



COUNCIL OF THE DISTRICT OF COLUMBIA
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Chairman

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August 23, 2024

Dr. Michelle Walker-Davis, Executive Director
DC Public Charter School Board
100 M Street, SE
Washington DC 20003

RE: Eagle Academy PCS

Dear Dr. Walker-Davis:

This week's decision to reject the school takeover plan for Eagle Academy Public Charter School has created a mess. As a result, Eagle Academy has decided to close, leaving approximately 350 students (pre-K through 3rd grade) and staff members without a school or job when the first day of school for DCPS is this coming Monday and many other charters have already started.

I am not writing to say that the PCSB's decision was wrong. Rather, I am concerned how a charter school's financial condition was allowed to deteriorate this precipitously. There was no good choice to be made by the Board this week. But corrective action might have been possible months ago to avoid what has now happened. In this light, please answer the following questions.

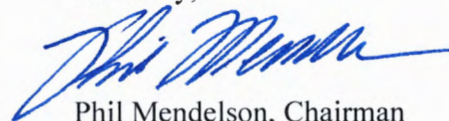
1. When did the PCSB realize that Eagle Academy's enrollment had dropped more than half, from 838 in 2019 to 412 in 2023? Why didn't this drop, because funding is enrollment-based, put Eagle Academy on financial watch with the PCSB? (2 questions)
2. When did the PCSB realize that despite the enrollment drop cited in question 1, Eagle Academy had not substantially reduced its operating costs? If funding drops but costs don't, there will be operating losses. Because of this dynamic, why didn't the PCSB require a financial corrective action plan last year? Or this January when the Board issued a notice of fiscal concern due to the late filing of a financial report? (3 questions)
3. When did the PCSB realize that the schools' CEO, Joe Smith, was also the schools' CFO? Why didn't this raise a red flag for the PCSB? Was this raised as a management issue in any of Eagle Academy's recent annual independent financial audits? When the PCSB realized this blending of financial control, what did the Board do about it? (4 questions)
4. Does the PCSB routinely receive all charter LEA's annual independent financial audits? Does the PCSB routinely look at the auditors' reports of significant deficiencies, material weaknesses, and control deficiencies, for all charter LEA's? What does the PCSB do with this information? (3 questions)
5. For six of the past nine years, Eagle Academy has struggled to keep more than a month of cash on hand, below the PCSB's 30-day floor. In light of this, why didn't the PCSB require a financial corrective action plan sooner, like last year?

6. What process does the PCSB utilize to monitor out-of-state issues for those charter LEAs that operate in other states? This question is asked in light of the fact that in SY23-24, Eagle Academy began operating a charter school in Clark County, Nevada, with Joe Smith as its CEO (also CEO for Eagle Academy in DC). According to *The Washington Post*: “The network had a brief stint in Nevada before it was accused of misusing more than \$800,000 in taxpayer dollars, according to a local news outlet.” What did the PCSB do, if anything, in light of the Nevada situation? (2 questions)
7. I believe the PCSB conducted a 20-year review of Eagle Academy in early 2023. Is part of that review an assessment of the LEA’s financial viability? If not, why not? Is it correct that PCSB staff found that the LEA had no financial mismanagement? Please explain. (3 questions)
8. As I understand it, the first that parents learned the seriousness of Eagle Academy’s financial situation was after the PCSB acted July 10, 2024 to require a financial corrective action plan. Why didn’t the PCSB require the LEA to explain to its parents sooner about the LEA’s financial difficulties? That would have strengthened accountability – namely, by being informed, both the LEA’s board of directors and the parent community could have acted sooner to demand corrective financial action. Ironically, that also would have given parents more of a choice than they have had this week to find another school and would have allowed the staff more time to find a job in another school. (1 question)
9. What has the PCSB done to ensure that all Eagle Academy students and staff have a school to attend by the first day of school? How many students and staff have been placed at another school by August 26th? (2 questions)
10. (a) Please provide a demographic breakdown of Eagle Academy’s student body in SY 23-24, including the proportion of at-risk students, race, and ward residency. (b) Please provide the placement of the students who had enrolled at Eagle Academy for SY 24-25 (i.e., list the schools, and whether DCPS or PCS, in which the students have been placed) and give the date of this data.

Public charter schools receive millions of public dollars for their operations. As part of our public education system they are responsible for our childrens’ academic achievement. These facts demand accountability. As well, we must learn from the Eagle Academy debacle and thereby minimize the chance this will happen with another public charter LEA in the future.

Please provide your answers by close of business September 9th. If you need clarification, please contact either me or Ms. Aliyah McNeely on the Committee of the Whole staff.

Sincerely,



Phil Mendelson, Chairman