



Notice to Revoke the Charter School Contract of Pullman Community Montessori

A. PROCEDURAL BACKGROUND

1. On March 15, 2024, the Commission voted to give Notice to Revoke the Charter School Contract of Pullman Community Montessori. The Commission also delegated authority to the Executive Director to prepare a Notice to Revoke and to provide Pullman Community Montessori with the Notice to Revoke.

2. **The Notice to Revoke was issued on March 22, 2024.** The Notice to Revoke is the first step in a process to determine whether or not the Charter Contract should be revoked. WAC 108-40-110. The next step is that the school has the opportunity to provide a written response to the Notice to Revoke. **The school's written response to the Notice to Revoke must be received within 30 days of the issuance of the Notice to Revoke.**

3. The decision to give Notice to Revoke was reached after extensive investigation and evaluation by Commission staff, public comment, and a public meeting in which the Commissioners considered the recommendation¹ to give Notice to Revoke. Under the Charter School Act, revocation is allowed where a school "otherwise failed to comply" with the Charter School Act, or where the school:

- (a) Committed a material and substantial violation of any of the terms, conditions, standards, or procedures required under this chapter or the charter contract;
- (b) Failed to meet or make sufficient progress toward the performance expectations set forth in the charter contract;
- (c) Failed to meet generally accepted standards of fiscal management; or
- (d) Substantially violated any material provision of law from which the charter school is not exempt.

RCW 28A.710.200. The Charter Contract also provides additional bases for revocation, including but not limited to lack of financial viability or insufficient funds available for the operation of the school. Contract § 16.2. The Washington State Legislature also added to the Charter School Act in 2023 language to increase the responsibility of the Commission to hold charter school boards accountable for financial oversight of schools.

B. REASONS FOR NOTICE OF REVOCATION

4. The Commission alleges that PCM is out of compliance with its charter contract and the law, including but not limited to : RCW 28A.710; Laws of 2023, ch. 356; WAC 108-30; WAC 108-40; Contract §§4.1, 4.2, 4.4, 4.5, 5.1, 5.2, 5.4, 5.11,5.21, 5.25, 6.4, 8.1, 8.2, 14.1, 14.2.1, 14.2.2, 15.1, 16.1, 16.2, 17.2, and Applicable Law.

¹ Please see the Recommendation Memorandum and Appendix in the public documents for the March 15, 2024 Special Meeting which provide additional details.

5. The Commission has received numerous complaints about PCM since late January 2024.² The Commission subsequently launched an investigation, which included gathering information, meeting with the Head of School and School Board, visiting the school to observe classrooms and recess, observing Board meetings, presenting at a Board meeting, meeting with current and former staff, and meeting with current and former families. This has been an intensive process in which numerous problems and concerns have been surfaced by the Commission and the School community.

6. Financial Viability and Lack of Effective Financial Oversight of the School

The school is not financially viable, has insufficient funds to operate and/or has an unsatisfactory financial status. The school also has deficient financial oversight. Examples of the bases for the Financial Viability and Lack of Effective Financial Oversight of the School by the Board include, but are not limited to the following:

- The School has experienced a significant drop in enrollment. The Commission has determined that due to the significant decrease in enrollment, and the number of days of cash on hand, the school has insufficient funds available for the operation of the school and that the school is no longer financially viable. As of March 20, 2024, the school reported 90 enrolled students compared to 136 budgeted. The school is at 66% of budgeted enrollment. Since January 26, 2024, 34 students have unenrolled (prior to January 26, enrollment was 113). Enrollment variance is important to track the sufficiency of revenues generated to fund ongoing operations. A school sets its budget based on projected enrollment, but is funded based on actual enrollment; therefore, a school that does not meet its enrollment targets or that experiences a sudden and severe drop in enrollment (as PCM has) may not be able to meet its budgeted expenses. The charter contract may be terminated if the Commission determines that there are insufficient funds available for the operation of the School. The contract defines insufficient funds as including, but not limited to, reduction in, or elimination of, state allocation of funds.

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.

The school reported to the Commission on February 12, 2024 that it had 17 days cash on hand (by contrast, in October the school had 37 days of cash on hand). The Financial Performance Framework standard for schools in Year 3 and beyond (PCM is in Year 3) is 60 days of cash on hand. If a school has less than 15 days of cash on hand, they will not be able to operate for more than a few weeks without another cash inflow.

On March 14, 2024, the school provided updated information and reports now having 21 days cash on hand. The school submitted a revised 5-year draft budget to the Commission on March 20, 2024 that *anticipates* having 7 days of cash on hand by August. This projection is based on extremely thin margins and fewer staff than required under the Educational Program Terms in the contract (a change not approved by the Commission). The school's projection is based on an

² The Legislature modified the Charter School Act in 2023 to add oversight by the Commission for "a pattern of well-founded complaints."

average enrollment of 104 students. Apportionment [funding] from the state is based on average enrollment through the school year.

The Board's financial oversight and monitoring is deficient. The Commission's Finance Committee met with the board's Treasurer and Financial Analyst on February 28, 2024. At the meeting, the school was unable to definitively provide basic information on the school's "burn rate," or average monthly expenditures. The school was also unable to provide a definitive number of days of cash on hand. The school did not have a financial plan for the remainder of the school year and stated that they had not thought about what would happen if the school had to close due to financial insolvency. The school followed up with more information on cash flow management, however, as noted above, the current financial plan is fragile, and the Board does not demonstrate a clear understanding of the school's finances.

7. Unilateral change to Educational Program Term

- a. The school has violated the Commission approved Educational Program Terms and Design Elements of the charter contract by unilaterally changing the Educational Program Term 1 without Commission approval. This violation also implicates the Board's oversight obligations. The information below provides a brief overview of violation.
- b. Despite expressly advising the Head of School that the Commission would need to review and approve a change requested to the educational program terms and conditions before the School could proceed with the proposed change (a lengthy process), the Head of School initiated the change without Commission approval (Commissioners would need to vote on a change of this type). The change involved combining classrooms so that students spanning grades 3 through 7 (a five year grouping, rather than the three year grouping approved by the Commission) were taught in one classroom, with one teacher and one classroom assistant (or Instructional Assistant (IA)) in the classroom.
- c. The school proceeded with a unilateral change in Educational Program Term 1 without obtaining Commission approval. The unilateral change by the school was made after multiple communications from the Commission advising the Head of School and the board chair that the change could not be made unilaterally and required Commission approval.
- d. During a site visit on February 26, 2024, the Commission's Executive Director observed the classrooms operating as one. At the site visit, both the classroom teacher and the IA described the classroom as operating together, and described the arrangement as a combined classroom. One staff member stated that students were combined for almost the entire day, except for a maximum of 30 minutes when they were separated.
- e. Since receiving the Notice of Perceived Problem from the Commission on February 29, 2024 regarding the unilateral change in Educational Program Term 1 by the school, the school has contended that the classrooms are operating separately.
- f. Charter public schools authorized by the Commission must adhere to specific Educational Program Terms outlined in the charter contract. PCM has three Educational

Program Terms in its contract. Educational Program Term #1 is “Developmentally appropriate age-grouped classrooms.” This includes “three-year blocking of ages by developmental appropriateness in accordance with international Montessori standards.” As further described in the school’s Educational Program Term #1, “These stages represent sensitive periods, or periods of significant physical and/or cognitive development, where different strategies and tools are required to effectively address the needs of the individual. Content and learning environments in a Montessori classroom are customized based on these developmentally appropriate age groupings.” This Educational Program Term also includes a requirement that “Classrooms feature a dual certified teacher paired with a trained classroom assistant with paraprofessional certification.”

8. Board has failed to: ensure legal and contractual compliance; and hold the Head of School accountable to resolve concerns raised by members of the school community.

In addition to the Board oversight deficiencies identified elsewhere in this notice, additional deficiencies are described below.

a. Lack of Effective Operational and Educational Oversight of the School

The school is deficient in safety compliance, and lacks board capacity and adherence to minimum Board members. Examples of the Lack of Effective Operational and Educational Oversight of the School include, but are not limited to the following:

- Compliance The school has not met deadlines for submission of required compliance documents in the compliance calendar. The compliance calendar is issued annually to schools and identifies Commission-specific reporting requirements that schools must satisfy. The Commission has communicated with the school as deadlines were missed to establish reasonable timelines for completion. However, deadlines continued to be missed. The due dates required by the Annual Compliance Calendar can be extended in extenuating circumstances, but this is meant to be an exception to standard operating procedure. The failure to meet compliance deadlines puts the school out of compliance with the charter contract.
 - Of the 35 Epicenter compliance submissions required by the charter contract, 9 (or 24%) have been submitted late this school year (early September 2023 to mid-March, 2024).
 - The School’s Annual Performance Report for the 2022-23 school year is currently outstanding. The original due date was October 1, 2023. The Annual Performance Report is currently approximately 172 days overdue as of March 22, 2024. As per charter contract section 14.2.2, “The School shall also provide required documentation, data, information and reports identified in Attachment 10: Identification of Documentation Required for Annual Performance Report by the deadlines identified in the Master Calendar.” Currently this report is long overdue, which makes it difficult for Commission staff to assess school performance for school year 2022-23.
 - On January 30, 2024, the Commission was notified by the Office of the Superintendent of Public Instruction (OSPI) that the school had not submitted the restraint and isolation data for the 2022-23 school year to OSPI as required by January 1, 2024. This is a violation of charter contract section 5.2, Public School Status, where it states that the school is subject to all local, state, and federal requirements for reporting. It also violates RCW 28A.600.485 (7)(a), which states “by January 1st annually, each school

district shall summarize the written reports received under subsection (5) of this section and submit the summaries to the office of the superintendent of public instruction. For each school, the school district shall include the number of individual incidents of restraint and isolation, the number of students involved in the incidents, the number of injuries to students and staff, and the types of restraint or isolation used.” Concerns about having a limited number of individuals trained in restraint were brought to the attention of the Commission on January 26, 2024, in an email shared by school leadership from a former employee. Use of restraint was also observed in a lower elementary classroom during the Commission’s site visit on February 1, 2024. The school notified Commission staff that this submission was completed by the school on February 22, 2024.

- **Board Capacity and Governance**

- The PCM Board of Trustees has frequently been operating below the required number of Trustees according to the Board’s Bylaws as the Board experienced both departures from and additions to the Board. The Bylaws state that the minimum number of Trustees is five.
- The composition of the Board shall at all times be determined by and consistent with the Articles and Bylaws and Applicable Law. In carrying out their responsibilities, the law imposes on Board members the fiduciary duties of care, loyalty and obedience to the law. Contract Section 4.5.
- The founding Board Chair reported to the Commission and stated in public comment to the PCM Board at the February 26, 2024 board meeting that he resigned from the board in 2023 because he intended to terminate the Head of School and did not feel he could effectively govern the school with the Head of School leading.
- The school reported on March 21, 2024, that the Board Treasurer had resigned and one additional Board member was added. The Board currently has five members. two additional Board members were added, for a total of six members.

9. Inadequate Student Safety

The school is deficient in compliance with student safety requirements under the law and the Contract. The Commission has received a pattern of complaints from current and/or former staff and parents of the school regarding safety issues. Inadequate safety also implicates inadequacies in the Board’s oversight responsibilities.

a. Examples of Inadequate Student Safety include, but are not limited to the following:

- Student elopement on multiple different days.
- Unsafe student behavior that interrupts the educational and working environment, is harmful to themselves and others, and creates a physically and emotionally unsafe environment.
- Severe student bullying, in school and/or on the school bus.
- Additional incidents of safety issues where students were either physically harmed or threatened with harm were also reported in the current/former staff and parent meetings and communications, along with concerns of a lack of responsiveness to the safety issues by the school.

- Students and staff feeling fearful for their safety at school, that there is inadequate supervision of students to keep them safe, and being afraid to go to school.
 - b. The Commission required the school to immediately correct the safety deficiencies identified, and the school submitted a Safety Plan to the Commission on March 7, 2024. The Commission required additions to the Safety Plan, which the school is in the process of incorporating. The safety plan must be initiated immediately after approval by the Commission.
 - a. In its response to the Notice of Perceived Problem and Immediate Corrective Action requirement, sent to the Commission on March 7, 2024, the school provided data on incidents of elopements and restraints for the current school year. The school reported that there have been “less than 20 incidents of elopement that occurred within the building, isolated to specific students” and that students have been “MIA (when eye contact is lost with students...less than 10 times” this school year. The school also shared snapshots of data with the Commission on March 8, 2024 which showed eight incidents of restraint for the 2022-23 school year involving four students, and 48 involving at least five students for the 2023-24 school year so far. This is in comparison to one incident of restraint reported to OSPI for the 2021-22 school year. The school is minimizing an alarming number of student safety incidents, which should occur rarely or never at all with an effective multi-tiered system of support practices, policies, and procedures and Tiers 1, 2, and 3 supports.

10. Threats of retaliation from the Head of School (i.e., job loss)

In addition to legal and contractual deficiencies related to threats of retaliation by the Head of School against parents and teachers, this behavior also relates to inadequate Board oversight. Examples of threats of retaliation include the following:

- In the Commission’s meetings and correspondence with both current and former teachers, the threat of retaliation by the Head of School in the form of the Head of School indicating one’s job being at risk if negative information was made public by employees, was described multiple times. Section 5.25 of the charter contract prohibits against any direct or indirect intimidation, interference, or coercion of the employee in disclosing alleged improper action by the School, and hinders safety improvements.
- In the Commission’s meetings and correspondence with parents, the experience of and fear of retaliation by the Head of School in the form of targeting one’s student for reporting safety issues was described. For example, multiple parents described the threat or the act of school administration changing student absences from excused to unexcused, thereby threatening the parent with truancy court.

The school has hired a third-party investigator to address allegations of threats of retaliation. The Board has also put in place a process for the Board to participate in meetings between the Head of School and another party who is bringing a concern, for meeting notes to be taken and shared with all parties, and for the party bringing a concern to invite an additional person to attend meetings. The Board informed the Commission on March 19, 2024, that it had placed the Head of School on administrative leave beginning on March 18, 2024, pending the outcome of its investigation.

C. CONCLUSION

The legal and contractual violations above provide a basis for revocation of the Charter Contract of Pullman Community Montessori.

Dated this 22nd day of March 2024.

A handwritten signature in black ink, appearing to read "Jessica de Barros".

Jessica de Barros
Washington State Charter School Commission Executive Director