*****Massachusetts Department of***

***Elementary and Secondary Education***

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| Jeffrey C. Riley*Commissioner* |  |

# MEMORANDUM

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| **To:** | Members of the Board of Elementary and Secondary Education |
| **From:**  | Jeffrey C. Riley, Commissioner |
| **Date:**  | February 14, 2020 |
| **Subject:** | Charter Schools – Renewal of Charter for City on Hill Charter Public School Circuit Street and Request to Consolidate Two Charters |

This month, the Board of Elementary and Secondary Education (Board) will discuss and vote on the charter renewal application for City on a Hill Charter Public School Circuit Street (CoaH CS), while simultaneously considering the request of the City on a Hill Charter Public School board of trustees to consolidate the charters of CoaH CS and City on a Hill Charter Public School Dudley Square (CoaH DS). I recommend that the Board renew the school’s charter, grant the consolidation request with modifications, and place the resulting single CoaH CS charter school on probation[[1]](#footnote-1) with the conditions described later in this memorandum.

| City on a Hill Charter Public School Circuit Street |
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| **Type of Charter** | Commonwealth | **Location** | Boston |
| **Regional or Non-Regional** | Non-Regional | **Districts in Region** | N/A |
| **Year Opened** | 1995 | **Year(s) Renewed** | 2000, 2005, 2010, 2015 |
| **Maximum Enrollment** | 280 | **Current Enrollment** | 228 (as of October 2019) |
| **Chartered Grade Span** | 9-12 | **Current Grade Span** | 9-12 |
| **Students on Waitlist** | 0 (as of March 2019) | **Current Age of School** | 25 |

| **Mission Statement:** City on a Hill graduates resourceful, responsible, and respectful democratic citizens prepared for college and to advance community, culture, and commerce, in order to compete in the 21st century. We do so by emphasizing:Academic Achievement: We maintain high academic standards and ensure results. We acknowledge our students’ competition and seek to find additional resources to prepare our students to compete.Citizenship: We maintain standards of civility, promote our students’ civic engagement and participation, and link our school to the best of Boston.Teacher Leadership: Teachers take responsibility for the performance of students and of our school. Teachers drive decision-making in doing, building, and growing City on a Hill. Teachers are reflective practitioners and managers. Teachers contribute to urban public school reform in our city, state, and nation.Public Accountability: City on a Hill shows the tax-payer results, invites the public in to ensure that we are delivering on our promise to educate our students, and engages parents and guardians as key school stakeholders. |
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**School History**

CoaH CS is part of a three-school network of charter schools, with each school serving grades 9-12, overseen by a single board of trustees.[[2]](#footnote-2) Originally known as City on a Hill Charter Public School, CoaH CS received its charter in 1994 and opened in 1995. In 2012, the board of trustees applied to open two additional charter schools, one in Boston and one in New Bedford. The Board granted the two charters in February 2013. The first new school, CoaH DS, opened in Boston in 2013. The second new school, City on a Hill Charter Public School New Bedford (CoaH NB), opened in 2014 and will close at the end of June 2020.

When the board of trustees received two additional charters, it established a network office to provide services to all three schools.[[3]](#footnote-3) CoaH CS is currently managed by a chief executive officer, who was hired in May 2018 and serves as the administrative leader across the three schools. Since 2014, four individuals have served as leader of the CoaH network of charter schools. Additionally, during the 2017-2018 school year, teachers and non-instructional staff across all three schools engaged in discussions with, and eventually voted to join, the Boston Teachers Union (BTU). Negotiations between the board of trustees and the union are ongoing; no contracts have been signed.

For the past two years, all three schools in the CoaH network have had declining academic results, decreased enrollment levels, and financial instability. During the current school year, acute fiscal concerns triggered the board of trustees to take a number of significant measures. On November 25, 2019, the board of trustees voted to surrender the CoaH NB charter, effective June 30, 2020. The board of trustees stated that CoaH NB had been unable to attract enrollment sufficient to maintain financial viability and the school had not made progress on its probationary conditions. This Board voted to accept the surrender of the CoaH NB charter on January 28, 2020. Additionally, in order to address financial concerns, on November 25, 2019, the board of trustees voted to lay off staff and to change the configuration of the two charter schools in Boston to co-locate the two schools, CoaH CS and CoaH DS, as of January 2020.[[4]](#footnote-4) As of January, grade 9 and 10 students from both Boston schools are being educated in the CoaH CS building, and grade 11 and 12 students are being educated in the CoaH DS building. Moreover, in October 2019, the board of trustees revised and received approval of the schools’ enrollment policies; the school now admits new students through grade 10, creating another potential access point for new students.

Prior to the network-wide layoffs that went into effect in January, CoaH CS experienced turnover in school leadership. CoaH CS has employed four principals and three vice-principals during the charter term. Most recently, as part of the layoffs, CoaH CS’s principal was replaced in December 2019 by the network’s chief schools officer, who is now serving as principal of both CoaH Boston schools.

On January 27, 2020, the board of trustees submitted a consolidation request that, if granted, would permit the two remaining charter schools within the network to operate as a single school under a single charter. The consolidated charter would be known as City on a Hill Charter Public School.

**Basis of Recommendations Regarding the Renewal of Charters**

The charter school regulations state that “[t]he decision by the Board to renew a charter shall be based upon the presentation of affirmative evidence regarding the success of the school’s academic program; the viability of the school as an organization, including the extent to which the school has followed its recruitment and retention plan; and the faithfulness of the school to the terms of its charter.” 603 CMR 1.11(2). Consistent with the regulations, recommendations regarding renewal are based upon the Department of Elementary and Secondary Education’s (Department) evaluation of the school’s performance in these areas as outlined in the [Charter School Performance Criteria](http://www.doe.mass.edu/charter/acct.html?section=criteria) and the memorandum dated October 7, 2013, regarding [Considerations for Charter School Renewal](http://www.doe.mass.edu/news/news.aspx?id=7802). In its review, the Department has considered the school’s absolute performance at the time of the application for renewal and the progress the school has made during the past four years of its charter. The accountability process for charter schools recognizes that in exchange for increased freedom, a school must demonstrate results within the term of its five-year charter or risk non-renewal or other possible sanctions, including revocation.

The superintendent of the public school district served by CoaH CS, Boston Public Schools, was invited to submit written comment to the Department regarding the renewal of the school’s charter. No comment was received. The Department received written comment from the Education Law Task Force expressing concern about suspension rates at the school. The Board also heard from a representative of the Education Law Task Force[[5]](#footnote-5) during the public comment period at the January 2020 Board meeting.

**Recommendation for Charter Renewal with Probationary Conditions**

Based upon the evidence described in the attached Summary of Review and additional concerns related to the school’s precarious financial position, I recommend that the Board renew the school’s charter and place it on probation with conditions requiring major improvements in the school’s organizational viability, governance, academic program, and academic performance. Our concerns about the school’s fiscal viability, lack of demand, and poor academic performance warrant placing the school on probation with conditions. I am not, however, recommending non-renewal at this time because the school has proposed major changes to address these deficiencies, appointed a principal with a track record of academic success, and taken action this year in an effort to yield better results for students and families.

CoaH CS is in its twenty-fifth year of operation. It is clear to me that the expansion of the CoaH network over the past five years has not produced the kinds of results envisioned by the “proven provider” initiative in the charter school statute. Instead, this network of charter schools has, in effect, planned to return to a single school model by surrendering its New Bedford charter and requesting a consolidation of the two remaining schools in Boston. CoaH CS has failed to demonstrate consistent academic success and its organizational viability is threatened by a large deficit. The school’s MCAS scores have declined during the current charter term. Evidence relating to my concerns follows.

The recent steps taken by the school and board of trustees to remedy these serious concerns, as well as recent changes to staffing, indicate the school can address these issues. As reflected in the conditions proposed for probation, the school must develop a plan and work to improve the school’s organizational viability, academic programming, and school climate to better attract demand and fulfill its promises to families. The Department will monitor the school closely during the next few years.

**Lack of Demand and Impact on Fiscal Viability**

While each charter school in the CoaH network of charter schools is a separate legal entity with its own source of tuition revenue derived mainly from enrollment, all three schools are overseen by one board of trustees, utilize one set of network staff, and receive additional financial support from the City on a Hill Foundation (foundation), a related 501c3.[[6]](#footnote-6) Similar to other networks of charter schools, the board of trustees submits a single audit each year, representing the finances of all three schools and the associated foundation. When assessing the viability of CoaH CS as an entity, one must also examine the other two charter schools and the foundation.

Recent events have significantly impacted the finances of every CoaH charter school and the schools’ related foundation. For the past two years, all three schools pre-enrolled more students than they served, triggering tuition re-calculations and substantial mid-year financial adjustments for each school. At full capacity, the CoaH network of charter schools would serve 840 students. For the past two years, FY19 and FY20, the total pre-enrollment[[7]](#footnote-7) of students in all three schools has been 812 and 770 respectively. The actual enrollment in October totaled 733 and 570 respectively; a difference between pre-enrollment and actual enrollment of 79 students in FY19 and 200 students in FY20. The CoaH board did not anticipate the lower than expected enrollment and did not take it into consideration in its annual budget planning. Each charter school received a reduced tuition payment in the latter half of each school year, adjusted to reflect actual enrollment and to correct the overpayment of over $1,000,000 in total for FY20 that the schools had received during the first five months of the fiscal year.

While the schools’ FY19 financial audit did not contain negative findings, it showed a default on the Boston schools’ and the foundation’s obligations to its lender on a multi-million dollar loan. On November 8, 2019, the schools and foundation entered into a forbearance agreement with the lender. Until the schools and foundation meet certain benchmarks contained within the agreement, the foundation may not allocate funds to any of the schools. Further, the foundation has seen a decline in its cash from over $2,200,000 in FY18 to approximately $1,000,000 in FY19.

In order to address these fiscal concerns, the board of trustees voted to take actions to protect the schools, including surrendering the charter for CoaH NB and combining the students for the two Boston schools. At the heart of the fiscal concerns is a demonstrated decline in demand for CoaH over the past three years. Five years ago, CoaH CS and DS had waitlists for students seeking admission that totaled 478 and 460, respectively. By March 2017, those numbers began to decline and at present, neither school has a waitlist of students seeking admission. Additionally, CoaH CS has seen an increase in its attrition rates. In 2018-19, CoaH CS students left the school over the summer at a rate of 9 percent. After the summer of 2019, 15 percent of CoaH CS students who could have returned to the school did not return for the current school year. Moreover, CoaH CS had extremely high rates of chronic absenteeism for the 2018-2019 school year, with 50.4 percent of students chronically absent.[[8]](#footnote-8)

**Lack of Academic Program Success**

During its fifth charter term, CoaH CS has not demonstrated progress in student academic achievement. In 2019, CoaH CS is classified as requiring assistance or intervention because of its low graduation rate. The school met 39 percent of its improvement targets and is performing in the 13th percentile when compared to other high schools statewide. Over the school’s five-year charter term, performance showed signs of decline as early as 2015-2016, with a lower than typical student growth percentile on the grade 10 MCAS results in English Language Arts (ELA).

During the current charter term, from 2016 through 2018, CoaH CS administered the legacy grade 10 MCAS tests. Results declined from 2016 to 2018. In 2016, grade 10 students exceeded or met state averages with 91 percent earning proficient or advanced in ELA, 81 percent earning proficient or advanced in mathematics, and 79 percent earning proficient or advanced on the science and technology/engineering assessment. In 2018, scores declined to below state averages with 79 percent earning proficient or advanced in ELA, 65 percent earning proficient or advanced in mathematics, and 59 percent earning proficient or advanced on the science and technology/engineering assessment.[[9]](#footnote-9)

In 2019, scores declined even more with all results below state averages, and below the grade 10 results for Boston Public Schools. CoaH CS administered the Next Generation MCAS assessment for ELA and mathematics and the legacy science MCAS. Twenty-six percent of grade 10 students met or exceeded expectations in ELA, 24 percent of grade 10 students met or exceeded expectations in mathematics, and 48 percent scored proficient or advanced in science.[[10]](#footnote-10)

As noted above, CoaH CS’s overall classification of requiring assistance or intervention is due to a low graduation rate. The school’s four-year graduation rate for the 2018 cohort was 54 percent. For prior cohorts, four-year graduation rates have varied between a high of 80.8 percent and a low of 69.5 percent. The school has always produced higher five-year graduation rates, between 84 and 92 percent over the past four years. In 2017 and 2018, the school’s dropout rate was 1.1 percent both years, compared to statewide rates of 1.9 and 1.8 percent.

Importantly, throughout the current charter term, the Department observed a lack of high quality instruction. During the recent renewal inspection visit, the Department found a lack of high expectations for all students, a lack of student engagement, and evidence that classroom environments were not always respectful or conducive to learning.

**Other Concerns**

Information collected during site visits and other data from the current charter term shows limited evidence of successful implementation of the school’s mission to prepare students to “compete in the 21st century.” The school is not meeting its own goals with respect to its academic program or school climate. During the renewal inspection visit, the Department gathered evidence that the school is implementing its citizenship programming but is not carrying out its college preparatory, teacher leadership, or parent engagement programming. While the school tried to address these concerns during the 2018-2019 school year, many of those efforts were abandoned this year due to financial constraints.

The Summary of Review, attached to this memorandum, also notes concerns regarding the school’s board of trustees and governance practices. Board members have overseen a turbulent time during the current charter term, with significant changes in leadership, declining enrollment and academic results, and troubling finances. In the last three years, 20 board members have left the board, and the total number of board members has decreased from about 15 to 8 current members. Additionally, there is limited evidence that board committees engaged in proper oversight during a period when there were significant concerns regarding finances and academic performance. Committees of the board have not been active; the finance committee met only three times between August 2018 and July 2019, despite financial concerns at all three schools and monthly updates indicating that the school was not on track to meet goals for finance and enrollment. Board meeting minutes lack details sufficient to determine how the board monitored or held the school leader accountable for the lack of progress toward meeting financial goals.

There are additional concerns related to the degree to which CoaH CS is providing students with equitable access to the school’s program. While the school has been successful in recruiting a student population demographically comparable to its sending districts, the school suspended students at rates higher than the statewide average and has rates of emergency removal that are above the statewide average. The school has significantly decreased its in-school suspension rates from a high of 21 percent in 2016 to 1 percent in 2019; the statewide average for in-school suspensions was 1.8 percent in 2019. The school’s out-of-school suspension rates, however, have increased from about 10 percent in 2016 and 2017 to 13.3 percent in 2019; the statewide average rate out-of-school suspensions was 3 percent.

**Consolidation Request**

As noted in footnote 2 earlier, pursuant to G.L. c. 71, § 89(d), the Board may authorize "a single board of trustees to oversee more than one charter school provided . . . each school is issued its own charter." Consolidation permits two or more separate charter schools within a network to operate as a single school under one charter. This allows for various operational efficiencies and eliminates enrollment challenges posed when one school in a network closes without consolidation. The Board has previously approved consolidation requests for four former networks that each now operate under a single charter. These include Roxbury Preparatory Charter School, Excel Academy Charter School, Match Charter Public School, and Brooke Charter School.[[11]](#footnote-11)

Under a single charter and facility, the board of trustees can realize efficiencies not currently available and simplify administrative processes duplicated over the two Boston schools, such as lotteries for enrollment. Significantly, the consolidation will permit the school to eliminate the additional costs associated with operating two facilities and staffing a network office to oversee the two Boston schools.[[12]](#footnote-12) The material terms of the charters, including governance and leadership structures, will not need to change as a result of consolidation. Current co-location arrangements have laid the groundwork for both school communities to come together under one roof for the 2020-2021 school year.

I recommend that the Board consolidate the charter of CoaH DS under the charter of CoaH CS for a single school serving 400 students in grades 9 through 12, effective July 1, 2020, with the condition that enrollment is limited to 350 students until I determine that the school has met the conditions imposed on its charter, including the conditions for academic success. This enrollment limitation does not permit the school to terminate the enrollment of current students.

In recommending consolidation of the CoaH CS and DS, I have considered how this will enhance the financial sustainability of these schools. The Department reviewed the amendment request and discussed the future of CoaH as a single high school with the school’s board and leadership. The request to consolidate is reasonable and consistent with the charter school statute and regulations and addresses the additional criteria outlined in the technical advisory on consolidation amendments.

My recommendation of 400 seats is a modification of the school’s proposed maximum enrollment of 450 students. While 450 students is below the combined maximum enrollment of 560 students at CoaH CS and CoaH DS, the school projects it will enroll far fewer than 450 students over the next five years. My recommendation takes into account the enrollment trends at the schools, the size of the current facility owned by the foundation, and the schools’ planning for enrollment in the next charter term. A motion for approval is attached for your consideration.

**Recommendation**

I recommend that the Board vote to renew the charter of CoaH CS, consolidate the charters of CoaH CS and DS, and place CoaH CS and, effective July 1, 2020, City on a Hill Charter Public School on probation and impose the conditions that follow on the school’s charter.

**Condition 1:** Until further notice, the school must submit to the Department of Elementary and Secondary Education (Department), at charterschools@doe.mass.edu or 75 Pleasant Street, Malden, MA 02148, board meeting agendas, materials, and minutes prior to each board meeting at the same time that these items are sent to the school’s board members. These monthly materials must include financial statements to be presented to the board. These monthly financial reports must reflect all considerations in revenue and expenditures, including lines of credit, debt obligations, and fundraising.

**Condition 2:** By March 31, 2020, the school must submit evidence to the Department that it has provided the school community with notice of the school’s renewal and that the school’s charter has been placed on probation with conditions that the school must meet. The school must inform parents/guardians, teachers, staff, board members, students, and other community members of the school’s current status.

**Condition 3:** By April 15, 2020, the school must establish an escrow account to pay for any potential closing, legal, and audit expenses associated with closure, should that occur.

**Condition 4**: Until further notice, the school will provide weekly updates to the Department of the total number of students in attendance, and the total number of students on the waitlist, by close of business on Friday of each week. The school must maintain student enrollment levels adequate to provide a strong academic program and financial and organizational viability, as determined by the Department.

**Condition 5:** By June 30, 2020 the school must submit to the Department for approval a comprehensive action plan for improving academic performance, school climate, staff culture, and faithfulness to its charter. The action plan must specify the evidence-based strategies the school will use to improve performance in mathematics, English language arts, and science for all student subgroups. The plan should also include strategies to provide a program that is faithful to the school’s mission and key design elements and to improve school climate, including student discipline practices and staff culture. The action plan must set clear and specific implementation benchmarks, with a clear timetable and deadlines for completion of key tasks, sufficient to allow the school's board of trustees and the Department to monitor implementation. The school must provide evidence that it has shared its action plan with the school’s community including, but not limited to, students, parents/guardians, and staff.

**Condition 6**: By July 31, 2020, the board of trustees must engage a consultant and participate in training about proper governance roles and responsibilities, including obligations related to the Open Meeting Law. The board must develop an action plan and schedule for adequate oversight of the school according to the Charter School Performance Criteria, Criterion 9: Governance.

**Condition 7:** By December 31, 2022, the school must demonstrate that it is an academic success by providing evidence that the school has exhibited significant and sustained academic improvement in mathematics, English language arts, and science on the statewide assessment.

**Condition 8:** Enrollment at the City on a Hill Charter Public School is limited to 350 students. When the Commissioner determines that the school has met the conditions imposed on its charter, including the conditions for academic success, enrollment may increase to a maximum of 400 students. Should the school fail to increase student enrollment in accordance with a growth plan approved by the Commissioner or report fewer than 350 students enrolled at the school on October 1, 2024, the Board of Elementary and Secondary Education may reduce the school’s maximum enrollment below 400 accordingly.

In addition to meeting the terms of probation, City on a Hill Charter Public School, like all charter schools, must also comply with the terms of its charter. Failure of City on a Hill Charter Public School to meet the conditions placed on renewal of its charter within the timelines specified may result in immediate suspension and revocation of the school’s charter.

I will review and report to the Board on City on a Hill Charter Public School’s success or lack of success in meeting the terms of probation.

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If you have any questions regarding this recommendation or require additional information, please contact Alison Bagg, Director (781-338-3218); Cliff Chuang, Senior Associate Commissioner (781-338-3222); or me.

Attachments: Summary of Review for City on a Hill Charter Public School Circuit Street (with school’s response appended)

Motion for Board Action

1. Pursuant to 603 CMR 1.12(2), the Board:

may place a charter school on probation if in its judgment the imposition of a condition alone would be insufficient to remediate the problem. The Board may impose conditions on the school's charter that require the school to address specific areas of concern. Placing a school on probation signals concern about the school's viability and permits the Board to suspend a school's charter immediately if the school fails to remedy the causes of its probation. [↑](#footnote-ref-1)
2. Pursuant to G.L. c. 71, § 89(d), the Board may authorize "a single board of trustees to oversee more than one charter school provided . . . each school is issued its own charter." This structure is known as a network of charter schools. Currently, seven boards of trustees hold two or more charters and oversee networks of charter schools. [↑](#footnote-ref-2)
3. Network staff are employees of the flagship school, CoaH CS. The other two charter schools in the network pay a fee to the flagship school based on a percentage of tuition for its administrative/operational support. [↑](#footnote-ref-3)
4. Each charter school is a distinct legal entity and operates under a separate charter. [↑](#footnote-ref-4)
5. The Education Law Task Force is a group of attorneys and advocates that seeks to address education issues facing low-income students. [↑](#footnote-ref-5)
6. A majority of charter schools have an associated not-for-profit for fundraising purposes. The finances of the related foundations are included within each charter school’s required annual financial audit. [↑](#footnote-ref-6)
7. By statute, charter schools submit enrollment estimates, called pre-enrollment data, for the upcoming school year to the Department by mid-March. Pre-enrollment data are used by the Department to determine each charter school's first five monthly (July through November) tuition payments for the upcoming fiscal year. Charter school tuition is then adjusted in December and subsequent months to reflect actual enrollment. [↑](#footnote-ref-7)
8. Chronic absenteeism is defined as the percentage of students missing 10 percent or more of their days in membership. The chronic absenteeism rate includes both excused and unexcused absences and is calculated for students in grades 1 through 12. In order to be included in a school’s chronic absenteeism rate, a student must be enrolled in the school for at least 20 days at any point in the school year. [↑](#footnote-ref-8)
9. Similarly, Composite Performance Index (CPI) scores show an overall decline in all three subject areas from the 2016 assessment to the 2018 assessment. Student growth percentile (SGP) data demonstrated low growth for ELA and mathematics in 2017 and 2018. [↑](#footnote-ref-9)
10. In 2019, the school’s 2019 grade 10 SGPs were 34.2 for ELA and 40.9 for mathematics, below Boston Public Schools’ SGPs for its grade 10 students of 46.7 and 55.1, respectively. [↑](#footnote-ref-10)
11. Other schools’ consolidation requests sought to promote access of enrolled students across the network to a single high school program, to decrease redundancies in staffing and reporting, and to reduce inefficiencies associated with operating legally distinct schools in a small geographic area. While somewhat different, CoaH’s request to consolidate its two Boston charters is consistent with the rationale for consolidation and prior Board decisions. [↑](#footnote-ref-11)
12. The Board voted to accept the charter surrender of the third school in the network, CoaH NB, further diminishing the need for a network office. [↑](#footnote-ref-12)