

RESOLUTION 24-01**RESOLUTION TO REVOKE
PULLMAN COMMUNITY MONTESSORI CHARTER CONTRACT**

WHEREAS, the Washington State Charter School Commission (Commission) is an independent state agency tasked with overseeing charter public schools, ensuring the highest standards of accountability, and holding charter school boards accountable for effective educational, operation, and financial oversight of charter schools; and

WHEREAS, on March 15, 2024, the Commission voted to issue a Notice to Revoke to Pullman Montessori (PCM) after extensive investigation and evaluation by Commission staff, public comment, and a public meeting in which the Commissioners considered the Commission Executive Director's recommendation to revoke along with supporting evidence; and

WHEREAS the Notice to Revoke (incorporated by reference) was issued to PCM; and PCM timely submitted a response to the Notice to Revoke on April 19, 2024; and

WHEREAS, the Commissioners considered the Notice to Revoke, PCM's response, the recommendation of Commission staff, and supporting information; and

WHEREAS,

- PCM currently serves grades K-7 and has encountered significant challenges over a period of many months. A formal investigation commenced following numerous complaints received by the Commission since January 28, 2024, escalating to 72 complaints by late April 2024. The comprehensive inquiry involved multiple engagements, including interviews, site visits, and community interactions, revealing systemic issues warranting charter revocation. After the Commission voted to issue a Notice to Revoke, PCM increased its efforts to remedy and/or improve several areas of concern. However, there are several outstanding areas of deficiency. These include but are not limited to:

Lack of Financial Viability.

- PCM received an additional loan from WA Charters for \$300,000 at the beginning of the 2023-24 school year in order to be financially viable for the current school year. This indicated that the school was in a position at the beginning of the 2023-24 school year where it was in need of additional funds to end the year with a positive fund balance. Without these funds, the school would have been put in binding conditions by the Office of the Superintendent of Public Instruction. This means that the school would be ending the year with a negative fund balance or would need budget receivables collected in the future to balance its budget.

- Enrollment for 2023-24 has declined by 29% since January of 2024, when it was at 113 students. PCM currently has 80 students enrolled.
- Though enrollment is not the singular driver of revenues for a school, it is highly correlated at a minimum. Poor enrollment variance is a substantial indicator of potential financial issues. The Commission's standard for enrollment variance, as defined in the Financial Performance Framework, is 95%. Enrollment variance less than 85% indicates that a significant amount of funding on which a school set its expense budget is no longer available, and thus the school is at a significant financial risk. PCM's enrollment variance is significantly less than 85%.
- PCM anticipated ending the 2023-24 school year with 14 days cash on hand as projected on April 19, 2024. As a third-year school, PCM should have 60 days cash on hand. Six students unenrolled on May 1st, which will negatively impact that projection. Unexpected events change student enrollment, and the school has not demonstrated an ability to retain students this school year when faced with challenges.
- PCM is not currently financially viable and has insufficient funds to remain open. Even if the school is able to open in the fall of 2024, the current financial situation of PCM puts it at significant risk of mid-year closure, which would negatively impact PCM students and families.
- PCM has acknowledged that if the Education Program Terms are not approved by the Commission, PCM will not be able to remain open for the 2024-25 school year. PCM has also acknowledged that even if the Educational Program Terms are approved, the school is not financially viable.
- Financial viability for the 2024-25 school year is predicated on proposed changes to the Education Program Terms, which are not being considered at this time due to lack of evidence for viability, sustainability, community desire for program change, identified leadership of new program and committed financial support beyond any proposed implementation. Commission staff have reviewed budget scenarios of the proposed Educational Program Term changes. Under these scenarios, even if the Education Program Term changes were to be approved, the school anticipates a deficit of approximately \$500,000 for the 2024-25 school year as illustrated in the budget submitted as part of supporting materials in the Revocation.
- In the Revocation Response, the School mentions potential funding sources to support 2024-25 viability, but none have been secured. Commission staff reached out to the organizations mentioned as potential funding sources, and neither organization indicated an intent to support the school financially. PCM has acknowledged that the chance of securing needed funding is not likely.

Unilateral Changes to Education Program Terms:

- PCM's response to the Notice to Revoke is predicated on the Commission's approval of an Education Program Term change. PCM was offered the opportunity to provide additional evidence that did not rely on the proposed changes to the Educational Program Terms. PCM acknowledged that without

the requested changes to the Education Program Term, the school will not be financially viable. However, as discussed above and acknowledged by PCM, even if the Education Program Terms are approved, the school is not financially viable.

- The Commission first learned that PCM was planning on making unilateral changes to the Education Program Terms on February 8, 2024 (when the school requested to close the older elementary classroom and move the 11 students enrolled to the Adolescent community classroom, with one teacher and one classroom assistant for students in grades 3-7). The Commission Executive Director advised the former school leader (Layla Bewick) and Beverley Wolff (former Chair of PCM and current board member) on February 8, 2024 that such changes cannot occur unilaterally and typically take months to evaluate. PCM went forward with the changes anyway. PCM did not submit any proposal to the Commission to make these changes until after the Commission vote in mid-March to issue a notice to Revoke. While PCM appears to currently be in compliance with the Education Program Terms, the April 19, 2024 response to the Notice to Revoke was the first time PCM provided a proposal to make the requested Education Program Term changes.

Other Areas Identified:

- As set forth in detail in the Notice to Revoke, the Recommendation for Revocation (3/14/24), and the Recommendation for Revocation Resolution (05/23/24), other areas identified as supporting revocation include deficiencies in: board capacity and governance; effective operational and educational oversight of the school; charter contract compliance; head of school accountability; and student safety. While there have been areas of improvement demonstrated since the March 2024 vote to issue a Notice to Revoke, and the Commission recognizes the efforts by the PCM Board and PCM community, the efforts are insufficient to address the factors that support the issuance of a Draft Resolution to Revoke.

WHEREAS, the grounds for revocation under the Charter School Act and/or the charter contract include, but are not limited to: lack of financial viability or insufficient funds available for the operation of the school; failure to meet generally accepted standards of fiscal management; material and substantial violation of any of the terms, conditions, standards, or procedures required under this chapter or the charter contract; failure to meet or make sufficient progress toward the performance expectations set forth in the charter contract; substantial violation of any material provision of law from which the charter school is not exempt; and

WHEREAS, based on the facts set forth above and supporting information, the Commission finds that there are grounds to issue a Resolution to Revoke. The Resolution to Revoke is

supported by Applicable Law, the PCM Charter Contract, and the Commission’s obligations under the Charter School Act;

NOW, THEREFORE, BE IT RESOLVED by the Commission that a draft Resolution to Revoke Pullman Community Montessori’s charter contract is hereby approved, with authority delegated to the Commission’s Executive Director and/or Deputy Director to make final modifications to the draft resolution before the draft Resolution to Revoke is issued to PCM. This revocation is effective June 30, 2024.

Adopted this 31 day of May, 2024.

WASHINGTON STATE CHARTER SCHOOL COMMISSION

By: Christine Varela
Christine Varela, Chair
Washington State Charter School Commission

I certify that the foregoing Resolution No. 24-01 was adopted by the Commission at a special Commission meeting upon notice as required by law on May 31, 2024, by a roll-call vote of Aye 7, Nay 0, and Abstain 1.

By: Jessica de Barros
Jessica de Barros, Executive Director
Washington State Charter School Commission