

A Case Study

Foreword

Schools are one of the most important organizations, if not *the* most important organization, in our modern-day society. Schools can symbolize fond memories of childhood and can be the heart of a neighborhood. So, it is not surprising that when a school closes, it is often hard for the students, families, and community it serves. School closures, however, are an important and natural component of education ecosystems. While closure can be emotional and challenging, in many ways closure can be a sign that the education ecosystem is functioning and adapting to the changing needs of students and families. Often when a school is closed, there is negativity surrounding the closure, but closures generally happen to protect the best interests of students and families. The closure of Pathway Academy (PA) took place for this very reason – to protect the best interests of the students that attended the school. This case study is focused on the process of the closure of PA from March through October 2019 upon the board's decision to relinquish its charter on March 12, 2019. The Missouri Charter Public School Commission (MCPSC) sought a case study to evaluate its closure process as it continues to refine its practice to be best-in-class. In addition, this case study is intended to be shared with the broader education community in Missouri to encourage thoughtful dialogue around school closure policy, regulation, and practice. We are grateful to SchoolSmart KC (SSKC) for funding this case study.

Delbert Scott
President, Missouri Charter Public School Commission

Executive Summary

This case study is informed by qualitative research conducted through document review, as well as a series of stakeholder interviews. Upon the initiation of the closure of PA, MCPSC put various measures in place to document the closure process itself. These documents were collected and organized in Epicenter. Additionally, 26 stakeholders were interviewed in September and October 2019 using a standardized interview protocol. The objectives of this case study are as follows:

1. **Document** the closure process of PA from March - October 2019

According to the National Association of Charter School Authorizers (NACSA), "at the end of each closure, the strongest authorizing boards and executives *know* their decision to close a charter school was sound, based on the evidence they heard, the policies that guided them, and a focus on the best interests of children."ⁱ In general, stakeholders reported that it was the right decision to close PA, and that the closure process was completed with both competence and efficiency. The closure started promptly after the board's decision to relinquish control of the charter at the March 12, 2019 board meeting and will officially conclude upon the dissolution of the non-profit in late 2019. The closure process was overseen by a Closure

Coordinator hired and paid for by MCPSC. The PA board held monthly board meetings to approve important decisions at each juncture. To guide the closure process, MCPSC developed a detailed Closure Plan, informed by NACSA best practices, consisting of four main focus areas: Financial; Student Enrollment/Records; Disbursement of Assets (Facility and Inventory); and, Communication.

2. Synthesize stakeholder feedback and lessons learned to **improve** the MCPSC Closure Plan

The PA closure is the first closure that MCPSC has overseen since it started sponsoring schools in 2015. Stakeholders provided the following recommendations for MCPSC to consider in revising its Closure Plan:

- Hiring an experienced Closure Coordinator was critical to the success of the PA closure. Going forward, MCPSC should plan on hiring a Closure Coordinator in the event of a school closure.
- MCPSC should consider revising its Closure Plan to include communication exemplars, as well as clear articulation of roles and responsibilities for stakeholders. The Closure Plan should be shared up front to crystalize expectations for all parties' involvement in the closure process.
- The development, compliance, and enforcement of strong board policies will help to mitigate challenges with closure.
- Several unique characteristics contributed to the successful and expedient closure of PA. Going forward, stakeholders must contemplate implications for closures of schools that are larger in size, led by school leadership hostile to closure, or without large enough cash reserves to pay for closure. The variables unique to each school might be discussed by MCPSC with school leadership to adjust the Closure Plan up front.
- MCPSC should consider the role that a real estate agent can play in ensuring transparency, fairness, and accountability in real estate transactions in the event of a school closure. These assumptions should be built into closure budgets and policies around escrow.
- During the PA closure process, it was clear that additional hands and effort were necessary to move inventory and sort records. It may be necessary to build labor into the Closure Plan and budgeting.

3. **Recommendations** for broader community conversations

- **Strong sponsorship and governance can help to prevent school closures.**
Strong accountability with regard to a performance contract and transparency across stakeholder groups is critical. Study should be given to the process and communication around placing a school on probationary status. In addition, charter school boards must understand their fiduciary and legal responsibilities through ongoing and improved board education and monitoring by the sponsor.
- **Timing is key. Closures should be timed to best serve students and families.**
The PA closure took place in March, after Kansas City school lotteries, thereby limiting the choice of PA students and families for enrollment in a new school for the 2020-2021 school year; however, the timing was unique in this situation because of transfer of sponsorship. Going forward, closure decisions should be made before February 15 when possible to ensure students have various enrollment options in new schools.
- **State closure policies and regulations should be studied by a group of stakeholders in 2020.**
State school closure legislation and/or regulation could help to ensure consistency, transparency, and accountability. A study on school closure practices by the Center on Reinventing Public Education (CRPE) argues that "state and local policymakers could assist future districts and authorizers by providing greater clarity about whether closure is possible, under what circumstances, and what procedures must be followed to shut a school down responsibly. More explicit regulation and guidance at the state and local levels could remove one significant barrier – uncertainty – from the plates of authorizers and district leaders."ⁱⁱ Stakeholders also might explore the possibility for sponsors to receive statutory receivership in the event of a school closure.

Introduction

PA opened in 2009 in Kansas City, Missouri as a K-8 charter public school, sponsored by the University of Missouri - Kansas City (UMKC). The school originally contracted with Edison Learning as its Education Service Provider. In 2010-2011, PA reduced its enrollment to serve students in K-6. In June 2012, the board ended its contract with Edison Learning, and in 2013 Edison Learning filed an arbitration demand. This arbitration was decided in PA's favor in October 2014. PA was awarded cash and was granted ownership of the facility located at 2015 East 72nd Street.

In November 2014, PA's charter was renewed by UMKC. In 2017, UMKC placed PA on probation for failing to meet goals outlined in its performance contract. In October 2018, UMKC announced it would be ending its role as a charter school sponsor. As a result of UMKC's announcement, the PA board searched for a new sponsor. Its application for sponsorship was denied by University of Missouri - Columbia and Kansas City Public Schools (KCPS). MCPSC voted to accept any transfers from UMKC. PA transferred to MCPSC on December 4, 2018.

According to MCPSC, it implemented its performance framework by collecting baseline compliance evidence from PA. According to MCPSC, the school and board were unable to provide many basic and statutorily related documents. In other cases, the documents provided showed compliance violations. MCPSC issued an official Letter of Concern on February 27. The PA board issued a Response to the Letter of Concern as requested by MCPSC on March 8.

Additionally, as part of MCPSC's transfer policy, MCPSC contracted with an external provider to conduct a comprehensive School Quality Review (SQR). SchoolWorks conducted the SQR in late February 2019 and voiced concern to MCPSC, the PA board, and school leadership about both the academic and financial state of the school. This review by an external evaluator validated MCPSC's concerns about the future of PA.

On March 12, 2019 the Executive Director of the MCPSC presented these findings to the PA board. Because the school failed to meet the conditions of its probation, MCPSC decided it would not be renewed in 2020. According to MCPSC, it was apparent the school did not have the resources to complete another school year, nor did the school have the leadership, enrollment, or academic program to be successful in its final year. The PA board voted on March 12 during a scheduled board meeting to relinquish control of the charter effective June 30, 2019.

PA at A Glance

→ **Mission**

Through perseverance, personal investment, pride, and respect, PA scholars will exceed academic standards in order to be successful in middle school, high school and university of their choice.

→ **Location**

2015 East 72nd St.
Kansas City, MO 64132
Southeast quadrant of KCPS attendance boundary

→ **Student Demographics**

Served 182 PK-4 students for the 2017-2018 school year:

- 95% of students qualified for free or reduced-price lunch.
- 11.73% were students with disabilities.
- 3% were English Language Learners.
- 83% of students were African American.
- 5% were Hispanic/Latino. 8% were multiracial or other.
- 4% were White/Caucasian.
- The largest grade level served was Kindergarten.
- In March 2019, 155 students were enrolled.

→ **Performance**

PA was placed on Probation by UMKC for the 2017-2018 and 2018-2019 school years for failing to meet performance contract goals. According to the FY18 Annual Report, the school:

- Partially met Academic Performance
- Partially met Financial Performance
- Fell far below Organizational Performance

Source: MCPSC PA Annual Report School Year 2017-2018

⇒ Objective 1 - Document the closure process from March - October 2019

Closure Coordinator and Transition Team

MCPSC established a closure process and framework based on NACSA's Principles and Standards. According to NACSA, it is best practice to designate a Closure Coordinator to oversee the closure process. After the PA board voted on March 12 to relinquish the school's charter by June 30, MCPSC hired a Closure Coordinator. The Closure Coordinator assembled a Transition Team. This team met monthly by phone; agendas were sent out in advance of meetings; and, minutes from the previous meeting were approved at each subsequent meeting. A parent and staff member were originally intended to be part of the closure team, but there was never a representative designated. The Transition Team consisted of the following entities: Closure Coordinator, PA Executive Director, Board Designee, DESE representative, MCPSC, Financial Services Vendor, MCPSC.

Transition Team Meetings

Meeting Date	# Attendees	Critical Issues Discussed
April 10	3	<ul style="list-style-type: none"> • Communication with parents and staff regarding closure of PA • Schedule of closure and closure budget • Issue discussed around accessing financial records and data
May 15	5	<ul style="list-style-type: none"> • Closure Coordinator indicated that by May 31 school would need to finalize teacher payroll, student placement, and complete real estate appraisal • Closure budget update
June 17	4	<ul style="list-style-type: none"> • Records management • Disbursement of assets • Final payouts to staff, closure, and disbursement teams • Closure budget update
July 23	6	<ul style="list-style-type: none"> • Closure Coordinator indicated student records were virtually complete, but operational records still being sorted for audit and scanning • All payroll paid out except one isolated circumstance • Board has accepted a bid for the appraisal price of \$1,210,000 with a closing date on or before August 16 • Inventory disbursement virtually complete • Department of Labor audit • Closure budget update

Board Involvement

The PA board, consisting of four members, met monthly during the closure process. The board designated a representative to serve as a member of the Transition Team. On April 16, the board moved and approved for the Closure Coordinator to spend and contract out for supplies or services as needed for the closure process. The PA board approved closure costs at each juncture. Below is a summary of board meeting dates, attendance, and actions during the closure process. The board's role will be terminated under dissolution of the non-profit in late 2019. The Board must complete a final audit. Afterwards, it will return any unused cash to DESE.

Meeting Date	Key Action Items
April 16	<ul style="list-style-type: none">• Closure Coordinator presented schedule and plan• Reported that eight teachers had not found new jobs
May 21	<ul style="list-style-type: none">• Financials overview provided
June 27	<ul style="list-style-type: none">• Board approved bid process for sale of facility• Board approved request to State Audit to conduct audit
July 22	<ul style="list-style-type: none">• Board approved sale of facility for \$1,210,000 to Frontier Schools
September 10	<ul style="list-style-type: none">• State Auditor accepted request from board to conduct audit

Closure Plan

MCPSC developed a detailed Closure Plan, informed by NACSA best practices, consisting of four main focus areas:

1. Financial
2. Student Enrollment /Records
3. Disbursement of Assets (Facility and Inventory)
4. Communication

In addition, the Closure Coordinator identified three phases of closure:

- **Phase I** – Before academic year ends (May 31)
- **Phase II** – Until end of fiscal year (June 1-30)
- **Phase III** – Finalization (July 1-September 30)

Cost of Closure

The original board-approved closure budget was \$180,890, which included a variety of components, including financial management services, audit fee, hiring a “Closure Team” to facilitate the records and inventory disbursement process, real estate services, records digitalization, distribution of equipment, and additional custodial services. The budget did not include the cost of the Closure Coordinator, which totaled \$25,000 and was paid by MCPSC. As of September 30, the school had expended a total of \$143,913.55.

Closure Plan Overview

1. Financial

Payroll, accounts payable, and general cash management of PA were managed by a financial services vendor because of personnel changes at PA. The month of April was largely focused on gaining access to financial accounts and records. The final payout to staff was completed by June 30. Final vendor invoices were paid in July. Funds from the sale of the facility were transferred to the State in August. The Closure Coordinator requested an audit by the State Auditor on August 13; this request was granted on September 4.

2. Student Enrollment/Records

KCPS and Show Me KC Schools both visited PA several times to provide enrollment information to families. The Closure Coordinator held two parent meetings – one on April 10 and the other on May 15. The Closure Coordinator also held office hours twice per week in April and May. Low attendance was reported. Initial communication regarding closure was sent to parents on March 14. Communication was sent home with parents at least every other week and posted to the school website. Internal records show that out of the 155 PA students enrolled at the end of the school year:

- On April 15, 66 students were enrolled in a new school for the 2019-2020 school year.
- On June 17, 89 students were enrolled in a new school for the 2019-2020 school year.

There have not been successful tracking efforts to date to verify the current placement of PA students. Show Me KC Schools may be able to provide a “best guess” for the current enrollment of students. Alternatively, review of October MOSIS data through DESE may also allow for the tracking of student enrollment for the 2019-2020 school year.

PA did not have digital student records. Therefore, the paper records of former and current students had to be located in various storage areas in the facility and had to be scanned and digitalized. Contracted labor that comprised the “Closure Team” was hired because the school did not have the staff to complete the manual labor required for closure. This “Closure Team” took the lead in locating boxes of records in the building. American Micro was hired to complete the digitalization process. Hard copies were provided for families to pick up or mailed via certified mail in June. Digitalized records were provided to KCPS in July and to DESE and MCPSC in November.

3. Disbursement of Assets (Facility and Inventory)

PA owned the facility, which allowed for board control of the sale of this asset. The Closure Coordinator and MCPSC Executive Director consulted with a real estate consultant regarding the appraisal process and the potential engagement of a real estate agent. The real estate consultant received three bids from appraisers; the lowest bid from an appraiser was approved. This appraisal was completed on June 14. The board voted on June 27 to conduct a sealed bid process without the assistance of a real estate agent. The board set the floor bid at \$1,210,000 with the facility sold “as is” with any remaining furniture. Bids were due July 22. The board set the following criteria for the sale:

- Price
- Best and highest use for the property
- Academic success of the organization purchasing the building as reflected in its MAP scores (if it is a Missouri public school)
- Proof of funds or pre-approved loan documents
- Ability to close on or before August 16, 2019

The Closure Coordinator circulated the notice of sale/closed bid process to other schools on July 3. There were two Open Houses held on July 9 and 10. The sale was advertised in The Daily Record, Kansas City Star, and on the school's website. The board voted on July 22 to sell the facility to Frontier Schools for \$1,210,000.

Inventory disbursement proved to be a formidable challenge for the closure of PA because of the quantity of inventory located at the school, much of it reported as never used. The school did not have an annual inventory process or protocol; however, the Closure Coordinator documented inventory in each classroom immediately after the closure was announced by taking photographs. The inventory disbursement process started in April and was completed by the end of May. The Closure Coordinator hired extra staffing to assist with the inventory and records processes. This Closure Team used a scanner and barcode system to inventory assets to be disbursed. "Tier 1" schools – schools identified because they were the top five public schools to enroll PA students – were invited on June 6 to view the inventory on July 19 to identify items to pick up on June 21. KCPS was given the opportunity to view the inventory first, since they had enrolled the most PA students at that time. Academy for Integrated Arts, Brookside Charter School, Genesis, and The Kauffman School were the other schools given priority. Visiting staff were provided pre-printed labels with a barcode assigned to their respective school to place on the items chosen. The only limitation was that each entity was limited to five Smart Boards. On July 10 and 11, other non-profits in the KCPS attendance boundary were allowed to take inventory that was still available. Remaining books were donated to the Kansas City Public Library.

4. Communication

Upon the March 12 board decision to relinquish control of the school's charter, MCPSC issued a press release. Key stakeholders – DESE, KCPS, Show Me KC Schools, and SSKC – were notified by MCPSC within 24 hours of the board's decision. Parents were notified via a letter sent home in students' backpacks on March 15. Show Me KC Schools provided telephone and email outreach regarding enrollment starting in late March. The Closure Coordinator held two meetings – one on April 10 and the other on May 15 – for staff and parents. In addition, the Closure Coordinator also held office hours twice per week in April and May. Staff members primarily requested information and assistance from the Closure Coordinator with regard to payroll concerns. The school's Executive Director worked individually with staff members as requested to assist with new placement. In general, low staff morale was reported. It was widely reported that parents were generally not engaged in the enrollment process for their students. Several stakeholders reported that confusion around closure from parents and families continued well into the summer.

Closure Timeline

	Priority Objectives	Important Dates
March	<ul style="list-style-type: none"> • Closure Coordinator hired • Financial services vendor identified • Staff communication about closure • Classroom inventory 	<ul style="list-style-type: none"> • March 12 – Pathway Academy Board votes to relinquish charter as of June 30, 2019 • March 12-13 – Key stakeholders notified of closure • March 15 – Closure Coordinator hired by MCPSC • March 15 – Parents notified of closure via backpack letter
April	<ul style="list-style-type: none"> • Parent communication about closure and enrollment • Financial accounts and records access 	<ul style="list-style-type: none"> • April 10 – Closure Coordinator hosts two parent meetings (one in AM; one in PM) • April 10 – Closure Coordinator hosts three staff meetings with different grade level teams • April 10 – Transition Team meeting • April 16 – Board meeting • Closure Coordinator holds office hours twice per week
May	<ul style="list-style-type: none"> • Access to financial accounts and records • Health insurance payment • Three Audits • Enrollment fairs by KCPS and Show Me KC Schools • Records copying and scanning • Inventory of assets to be disbursed 	<ul style="list-style-type: none"> • May 15 – Closure Coordinator hosts two parent meetings (one in AM; one in PM) • May 15 – Closure Coordinator hosts three staff meetings with different grade level teams • May 15 – Transition Team meeting • May 21 – Board meeting • Closure Coordinator holds office hours twice per week
June	<ul style="list-style-type: none"> • Appraisal conducted of facility; bid process developed and approved by board • Inventory disbursement to “Tier 1” schools • Final staff payout complete • Records scanning 	<ul style="list-style-type: none"> • June 6 – “Tier 1” schools notified of invitation to participate in disbursement (deadline to RSVP June 12) • June 14 – Appraisal completed • June 15 – Final staff payout • June 17 – Transition Team meeting • June 19 – Disbursement day for “Tier 1” schools • June 27 – Board meeting
July	<ul style="list-style-type: none"> • Facilities sale complete • Final asset disbursement • Final vendor invoices paid • Records sent to KCPS, DESE, MCPSC 	<ul style="list-style-type: none"> • July 3 – Email out to other schools regarding facility bid process • July 9 and 10 – Facility open house • July 10 and 11 – Open inventory asset disbursement • July 22 – Facility bids due • July 22 – Board meeting to vote on sale of property • July 23 – Transition Team meeting
August	<ul style="list-style-type: none"> • Financial records organization continues 	<ul style="list-style-type: none"> • August 13 – Request to State Auditor to perform audit • August 15 – Closing on building • August 16 – Frontier final payment
Sept/Oct	<ul style="list-style-type: none"> • Audits and digitalization of financial records 	<ul style="list-style-type: none"> • September 4 – State Auditor’s office agrees to perform audit • Auditor selected for FY19 DESE audit • Dissolution papers filed

⇒ Objective 2 - Synthesize stakeholder feedback and lessons learned to improve the MCPSC Closure Plan

MCPSC sought a case study on the PA closure to inform its Closure Plan. As such, 26 interviews were conducted in September and October 2019 to gather feedback and extrapolate lessons learned from stakeholders. Evidence from stakeholders has been triangulated, along with document review, to identify key findings. These key findings are intended to inform changes and refinements to the MCPSC Closure Plan.

Closure Coordinator is Key

A study on school closure practices by the CRPE argues that "in addition to credibility and objectivity, external partners may also offer the only feasible form of full-time oversight for the closure process in districts and authorizing offices that do not have staff or resources dedicated to managing school closures."^{iv} The closure process for PA took essentially five months to complete and overall was reported as effective and efficient. The hiring of a Closure Coordinator was cited as critical to the expediency of the process. The PA Closure Coordinator was experienced in school closures and had a legal background, both aspects reported as important.

Clear Communication – Closure Plan, Roles and Responsibilities, and Timeline

Despite having several stakeholders serve as members of the Transition Team, participation and ownership was limited. Going forward, MCPSC should revisit objectives, expectations, and make-up of the Transition Team. NACSA's School Closure Guide notes that "it is important that the notification of different stakeholders occurs concurrently and within the first 24–48 hours after the closure decision has been made. This will help to stave off rumors and misinformation."^v It was reported that communication about the closure to a variety of stakeholders was unclear and sometimes poorly executed. MCPSC offered communication contract services at no cost to PA school leadership; however, this communications expertise was not utilized. Going forward, MCPSC could have a packet of sample communication documents, including protocol, messaging, and delineation of roles and responsibilities with regard to communication in place up front to ensure proper and immediate execution. NACSA recommends

Student Transition Team

- Student enrollment efforts at PA were largely reported as insufficient and ineffective. As of June 17, only 89 out of 155 PA students were reported as having enrolled in a new school for the 2019-2020 school year. While the timing of this particular closure right after the lottery period was a challenge, there are other measures that MCPSC could consider in the future to ensure students and families have better resources and access to find high-quality options. MCPSC could consider more closely tracking student enrollment data and including this in its Closure Plan. Additionally, closer attention should be paid to giving students of the closing school priority applications during the re-enrollment process.
- In addition to the Transition Team, MCPSC may consider forming a **Student Transition Team** managed by an outside party or parties that serve as family advocates/navigators. NACSA recommends a Student Transition Team as part of their closure best practices.ⁱⁱⁱ This team would be responsible for communication with students and families and managing enrollment activities. This team could also be responsible for tracking the enrollment of students to provide more robust data about the effects of closure on enrollment patterns of students.

that communication regarding closure be issued from the school and authorizer.^{vi} Additionally, MCPSC should consider sharing its Closure Plan with a variety of stakeholders up front and having discussions with school leadership early in the process about ways that the Closure Plan will need to be tailored to the particular needs of the closure at hand. A revised Plan might consider including a timeline, as well as an articulation and delineation of roles and responsibilities. A revised plan could also include three phases of closure identified by the Closure Coordinator: Phase I – Before academic year ends; Phase II – Until end of fiscal year; Phase III – Finalization.

Preventative Policies and Compliance Oversight

The development, compliance, and enforcement of strong board policies will help to mitigate challenges with closure. MCPSC has already taken steps to strengthen compliance and oversight of policies. Examples include:

- Strong financial controls aligned with required MCPSC policies, developed and managed by the board, and verified regularly by the sponsor
- Annual inventory of assets by teachers, managed by administrators, and verified annually by the sponsor
- Annual digitalization of student and financial records by school, and verified annually by the sponsor
- Paid Time Off (PTO) policy that prevents roll over
- Verify escrow for closure costs; consider increasing amount higher than \$75,000 given that expenditures to close PA, a relatively small school with board relinquishment of charter, totaled \$143,913.55 as of September 30
- A series of board policies in case of closure, including but not limited to:
 - Financial controls to be executed immediately upon or potentially leading up to the closure decision
 - Control of website and other communications given to sponsor or designee
 - Human resources and IT

The PA closure is unique.

Several unique characteristics contributed to the successful and expedient closure of PA. Going forward, stakeholders must contemplate implications for closures of schools that are larger in size, led by school leadership hostile to closure, or without large enough cash reserves to pay for closure. The variables unique to each school might be discussed by MCPSC with school leadership to adjust the Closure Plan up front. Characteristics unique to the PA closure include:

- Board decision to relinquish charter
- Sponsorship focused on accountability
- Experienced Closure Coordinator with legal background
- Support from the school's Executive Director
- Ability to hire credible financial services vendor
- Facility was owned by school
- PA held cash reserves

Real Estate

Ownership of the facility coupled with interest from potential buyers resulted in the subsequent ability of the PA board to facilitate a closed bid process for the sale of the PA facility. However, PA's situation was unique.

MCPSC should consider the role that a real estate agent can play in ensuring transparency, fairness, and accountability in real estate transactions in the event of a school closure. These assumptions should be built into closure budgets and policies around escrow. The sale of the PA facility was completed in an efficient manner to ensure prompt dissolution of the entity and with the intent of protecting the interests of taxpayers. Going forward, actors may want to study and consider the implications of one school closure on the broader K-12 ecosystem.

Hands on Deck

Additional contracted employees, which comprised the “Closure Team,” were critical to the timely completion of student records digitalization and inventory disbursement. During the PA closure process, it was clear that additional hands and effort were necessary to move inventory and sort records. It may be necessary to build labor into the Closure Plan and in budgeting.

⇒ **Objective 3 – Recommendations for broader community conversations**

Strong sponsorship and governance can help to prevent school closures.

NACSA recommends: “The most effective way to hold schools accountable for their ongoing performance the most effective way to avoid calamity - is to clearly articulate expectations and to actively and consistently enforce consequences for failing to meet them. Expectations and obligations – and the consequences for failing to meet them – should be clearly spelled out in the authorizer’s academic, financial, and organizational performance framework and incorporated into each school’s charter contract.”^{vii} Strong accountability with regard to a performance contract and transparency across stakeholder groups is critical. Study should be given to the process and communication around placing a school on probationary status. In addition, charter school boards must understand their fiduciary and legal responsibilities through ongoing and improved board education and monitoring by the sponsor.

Timing is key. Closures should be timed to best serve students and families.

The PA closure took place in March, providing enough time before the end of the school year to achieve certain closure objectives. The decision to close took place after Kansas City school lotteries, thereby limiting the choice of PA students and families for enrollment in a new school for the 2020-2021 school year; however, the timing was unique in this situation because of transfer of sponsorship. Going forward, closure decisions should be made before February 15, but not so early that staff and student departures prohibit the completion of the school year. A study on school closure practices by the CRPE indicates: “When a school closure decision is announced too early, teachers and other school staff may leave mid-year for other jobs, leaving little or no staff to carry out the closure process at the school level.”^{viii}

State closure policies and regulations should be studied by a group of stakeholders in 2020.

State school closure legislation and/or regulation could help to ensure consistency, transparency, and accountability. A study on school closure practices by the CRPE argues that “state and local policymakers could assist future districts and authorizers by providing greater clarity about whether closure is possible, under what circumstances, and what procedures must be followed to shut a school down responsibly. More explicit regulation and guidance at the state and local levels could remove one significant barrier – uncertainty – from the plates of authorizers and district leaders.”^{ix} Stakeholders also might explore the possibility for sponsors to receive statutory receivership in the event of a school closure.

Conclusion

According to NACSA, “at the end of each closure, the strongest authorizing boards and executives *know* their decision to close a charter school was sound, based on the evidence they heard, the policies that guided them, and a focus on the best interests of children.”^x In general, stakeholders reported that it was the right decision to close PA, and that the closure process was completed with both competence and efficiency.

School closure will continue to happen throughout the state of Missouri. In 2020, stakeholders and policymakers should convene to study and dialogue around improved closure regulation and practice. NACSA argues that “the point of closing a low-performing school is to improve student learning and life opportunities and to protect students’ best interests.”^{xi} Efforts should be made to improve messaging and to more effectively communicate to media, influencers, and community members that while school closures can be controversial and emotional, at the core of these efforts is the collective will to do what’s best for students.

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- ⁱ National Association of Charter School Authorizers. (2014). *Accountability in Action: A Comprehensive Guide to Charter School Closure*. Chicago, IL.
- ⁱⁱ Center for Reinventing Public Education. (2008). *Closing Troubled Schools*. Seattle, WA.
- ⁱⁱⁱ National Association of Charter School Authorizers. (2014). *Accountability in Action: A Comprehensive Guide to Charter School Closure*. Chicago, IL.
- ^{iv} Center for Reinventing Public Education. (2008). *Closing Troubled Schools*. Seattle, WA.
- ^v National Association of Charter School Authorizers. (2014). *Accountability in Action: A Comprehensive Guide to Charter School Closure*. Chicago, IL.
- ^{vi} Ibid.
- ^{vii} Ibid.
- ^{viii} Center for Reinventing Public Education. (2008). *Closing Troubled Schools*. Seattle, WA.
- ^{ix} Ibid.
- ^x National Association of Charter School Authorizers. (2014). *Accountability in Action: A Comprehensive Guide to Charter School Closure*. Chicago, IL.
- ^{xi} Ibid.

MCPSC Closure Plan

Category	Description of Required Actions	Responsible Party	Deadline	Status
Academics	Assure Instruction Continues throughout the Year Board chair, School Leadership, Commission Executive Director and DESE (Field Directors) meet. School presents plan to keep school open and instruction rigorous throughout the year.	Board chair, School Leadership, Commission Executive Director and DESE	One month	
Academics	Continue to Adminster MAP Test in accordance with state regulations and policies	School Leaders	Ongoing until end of school year	
Academics	Terminate Summer School Program: Notify DESE, staff and parents that any planned summer school will no longer be conducted	SCC, appropriate Liaison or School Leader	Within 10 days	
Academics	Final Report Cards Following the last day of instruction the school will: *Compile all student records and final report cards *Provide parents/guardians with copies of final report cards and notice of where student records will be sent with specific contact informtaion	CEO, School Leader	Within one week following final day of instruction	
Communication	Notification of Parents/Guardians Transition Team shall notify parents/guardians of decision to close. Notification should minimally include: *date of last day of instruction *Cancellation of any planned summer instruction *Notice to parents that enrollment of children in school is mandatory under state law *Listing of other public school options (district and charter) *Date of planned school choice fairs *Date of parent/guardian closure meeting *Instructions on how to obtain student records *Contact information for SCC or team designated Parent liaison	SCC, CEO	Within 72 hours	
Communication	Notification of Staff Notify all employees of termination of employment and/or contracts, and termination of all benefit programs. Notice to Employees should include information about: *COBRA *State Unemployment Eligibility *Known local job fairs or other assistance the planned to assist in transitioning *Instruction on how to obtain applicable records for future employment *Pertinent licensure information *Processing of tax documents *Contact information for SCC or team designated staff liaison	SCC, CEO	Within 72 hours	
Communication	Community Press Release Create and distribute a press release that includes the following: *History of School *Reason for Closure *Brief outline of support provided for students, parents and staff *Contact information for SCC or team designated community liaison	SCC, CEO	Within 10 days	
Communication	Notification of State: Letter to the State Board should include: *Reason for Closure *Timeline for transition including last day of instruction *Copy of termination agreement *Contact information for SCC	SCC	Within 10 days	
Communication	Notification of Local District and other Charters This should include: *Materials shared with parents and students *Timeline for transition including last day of instruction *Termination of any partnership agreements with District or other charters upon last day of instruction *Request for information on enrollment procedures to share with students and families	SCC or designated Community Liaison	Within 10 days	
Communication	Provide Regular Communication with the Board: Provide regular meeting materials to the board as well as documents and minutes from transition team meetings.	Board Chair	Ongoing until final dissolution	
Communication	Notification of Funding Sources/Charitable Partners/Community Partners: All sources of oprational funding and charitable partners should be notified of the school closure and last day of instruction. The LEA should not accept additional loans from funders, foundation, etc nor otherwise inclur liabilites. The LEA may continue to accept donations or gifts as long as the donor is awrae of the school's closure status. Partners with property on the premises of the school should be notified to remove the property as soon as possible or after the last day of instruction, whichever is appopriate.	Board chair, CEO	Withing 30 days	
Communication	Convene a Parent/Guardian Closure meeting. Meeting school include the following topics: ● Provide overview of closure decision ● Provide calendar of important dates for parents ● Provide specific remaining school vacation days and date for end of classes ● Present timeline for transitioning students ● Present timeline for closing down of school operations ● Provide contact information for SCC	CEO, Board Chair, SCC	Withing one week	

Communication	<p>Benefit Providers: The school will notify all benefit providers of pending termination of all employees and notify the payroll processor of pending closure of the school. Terminate all programs as of the last date of service in accordance with applicable law, CBAs and regulations (i.e., COBRA), including: * health care / health insurance; * life insurance; * dental plans; * eyeglass plans; * cafeteria plans; * 401(k), retirement plans; and, * pension plans. Specific rules and regulations may apply to such programs especially teacher's retirement plans so legal counsel should be consulted.</p>	CEO or CFO	Within 15 days	
Communication	<p>Talking Points: Create talking points for staff and parents. Focus of talking points should be on communicating plans of an orderly transition of students and staff. This should be given to all staff and included in communication with parents.</p>	Board Chair	within one week	
Communication	<p>Convene a Staff meeting to communicate closure information. Meeting school include the following topics: <ul style="list-style-type: none"> • Commitment to continuing coherent school operations through the transition • Provide calendar of important dates for staff • Provide specific remaining school vacation days and date for end of classes • Plan to assist students and staff by making closing as smooth as possible • Present timeline for closing down of school operations • Compensation and benefit timelines • Copies of information shared with families • Provide contact information for SCC </p>	CEO, Board Chair, SCC	within one week	
Finance	<p>Assess current Financial Situation Charter school Board must understand what its cash flow position is as well as its general assets and liabilities in order to determine if it can stay open to the end of the current school year.</p>	SCC, Board Chair, CFO	One week	
Finance	<p>Maintain Insurance: Maintain existing insurance coverage until the disposal of such assets under the school closure action plan. Continue existing insurance for the facility until the disposal or transfer of real estate or termination of lease and disposal, transfer, or sale of other assets are sold. Maintain existing directors' and officers' liability (D&O) insurance until the final dissolution of the school.</p>	Board chair	Ongoing until final dissolution	
Finance	<p>Reserve Funds: Pursuant to the Charter Agreement, segregate by Education Corporation Board resolution in an escrow account or attorney trust account a minimum of \$75,000 in funds (as directed by the Institute) to be used for legal, accounting and other expenses to execute this Closure Plan, dissolve the Education Corporation pursuant to §§ 219 or 220 of the Education Law and for any associated court proceedings including those associated with §§ 510-511 of the New York Not-For-Profit Corporations Law. The Institute will determine the exact amount. Identify closure reserve funds and acceptable use of such funds to support the orderly closure of the school. These funds may be used to pay the following entities: <ul style="list-style-type: none"> • Retirement systems • Teachers and staff • Employment taxes and federal taxes • Audit preparation • Private creditors • Overpayments from DESE </p>	SCC	Upon Decision	
Finance	<p>Reporting of Financial Condition: Continue to prepare and present monthly financial statements until the finalization of closure. At a minimum this should include: *Current balance sheet *Current income statements *Monthly cash flow statements *Statement of Liabilities</p>	CFO	Ongoing until final dissolution	
Finance	<p>Secure Financial Records Ensure all financial records are organized, up to date and maintained in a secure location</p>	SCC or Board Chair	Upon Decision	
Finance	<p>Notify Contractors/Vendors: Formulate a list of all contractors and vendors with contracts in effect with school and: *Notify them regarding school closure and cessation of operations *Instruct contractors and vendors to make arrangements to remove any property from the school by a certain date *Maintain telephone, gas, electric, water, insurance, D&O liability insurance, long enough to cover the time period required for all necessary closure procedures</p>	CEO	Within 15 days	
Finance	<p>Notify Creditors and Debtors: Formulate a list of all creditors and debtors and any amounts accrued and unpaid with respect to such creditor or debtor and: <ul style="list-style-type: none"> • Solicit from each creditor a final accounting of the school's accrued and unpaid debt • Compare the figures provided with the school's calculation of the debt and reconcile. • Where possible, negotiate a settlement of debts consummated by a settlement agreement reflecting satisfaction and release of the existing obligations • Contact all debtors and demand payment. If collection efforts are unsuccessful, consider turning the debt over to a commercial debt collection agency. All records regarding such collection or disputes by debtors regarding amounts owed must be retained </p>	CEO	Within 15 days	
Finance	<p>Audit Engage, by vote of the board, an independent auditor subject to MCPSC and DESE approval, to conduct a final close-out audit of the school. The school will submit a signed and dated copy of the engagement letter to MCPSC and DESE along with an estimated timeline for the start and completion of the audit</p>	Board Chair	Within 30 days	

Finance	<p>Payroll and Employment Verification Reports: Provide a list of all payroll reports including taxes, retirement or adjustments on employee contracts as well as employment verification report for each employee including:</p> <ul style="list-style-type: none"> • Evidence of having made payment and arrangements for the timely and complete processing of all payroll documentation (W2's, 1099's, etc.). Evidence of such will consist of a signed and dated assurance from the provider. • An employment verification report to each employee at the end of their employment which includes the dates that the individual worked at the school, the position(s) held (including grade and subject taught if a teacher), and salary history. 	CEO or CFO	Within 30 days following final day of instruction	
Finance	<p>Itemized Financials: Review, prepare and make available:</p> <ul style="list-style-type: none"> • Fiscal year-end financial statements • Cash analysis • List of compiled bank statements for the year • List of investments • List of payables (and determinations of when a check used to pay the liability will clear the bank) • List of all unused checks • List of petty cash • List of bank accounts • List of all payroll reports including taxes, retirement or adjustments on employee contracts • Additionally, collect and void all unused checks as well as close accounts once transactions have cleared 	CEO	Within 30 days following final day of instruction	
Finance	<p>Conduct an Inventory and Plan for Disposition of Assets: Plan for the disposition of all assets, property, and inventory, including assets purchased with federal and Missouri State funds. Specifically, school will:</p> <ul style="list-style-type: none"> • Create a fixed asset list segregating Missouri State and federal dollars • Note source codes for funds and price for each purchase • Establish fair market value, initial and amortized for all fixed assets • Ensure that all liabilities and obligations of the School are paid and discharged to the extent of the School's assets • assets or materials related to federal grants must be inventoried pursuant to 34 CFR Part 80 et seq. and other applicable regulations. • Ensure that any unobligated assets be returned to DESE 	SCC, CEO	Within 30 days following final day of instruction	
Finance	<p>Final Closeout Audit: The school will submit a final closeout audit (by an independent CPA firm or Missouri State auditor, as determined by statute), which documents disposition of all liabilities.</p>	Board Chair	Within 120 days following the final day of instruction	
Finance	<p>Notification of Commercial Lenders / Bondholders School's attorney, banks, bondholders, conduit issuers, etc. should be notified of the school's closure and a likely date as to when an event of default will occur as well as the date of the last payment by the school toward its debt.</p>	Board Chair	Within 30 days	
Finance	<p>Notification of Food and Transportation Services Cancel school district or private food and/or transportation services for summer school and next school year.</p>	CEO, CFO	Within 45 days	
Finance	<p>Financial Wind Down and Action Plan: The Board shall collect debts, dispose of assets and negotiate with and pay creditors in an orderly fashion in accordance with a timetable and plan adopted by the board. Priority should be given to employee wages (including benefits) then to continuing the school's educational program through the end of the school year and retaining funds to complete the closure process. The initial plan should be adopted within 30 days of closure decision, and be updated at least bi-weekly with copies to MCPSC. The plan should include, but not be limited to, the following:</p> <ul style="list-style-type: none"> *Termination of non-essential personnel and cancellation of non-essential services prior to final day of operation. *Make final federal, state and local tax payments (every employer which pays wages to employees, is responsible for withholding, depositing, paying, and reporting federal, state and local income tax, social security taxes, and federal unemployment tax for such wage payments). *Auction / sale of assets in a manner that avoids conflicts of interest, and maximizes net revenue to the extent permitted by ongoing agreements with existing creditors. Sales must be a fair market value, and valuations may be needed for insider sales. *Liquidation or closing of bank accounts according to a schedule that minimizes fees but leaves the Education Corporation enough flexibility to pay creditors, attorneys, accountants, etc. during the course of the wind-up including funds for a final audit, and for dissolution in accordance with state statute and regulation. *Cancellation of corporate credit cards and lines of credit. *Change authorized signatures on accounts as needed to reflect changes in persons authorized to implement the winding down operations of the school. 	SCC, Board Chair, CFO, CEO	Within 30 days	
Finance	<p>Closeout of State and Federal Grants: State, federal and other grants must be closed out, including:</p> <ul style="list-style-type: none"> *notification to the grant entity of the school closure; *filing of any required expenditure reports or receipts and any required program reports, including disposition of grant assets <p>The school may continue to pursue grant funds to which it is entitled, provided that it fully discloses its current situation and intentions with respect to closure. The school should not seek or accept grant funds for future school years when the school will be closed. Grant status should be noted on financial statements.</p> <p>Note: For federal grants all of the above must be done in accordance with 34 CFR Part 80 et seq. or applicable regulations.</p>	CEO, CFO	Within 90 days	
Finance	<p>U.S Dept of Educaion Filings: File Federal form 269 or 269a if the Education Corporation was receiving funds directly from the United States Department of Education. See 34 CFR 80.41.</p>	CEO	Within 90 days	

Legal	<p>Notification of Management Company or CMO and Termination of Management Contract If applicable, notify management company or charter management organization ("CMO") of termination of education program and of the last day of classes and absence of summer instruction.</p> <p>Terminate management or CMO agreement or give notice of non-renewal/closure in accordance with management contract. If applicable, the management company or CMO should be asked for a final invoice and accounting including an accounting of any retained Education Corporation funds and the status of grant funds.</p> <p>The management company or CMO should also be notified that it should remove any property lent to the school, or in which it retains rights, after the EOC. The school should get a receipt for such property or an accounting as to the property equity status. (See below).</p> <p>The school n generally should not accept further loans from the management company / CMO, etc. nor otherwise incur additional liability. However, it may continue to accept gifts from the management company / CMO as long as the entity is aware of the school's closure status.</p>	Board Chair	Within 30 days	
Legal	<p>Notification regarding lawsuits As soon as possible after receiving notice and/or service of process regarding litigation against, or initiated by, the school, board of trustees, or employees, notify MCPSC and provide copies of legal papers received.</p> <p>The school has an ongoing obligation to keep MCPSC informed regarding such litigation, including bankruptcy, whether voluntary or involuntary, and provide copies of all filings</p>	Board Chair	Ongoing	
Legal	<p>IRS Status and Reports: The organization must continue to take all steps necessary to maintain 501(c)(3) status, including, but not limited to, the following: *notification to IRS regarding any address change of the Education Corporation; and, * filing of required tax returns or reports (e.g., IRS form 990 and Schedule A). *If the organization proceeds to dissolution, notify the IRS of dissolution of the organization and its 501(c)(3) status, and furnish a copy to MCPSC.</p>	Board Chair	Ongoing	
MCPSC Action	<p>Identify School Closure Coordinator: Contract with a School Closure Coordinator (SCC) or designate a MCPSC staff member to serve as SCC</p>	Deputy Director	Upon Decision	
MCPSC Action	<p>Establish ad hoc Closure Transition Team: The team will focus on providing a smooth transition of students and staff and to close down the school's business affairs. The team will include: *SCC *Board Chair *Chief Executive Officer *School Leader(s) *CFO or Board Treasurer *Parent *Representative from local harbormaster or school choice organization (optional) *DESE Charter School Field Director (optional)</p>	Deputy Director	Upon Decision	
MCPSC Action	<p>Maintain Communications and Identifiable Location During the wind-up of the Education Corporation's affairs, it is anticipated that the Education Corporation Board will use the school facility, and access thereto should be maintained, even if only by advance notice in order to access assets, etc. In the event the school facility is sold or otherwise vacated before the winding up of the Education Corporation's affairs, the Education Corporation must relocate its records and remaining assets to a secure location and maintain operational telephone service with voice message capability, and custody of business records until all business and transactions are completed, and the Education Corporation is dissolved pursuant to §§ 219-220 of the Education Law. Note that a sale of the school facility will likely trigger N-PCL §§ 510-511 proceeding in NY Supreme Court as a disposition of substantially all of the assets of the education corporation.</p> <p>Establish if the school will maintain the current facility as its locus of operation for the duration of closing out the school's business, regulatory and legal obligations. In the event the facility is sold or otherwise vacated before concluding the school's affairs, the school must relocate its business records and remaining assets to a location where a responsive and knowledgeable party is available to assist with closure operations. The school must maintain operational telephone service with voicemail capability and maintain custody of business records until all business and transactions are completed and legal obligations are satisfied. The school must immediately inform the authorizer if any change in location or contact information occurs</p>	Deputy Director or SCC	One week	
Records	<p>Secure Student Records: Ensure all student records are organized, up to date and maintained in a secure location</p>	SCC or Board Chair	Upon Decision	
Records	<p>Compile a list of Publicly Available Student Information: Provide MCPSC with student information such as telephone, address, email and other publically available data. This information will be used to communicate with families regarding closure and enrollment in new schools</p>	SCC, CEO	Within 10 days	
Records	<p>Archival and Transfer of Student Records: The school will ensure that each student has a complete student record (academic, health, special education) archived and transferred to new school (if known). This will include: *Grades and evaluations *All materials associated with IEPs or 504s *Immunization Records *Parent/guardian information</p>	CEO	Within 30 days following final day of instruction	
Records	<p>Final Reporting Submit any and all final reports and cooperate with any remaining oversight requirements of MSPSC or DESE</p>	CEO	Within 60 days following final day of instruction	
Records	<p>Document the Disposition of and Transfer of Corporate Records</p> <ul style="list-style-type: none"> ● Employees (background checks, personnel files) ● Loans, bonds, mortgages and other financing ● Contracts ● Leases ● Assets and asset sales ● Grants (records relating to federal grants must be kept in accordance with 34 CFR 8042.) ● Governance (minutes, bylaws, policies) ● Accounting/audit, taxes and tax status ● Employee benefit programs and benefits ● Any items provided for in the closure action plan 	Board Chair	Within 60 days following final day of instruction	

Records	<p>Corporate Records The organization shall maintain all corporate records related to:</p> <ul style="list-style-type: none"> • Loans, bonds, mortgages and other financing; • Contracts; • Leases; • Assets and asset sales; • Grants – records relating to federal grants must be kept in accordance with 34 CFR 80.42. • Governance (Minutes, by-laws, policies); • Employees (background checks, personnel files); • Accounting/audit, taxes and tax status, etc; • Personnel, • Employee benefit programs and benefits; and, • Any items listed in this Closure Plan. <p>Per contract agreement all records should be stored in perpetuity</p>	Board Chair	Ongoing	
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