schools' day-to-day fiscal operations.**

GAO's Standards for Internal Control state that "control activities are the policies, procedures, techniques, and mechanisms that enforce management's directives. They help ensure that actions are taken to address risks"

During the scope of the audit, the PCSB had a fiscal policy handbook that described specific policies and procedures for charter schools regarding operational and financial oversight. Some charter schools' practices, however, were not consistent with the PCSB's fiscal policy handbook. For example, the fiscal policy handbook stated that charter schools must submit audited financial statements by November 1 of each year. As noted above in Figure 2, in FY 2012, 13 audit reports were dated after November 1 and in FY 2013, 7 reports were dated after November 1.

The lack of consistent adherence to the PCSB's fiscal policy handbook resulted in a loss of accountability for charter schools and an increased risk for misuse of funds.

Staff members at the PCSB stated that they treated the fiscal policy handbook as suggested guidelines rather than requirements because they felt that it quickly became obsolete. The PCSB used the D.C. Code as the standard to which they held charter schools, but they did not update the fiscal policy handbook to reflect the specific requirements of the D.C. Code.

## Recommendations

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1. The Public Charter School Board should continue to strengthen its annual financial and compliance reviews to ensure all financial and contracting requirements are met, and met timely.
2. Through their oversight of D.C. public charter schools, the Mayor and Council of the District of Columbia should ensure that the PCSB has the necessary personnel and other tools to provide adequate monitoring of charter schools, including considering legislation to require for-profit management firms to provide the same level of financial information as now provided by not-for-profit firms.
3. The OSSE should work with D.C. policymakers to develop policies and procedures so that funding can more efficiently follow students, including adjusting payments to charter schools for student movement that occurs after the enrollment audit.
4. The OSSE should appropriately deploy personnel to verify that payments to charter schools, for at-risk students and residential programs, are accurate.
5. The PCSB should publish current fiscal policies and procedures for charter schools.

## Conclusion

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Overall, we found that there were notable areas of improvement in the oversight of charter schools during the scope of our audit. However, there is still work to be done. The Public Charter School Board (PCSB) should provide more comprehensive and consistent monitoring to charter schools and the State Superintendent of Education (OSSE) should improve payment controls to protect public funds from fraud, waste and abuse.

We encourage the PCSB and OSSE to work with policymakers to address gaps in the current D.C. Code. New legislation would enable the PCSB to obtain financial information from charter schools' for-profit management firms and the OSSE to ensure that funding follows students efficiently when they move from one school to another.

The students and taxpayers of the District of Columbia rely on our government to ensure that charter schools are successful and cost effective. Our recommendations are aimed at improving the accountability of the charter schools and the agencies that oversee them.

Sincerely yours,



Kathleen Patterson  
District of Columbia Auditor

## Agency Comments

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On January 30, 2015, the Office of the District of Columbia Auditor (ODCA) submitted the draft report titled, “Oversight Improvements Must Continue to Ensure Accountability in Use of Public Funds by D.C. Public Charter Schools” for review and comment to the Public Charter School Board (PCSB) and Office of the State Superintendent of Education (OSSE).

ODCA received written comments from the PCSB on February 27, 2015 and from the OSSE on March 5, 2015. The PCSB and OSSE responses are included with this report.



SCOTT PEARSON, EXECUTIVE DIRECTOR

February 27, 2015

Kathleen Patterson  
District of Columbia Auditor  
717 14<sup>th</sup> Street Northwest #900  
Washington, DC 20005

Dear Ms. Patterson:

Thank you for the opportunity to respond to the draft District of Columbia Auditor report, "Enhanced Internal Controls and Oversight Are Needed to Ensure Accountability in Use of Public Funds by D.C. Public Charter Schools". We share your commitment to ensuring that all public charter schools are good stewards of taxpayer dollars.

Our responses to the report and each of the five recommendations made by your office can be found below.

In addition to the specific responses to the recommendations, we respectfully request that you consider changing the title of the report. We are concerned that, as written, the title conveys the misimpression that PCSB's financial oversight is greatly lacking, and that public funds may be at risk. One suggested alternate title could be: "Ongoing Improvement to Internal Controls and Oversight Should Continue to Ensure Full Accountability in Use of Public Funds by D.C. Public Charter Schools".

Thank you for considering our suggestions. We would appreciate the opportunity to discuss this report further and will reach out to arrange a meeting.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "SP", is written over a light blue horizontal line.

Scott Pearson

**DC Public Charter School Board**  
**Response to District of Columbia Auditor Report**  
**“Enhanced Internal Controls and Oversight Are Needed to Ensure Accountability in Use of Public Funds by DC Public Charter Schools”**

The goal of the DC Public Charter School Board (PCSB) is to ensure that students and families in Washington, DC have access to a quality public charter school education. As part of that mission, PCSB conducts rigorous fiscal oversight for each of the non-profit organizations that operate public charter schools in DC, and is required to revoke the charter of any organization found to have engaged in a pattern of non-adherence to generally accepted accounting principles; to have engaged in a pattern of fiscal mismanagement; or to be no longer economically viable. The audit by the Office of the Auditor was conducted to analyze PCSB’s financial oversight over public charter schools, and offered five recommendations for the Board.

PCSB’s responses to the specific recommendations made by the Auditor can be found below. *PCSB agrees with one recommendation, partially agrees with three recommendations, and defers comment on one recommendation.*

**Recommendation 1: The Public Charter School Board should continue to strengthen its annual financial and compliance reviews to ensure all financial and contracting requirements are met, and met timely.**

*PCSB partially agrees with this recommendation.*

PCSB conducted sufficient financial reviews in both SY 2012 and SY 2013 based on the authority currently granted for fiscal oversight. The recommendation of the Auditor appears to be focused on their finding that financial oversight in SY 2011 was insufficient. However, the auditor’s report finds that more recent financial audits were conducted sufficiently. We ask that the report place due emphasis on the successful audits in SY 2012 and 2013, and that the first audit result, “In school years 2011-2013, that the Public Charter School Board did not consistently complete its planned fiscal and operational oversight activities of charter schools” should be revised to reflect that reality.

PCSB also does not fully agree with the Auditor’s finding that fiscal oversight in SY 2011 was insufficient, as it was based partially on a claim that audited financial statements, budgets, and 990 forms could not be produced by PCSB. These resources are readily available at <http://www.dcpsb.org/report/school-budgets-fiscal-audits-and-990s>.

PCSB acknowledges its past challenges with compliance reviews and with obtaining and maintaining records pertaining to public charter school contracts larger than \$25,000. However, since the conclusion of the audit period PCSB has taken steps to resolve this. First, PCSB has implemented a new contracts submission policy to clarify requirements for LEAs in submitting contracts. We have also created an annual review of LEA’s expenditures that may be subject to contracting requirements, to ensure contracts are properly bid, awarded and submitted to PCSB

for review. In addition, PCSB publishes contracts more than \$25,000 on its website here, <http://www.dcpsb.org/charter-school-contracts>. PCSB has also hired a full-time School Finance Specialist for the first time. Previously, this responsibility was handled by a full-time equivalent, who was also tasked with managing PCSB's own finances.

**Recommendation 2: Through their oversight of DC public charter schools, the Mayor and Council of the District of Columbia should ensure that PCSB has the necessary personnel and other tools to provide adequate monitoring of charter schools, including considering legislation to require for-profit management firms to provide the same level of financial information as now provided by not-for-profit firms.**

*PCSB partially agrees with this recommendation.*

PCSB strongly supports strengthening our oversight through expanded authority to conduct oversight over LEA's that choose to contract with for-profit charter management organizations. While, pursuant to the School Reform Act, PCSB – and not the Mayor or the DC Council – is solely responsible for the oversight of DC public charter schools, PCSB is currently working with Council and other education stakeholders to begin the process of expanding its authority.

With respect to having the necessary personnel, last year the DC Council doubled PCSB's oversight fee (our principal source of funding), from 0.5% of schools' budgets to 1.0%. This increase in funding allowed us, among other improvements, to hire a School Finance Specialist to more thoroughly monitor charter school finances. With this change PCSB now has sufficient funding and personnel to adequately monitor charter school finances.

**Recommendation 3: OSSE should work with DC policymakers to develop policies and procedures so that funding can more efficiently follow students, including adjusting payments to charter schools for student movement that occurs after the enrollment audit.**

*PCSB agrees with this recommendation.*

PCSB agrees that changes should be made to the law governing school payments to allow for adjusting payments to account for student movement that occurs after the October enrollment audit. We also support the Deputy Mayor for Education's leadership to seek changes to the law that would require DC Public Schools (DCPS) and charter schools to be paid in the same manner. The inequities in funding between DCPS and charter schools have been well documented. Any change to payment processes must increase the fairness of funding between the two sectors.

**Recommendation 4: OSSE should appropriately deploy personnel to verify that payments to charter schools for at-risk students and residential programs are accurate.**

*PCSB defers comment on this recommendation to the Office of the State Superintendent for Education (OSSE).*

**Recommendation 5: PCSB should publish current fiscal policies and procedures for charter schools.**

*PCSB partially agrees with this recommendation.*

PCSB agrees with the need to ensure that fiscal policies for public charter schools are consistent, clear and publicly available. PCSB is working to update many of its policies around fiscal oversight, and throughout that process will post finalized policies to its website.

However, PCSB rejects the claim that its operational decision to use its fiscal policy handbook as guidelines rather than strict mandates for charter schools has resulted in a loss of accountability or increased risk for misuse of funds. In support of this claim, the Auditor's report mischaracterizes and places undue emphasis on the November 1 deadline listed in the fiscal policy handbook. In reality, the November 1 deadline is a soft deadline for draft audits. Final audits may be submitted after that date, and schools are made aware that final audits are due by January 1. Based on this later deadline, just one public charter school submitted a late financial statement in SY 2012 and three submitted late in SY 2013. Of those three in SY 2013, two have since voluntarily relinquished their charters. PCSB holds all public charter schools responsible to the requirements of DC Code, and according to the auditors report, conducted sufficient financial oversight reviews of public charter schools in SY 2012 and SY 2013.



Office of the Superintendent

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March 5, 2015

Kathleen Patterson  
District of Columbia Auditor  
Office of the District of Columbia Auditor  
717 14<sup>th</sup> Street, N.W., Suite 900  
Washington, D.C. 20005

Dear Ms. Patterson:

Thank you for providing the District of Columbia Office of the State Superintendent of Education (OSSE) with the Office of the District of Columbia Auditor's Analysis and Draft Report entitled, "Enhanced Internal Controls and Oversight Are Needed to Ensure Accountability in Use of Public Funds by D.C. Public Charter Schools." Given the significant value the public charter school community brings to the education of District students, it is all the more important that any identified gaps in oversight be subject to scrutiny and recommended correction. OSSE endorses the Auditor's service in this regard.

This letter serves as OSSE's response to provide clarification of some portions of the Draft Report which address the census of students, calculation and audit of that 'head-count', and subsequent payments and adjustments, including the roles of the individual public charter schools, the Public Charter School Board (PCSB), OSSE, and the Office of Chief Financial Officer (OCFO).

#### Clarification of OSSE's Authority

First, OSSE seeks to clarify that timely and reliable student data is required to be entered by the public charter schools into the State Longitudinal Educational Data Warehouse System (SLED) pursuant to D.C. Code §§ 38-1802.04(19) and 38-2609. While this data is the key basis upon which the calculation of numbers of enrolled students required by D.C. Code § 38-1804.02(b) is currently undertaken, payments are made by the Office of the Chief Financial Officer based on data collections conducted in accordance with the requirements of current code.

Under D.C. Code § 38-1804.01(3)(B), OSSE does not have the authority to make any unilateral adjustments of annual payments, outside of the timing supplemental payments related to LEP and special education. While we agree that such flexibility would be beneficial, it will require a change to the Code. Currently, the only statutory discretion provided to OSSE related to payments is to withhold the July 15 payment in escrow if there is to be decision by the PCSB regarding revocation of a charter. Thus OSSE is fully compliant with the requirements as set forth in the Code currently.

## Technology Enhancements to Strengthen Data Quality and Enhance Oversight

OSSE also seeks to clarify that significant changes have occurred in the process of data collection related to payments to public charter schools over time and since the time of the Audit, covering 2011 through 2013. The establishment of the State Longitudinal Education Data System (SLED) and the Special Education Data System (SEDS) eliminated the need for collection and review of paper-based plans for students with LEP status or in special education. These significant technological changes allowed for both a reduction of administrative burden and of human error. They also allowed for OSSE to play a strengthened role in quality assurance.

## OSSE's Enhanced Annual Enrollment Audit Process

I also want to take the opportunity to provide more detail related to the manner in which OSSE has strengthened its annual enrollment audit process.

In August and September of each academic year, OSSE works with Local Education Agency (LEA) representatives to collect, verify and update school information. This information includes, but is not limited to, changes to grade levels offered and point of contacts for each LEA. In addition, OSSE provides face-to-face training and technical assistance to all LEA stakeholders and school leadership regarding the residency verification process, changes and updates to the audit timeline, and expectations from the state agency. This year, OSSE provided five training sessions in late August. In addition to in-person trainings, OSSE also provided webinar presentations regarding documentation updates, compliance with requirements for students in special education, and best practices related to data management.

External, independent auditors are responsible for conducting a headcount of students at each school in the District of Columbia. This effort requires that a team of individual auditors visit each school, collect documentation, and verify the enrollment and attendance of each student. Besides the physical headcount, the auditors also examine student records to determine residency status as of October 6<sup>th</sup>. For the purposes of residency verification, the DC Residency Verification Form or other OSSE designated appropriate alternative document(s) provided by the school are inspected for each student. Furthermore, the supporting residency documentation is also examined for a random sample of 10% of students to confirm residency status. The auditors also assess the amount of non-resident tuition collected for each non-resident student to ensure all nonresident tuition is being paid and returned to OSSE.

Upon completion of all site visits, the auditor holds resolution meetings with all LEAs (either in person or by phone) to share the results of the headcount with the LEA leader and to allow the LEA an opportunity to provide additional documentation (if necessary) pertaining to student enrollment and residency verification. OSSE then releases the preliminary results of the general audit and the LEP student sample audit and provides LEAs the opportunity to appeal the reported findings. If an LEA appeals a finding, the auditors review and reconsider previous audit results based on LEA documentation presented during the desktop and in-person appeals process. The auditor then prepares a post-appeals census-type report to capture all appeal determinations, and delivers it to OSSE. This information is then uploaded to SLED by OSSE and serves as a basis for payments as defined in code.

### Clarification Regarding Summer Payments

Effective October 1, 2013, D.C. Code 38-2906.02 was amended at 38-2906.02(b) and (d) to provide for summer school payments by the OCFO based on OSSE projections informed by data in SLED, which in the case of charter payments, is in turn dependent upon entries from the public charter schools. An additional certification not later than August 25 is required from OSSE to certify the final actual summer school enrollment for each public charter school, thus providing another stage of verification in the summer school payment process and supporting an additional payment by September 30 of the year.

Thank you again for the opportunity to respond to this analysis of the public charter school payment system, an analysis OSSE feels can be strengthened by consideration of the points outlined above. Please do not hesitate to contact me with any questions.

Sincerely,

Amy Maisterra  
Interim State Superintendent

Cc: Jennifer Niles, Deputy Mayor of Education

## **Auditor's Response to Agency Comments**

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The Office of the District of Columbia Auditor appreciates the comments provided by the Public Charter School Board (PCSB) and the Office of the State Superintendent of Education (OSSE). The PCSB and OSSE are taking steps towards implementing some of the recommendations presented in the report. The PCSB partially agreed with three of our five recommendations, but we believe the PCSB should implement our recommendations as written to ensure accountability in use of public funds by charter schools.

## **Appendix I**

## Appendix I: Contracts for which the Public Charter School Board could provide no documentation

	Charter School	Vendor	Services to be provided	Value of Contract	Copy of Contract	Rationale for Selection of Vendor	Pricing of Rejected Bids	Competitive Bidding Required	Evidence of Bidding Process
1	Arts and Technology Academy PCS	PMM Companies	Janitorial Service Agreement	\$288,000	Not available	Not available	Not available	Yes	Not available
2	Arts and Technology Academy PCS	Bert Smith & Company	Accounting and Financing Services	\$32,000	Not available	Not available	Not available	No	Not applicable
3	Arts and Technology Academy PCS	Mation Construction	Construction Project Service Agreement	\$68,788	Not available	Not available	Not available	Yes	Not available
4	Arts and Technology Academy PCS	Acumen Behavioral Consulting, Inc.	Special Education Service Agreement	\$82,000	Not available	Not available	Not available	Yes	Not available
5	Arts and Technology Academy PCS	Preferred Meals Systems	Food Service Agreement	\$460,000	Not available	Not available	Not available	No	Not applicable
6	Capital City PCS	Huntington Learning Center	Supplemental Educational Service Agreement	\$45,000	Not available	Not available	Not available	No	Not applicable
7	Capital City PCS	Drolet+Associates, PLLC	Accounting and Financing	\$35,500	Not available	Not available	Not available	No	Not applicable
8	Capital City PCS	RC Contractors, LLC	Painting Services	\$30,000	Not available	Not available	Not available	No	Not applicable
9	Center City PCS	James R Sesantis, LLC	Development Consultant	\$66,000	Not available	Not available	Not available	Yes	Not available
10	Center City PCS	Playworks	School Physical Activity Service Agreement	\$159,000	Not available	Not available	Not available	No	Not applicable
11	Center City PCS	Joseph Gorin, PSY.D	Educational Evaluations Service Agreement	\$70,000	Not available	Not available	Not available	No	Not applicable
12	DC Scholars PCS	ATD America and W.B. Mason	Furniture Purchase	\$53,670.02	Not available	Not available	Not available	Yes	Not available
13	DC Scholars PCS	Busy Bee Environmental Services, INC	Cleaning Services	\$37,259.04	Not available	Not available	Not available	Yes	Not available
14	Friendship PCS	CDW-G	Technology Products Purchase	\$150,000	Not available	Not available	Not available	No	Not applicable
15	Friendship PCS	Earth Walk	Technology Products Purchase	\$300,000	Not available	Not available	Not available	Yes	Not available

	Charter School	Vendor	Services to be provided	Value of Contract	Copy of Contract	Rationale for Selection of Vendor	Pricing of Rejected Bids	Competitive Bidding Required	Evidence of Bidding Process
16	Friendship PCS	Precon Events	Events Design & Technical Services	\$49,741	Not available	Not available	Not available	Yes	Not available
17	Friendship PCS	Jair Lynch Development Partners	Project Management Service Agreement	\$194,400	Not available	Not available	Not available	Yes	Not available
18	Friendship PCS	Force 3	Virtualization Services Agreement	\$208,829	Not available	Not available	Not available	Yes	Not available
19	Friendship PCS	Network Discount	Virtualization Hardware Services Agreement	\$94,595	Not available	Not available	Not available	Yes	Not available
20	Howard Road Academy PCS	Fruit Delivery Service	Fruit Delivery Service	\$150,000	Not available	Not available	Not available	No	Not applicable
21	Seed PCS	JHJ & Associates, LLC	Cleaning Service Agreement	\$229,350	Not available	Not available	Not available	Yes	Not available
22	Septima Clark PCS	ABC Transportation	Transportation Service	\$92,000	Not available	Not available	Not available	No	Not applicable
23	The Next Step PCS	Revolution Foods	Food Service Agreement	\$141,487	Not available	Not available	Not available	Yes	Not available
24	Thurgood Marshall PCS	Revolution Foods	Food Service Agreement	\$158,000	Not available	Not available	Not available	Yes	Not available
25	Thurgood Marshall PCS	End to End Solutions	Special Education Service Agreement	\$36,000	Not available	Not available	Not available	No	Not applicable
26	Two Rivers PCS	Reed Smith, LLP	Legal Services Agreement	\$40,000	Not available	Not available	Not available	Yes	Not available

## **Appendix II**

## Appendix II: Contracts for which the Public Charter School Board provided some documentation

	Charter School	Vendor	Services to be provided	Value of Contract	Pricing of Rejected Bids	Rationale for selection of vendor	Submitted to PCSB 10 days before effective date	Competitive Bidding Required	Evidence of Competitive Bidding
1	Achievement Prep PCS	M & G Services	Janitorial Services	\$27,500	Yes	Yes	Yes	Yes	Yes
2	Arts and Technology Academy PCS	PPM	Janitorial Services	\$136,931	Not available	Yes	Yes	No	Not applicable
3	Arts and Technology Academy PCS	Bert Smith & Company	Audit Services	\$31,260	Not available	Yes	Yes	No	Not applicable
4	Capital City PCS	AAA. LLC Bus Services	Bus Services	\$35,000	Yes	Yes	Yes	Yes	Not available
5	Capital City PCS	School Speciality	School Supplies	\$50,000	Yes	Yes	Yes	Yes	Not available
6	DC Prep PCS	Shinberg Levinas	Architectural/Engineering Services	\$995,000	Yes	Yes	No	Yes	Yes
7	DC Prep PCS	Brailsford & Dunlavey	Development and Project Management Services (Construction Management)	\$265,000	Not available	Yes	No	Yes	Yes
8	Friendship PCS	Performance Food Group	Supplier of Groceries Service Agreement	\$1,820,342	Not available	Yes	No	Yes	Yes
9	Friendship PCS	Network Discount	Infrastructure Equipment	\$487,136	Yes	Yes	Yes	Yes	Yes
10	Friendship PCS	Excellent Tours	Student Transportation	\$350,000	Not available	Not available	No	Yes	Yes
11	Friendship PCS	Student Transportation Unlimited	Student Transportation	\$350,000	Not available	Not available	No	Yes	Yes
12	Friendship PCS	Starfleet	Student Transportation	\$350,000	Not available	Not available	No	Yes	Yes
13	Friendship PCS	Precon Events	Audio, Media &Lightning	\$131,901	Yes	Not available	Yes	No	Not applicable

	Charter School	Vendor	Services to be provided	Value of Contract	Pricing of Rejected Bids	Rationale for selection of vendor	Submitted to PCSB 10 days before effective date	Competitive Bidding Required	Evidence of Competitive Bidding
14	Howard Road Academy PCS	Capitol Services Management Inc.	Custodial Service Agreement	\$400,000	Yes	Yes	Yes	Yes	Yes
15	Howard Road Academy PCS	EdOps	Accounting and Financing Services	\$84,000	Yes	Yes	Yes	Yes	Yes
16	Howard Road Academy PCS	Bert Smith &Co	Accounting and Financing Services	\$150,000	Yes	Yes	Yes	Yes	Yes
17	Howard Road Academy PCS	Alignstaffing	Special Education Service Agreement	\$450,000	Yes	Yes	Yes	No	Not applicable
18	Idea PCS	EdOps	Accounting and Financing Services	\$62,500	Not available	Yes	Yes	Yes	Yes
19	Imagine SE PCS	Revolutions Food	Food Services Agreement	\$380,497	Yes	Yes	Yes	No	Not applicable
20	KIPP DC PCS	RK & Associates	Mental Health Consulting Services	\$100,000	Yes	Yes	No	No	Not applicable
21	Maya Angelou PCS	ABM Security	Security Service Agreement	\$100,000	Not available	Yes	No	Yes	Yes
22	Maya Angelou PCS	Bolona	Custodial	\$120,000	Yes	Yes	No	Yes	Yes
23	Maya Angelou PCS	Mid-Atlantic Children's Services, Inc.	Psychological testing and therapeutic services	\$75,000	Yes	Yes	No	Yes	Yes
24	Meridian PCS	RSI	Supplemental Services	\$15,000	Not available	Yes	No	Yes	Yes
25	Mundo Verde PCS	Graceful Affairs Catering	Food Services Agreement	\$128,159	Yes	Yes	No	Yes	Yes
26	Mundo Verde PCS	Studio Twenty Seven Architecture	Architectural/Engineering Services	\$662,675	Yes	Yes	No	Yes	Yes

	Charter School	Vendor	Services to be provided	Value of Contract	Pricing of Rejected Bids	Rationale for selection of vendor	Submitted to PCSB 10 days before effective date	Competitive Bidding Required	Evidence of Competitive Bidding
27	Next Step PCS	Tecknomic	Security Service Agreement	\$27,720	Not available	Not available	Yes	Yes	Yes
28	Roots PCS	Jimmy's Catering	Food Service Agreement	\$126,000	Yes	Yes	Yes	Yes	Yes
29	Seed PCS	Meriwether Godsey	Food and Catering Services	\$4,709,676	Not available	Yes	No	Yes	Yes
30	Two Rivers PCS	At-Home Management	Food Services Agreement	\$707,876	Yes	Yes	Yes	Yes	Yes
31	Washington Latin PCS	Latin Janitorial	Cleaning Service Agreement	\$85,000	Yes	Yes	Yes	No	Not applicable
32	Washington Latin PCS	Nauticon	Copier Maintenance Services	\$45,000	Yes	Yes	No	Yes	Yes
33	Washington Yu Ying	Clean House	Landscape Development	\$25,000	Yes	Yes	Yes	Yes	Yes
34	Washington Yu Ying	Eichberg Construction	General Contracting Services	\$700,000	Yes	Yes	Yes	Yes	Yes