



MEMORANDUM

October 28, 2013

TO: Members of the Charter Schools Committee

FROM: Joseph W. Belluck, Chair

SUBJECT: Approval of the Placement of Citizens of the World New York Charter School 1 on Probationary Status

Action Requested

The proposed resolution places the Citizens of the World New York Charter School 1 education corporation on probation for a charter violation related to low enrollment at its school of the same name, and implements a remedial action plan that the education corporation must follow or be subject to charter revocation pursuant to New York Education Law section 2855.

Resolution

I recommend that the Charter Schools Committee adopt the following resolution:

Whereas on September 27, 2013, the SUNY Charter Schools Institute (the "Institute"), acting on behalf of the Board of Trustees, offered Citizens of the World New York Charter School 1 (the "Education Corporation") the terms of a corrective plan (the "Corrective Plan") pursuant the charter agreement between the Board and the Education Corporation dated as of June 25, 2012 (the "Charter Agreement") for violations by Citizens of the World New York Charter School 1 (the "School") of a provision of the Charter Agreement related to low enrollment, which could jeopardize the fiscal soundness of the School and the Education Corporation; and

Whereas the Education Corporation, by the deadline in the Corrective Plan, did not fulfill all the terms and conditions of the Plan; and

Whereas the Institute has determined that: 1) the Education Corporation has violated the terms of its Charter Agreement; 2) the foregoing violation constitutes a material and substantial violation of the Education Corporation's charter as set forth in Education Law § 2855(1)(c), thereby providing grounds for the Board of Trustees to terminate the Education Corporation's charter, or, pursuant to § 2855(3), place the Education Corporation on probationary status; and 3) the Education Corporation should be placed on probationary status and provided the terms of a remedial action plan; now, therefore, be it

Resolved that the Board of Trustees finds that the Education Corporation has materially and substantially violated its charter within the meaning of Education Law § 2855(1)(c); and be it further

Resolved that the Board of Trustees places the Education Corporation on probationary status pursuant to Education Law § 2855(3), and will allow the implementation of a remedial action plan for the Education Corporation pursuant to § 2855(3) consisting of at least the following: 1) the Education Corporation must, within 30 days of the receipt of the remedial action plan, enroll at least the minimum number of students set forth in the Charter Agreement; 2) provide the Institute with a fiscally sound budget based on that or a lower enrollment, which demonstrates the fiscal soundness of both the School and the Education Corporation as a whole; and 3) failure of the Education Corporation to comply with the terms of the remedial action plan may result in the Board's termination of the Education Corporation's authority to operate the School; and be it further

Resolved that the Institute, be, and hereby is, directed to notify the Education Corporation of its probationary status, implement the remedial action plan, which may include such other and further terms as the Institute deems appropriate, and report to the Charter Schools Committee on the Education Corporation's compliance with such plan.

Background

Pursuant to Resolution No. 2012-038 dated June 12, 2012, the Board of Trustees delegated authority to place charter schools on probation to the Charter Schools Committee.

Based on data reported to the SUNY Charter Schools Institute (the "Institute") by Citizens of the World New York Charter School 1 (the "Education Corporation"), the Institute determined the Citizens of the World New York Charter School 1 (the "School") was seriously under enrolled serving as few as 64 students out of a minimum 100 students required by section 3.3 of its charter agreement, and that the enrollment had been lower. The Institute was extremely concerned that the reduced enrollment would make it more difficult for the Education Corporation to achieve the School's academic and financial plans, which ultimately could affect the Education Corporation's fiscal soundness, and jeopardize the Education Corporation's other operating school, Citizens of the World New York Charter School 2 that had stable enrollment.

Pursuant to section 8.5 of the charter agreement, the Institute offered the Education Corporation the terms of a corrective plan on September 27, 2013 to remedy the deficiency as follows:

- By October 7, 2013, the Education Corporation had to present a plan to the Institute regarding its proposed recruitment activities and provide a budget for same;
- Through October 20, 2013, the Education Corporation had to actively recruit students to raise its enrollment to the minimum set forth in the Charter Agreement; and,
- By October 20, 2013, the Education Corporation had to present to the Institute, and the Institute had to thereafter in its discretion approve, a revised, fiscally sound budget, based on the then current or a lower number of students, and that separately broke out school level and Education Corporation level income and expenses, which would demonstrate:
 - the fiscal soundness of the School with or without support from the Education Corporation;
 - the fiscal soundness of the Education Corporation as a whole; and,
 - any changes to the budgets of Citizens of the World Charter School New York 2 also operated by the Education Corporation.

The Institute emphasized that it would not view as acceptable cuts to the program of Citizens of the World Charter School New York 2, or cuts the budget of the School, which were not educationally sound. The Institute also made clear that if the Education Corporation did not meet the minimum enrollment threshold, the Institute could recommend to the SUNY Trustees that the Education Corporation be placed on probation pursuant to sections 8.6 - 8.8 of the charter agreement and § 2855 of the Education Law, as soon as October 25, 2013.

Based on the current level of enrollment at the School, the Institute recommends that the Charter Schools Committee place the Education Corporation on probation and implement a remedial action plan.

Pursuant to Education Law § 2855(3), should the remedial action plan be implemented, the Education Corporation's failure to abide by it strictly could result in the Board of Trustees summarily revoking the Education Corporation's charter. Charter schools on probation are ineligible for state and federal grants awarded by the Board of Trustees.