



WASHINGTON STATE
Charter School Commission
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February 2, 2015

Board of Directors
First Place Scholars Charter School
172 20th Street
Seattle, WA 98112

Dear Board Members:

I am writing to provide you notice that the Washington State Charter School Commission (Commission) has initiated an inquiry regarding First Place's compliance with the charter contract and satisfaction of its legal obligations. Due to the serious nature of this inquiry and with the school being on probation and subject to corrective action, I thought it was important to engage directly with the entire Board of Directors. The inquiry will focus on allegations concerning Board governance deficits (academic, financial, and organizational), lack of fidelity to the essential design elements of First Place's educational program, failure to comply with notification obligations, deficiencies in services being provided to English Language Learners (ELL), and questionable financial transactions that implicate the financial viability of the school.

The fiscal portion of the inquiry is separate from the accountability audit to be conducted by the State Auditor's Office (SAO). The accountability audit request came as a result of information that Board Chair Dawn Mason shared with me in December 2014. Ms. Mason disclosed that she believed that gross financial mismanagement occurred and she was worried that individual(s) affiliated with First Place had engaged in financial misconduct. As a result of Ms. Mason's disclosure, I contacted the SAO with Ms. Mason's full awareness and agreement. Unfortunately, Ms. Mason has now expressed a disinclination to pay for this same audit, which would be a breach of the charter contract. The Commission, the SAO, and First Place cannot ignore the specter of financial malfeasance that has been raised. It implicates the financial viability of the school and the public trust. Therefore, I am optimistic that the Board of Directors of First Place will agree to meet its legal obligation to submit to, and pay for, the audit.

The Commission's present inquiry has come about as a result of information received by the Commission, including information contained in the SchoolWorks report that was



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provided to Commission staff on January 14, 2015. I understand that First Place has had the SchoolWorks report in its possession since December 10, 2014. The report identifies multiple concerns regarding First Place's legal and contractual compliance. Concerns have also been raised regarding First Place's ability to satisfy its financial obligations for the remainder of the school year. This concern has grown with information suggesting that enrollment has decreased 23% in the last few months (99 in November, 2014 to 76 in January, 2015).

This inquiry will not focus on the existing corrective action plan and probation to which First Place is subject. Rather, it will focus on new issues that have come to light as a result of information that has been shared with the Commission.

As part of the inquiry, the Commission formally requests the following information and/or documentation, pursuant to Washington Administrative Code (WAC) 108-40-030(1), and charter contract provisions 4.7.6, 4.7.14, and 5.1.2:

1. Confirmation that the school has conducted weekly monitoring of academic growth and identification documents supporting this confirmation;
2. Copies of the student enrollment assessment results;
3. Copies of student interim reading and math assessment results;
4. Copies of quarterly student assessment results;
5. Minutes from meetings during which school employees reviewed academic progress, and developed or implemented intervention strategies using information obtained from the assessments;
6. Evidence that First Place has developed and implemented systems and procedures for reviewing, reporting and analyzing student performance and progress;
7. ELL student assessment results;
8. Names of individuals participating on the school's collective care team and minutes from any associated meetings;
9. Current student enrollment numbers;
10. Minutes from all board meetings that occurred between January 2013 and January 2015;
11. Current organizational chart;
12. Current financial status reports;
13. Confirmation that First Place is working with the State Auditor's Office as they



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- conduct their accountability audit;
14. Confirmation that First Place is paying for the accountability audit as per charter contract provision 4.12.3;
 15. First Place's most recent bank account statements;
 16. Assurances that First Place has the financial capacity to operate the school as required under the Contract, and to meet its legal obligations for the remainder of the school year; or, alternatively, a statement confirming that First Place lacks that capacity;
 17. Information and documentation specifying the dates and times of school closure(s) that have occurred in the 2014-2015 school-year, if any;
 18. Evidence that the school's boiler is operational and that children are attending a school that is adequately heated;
 19. Lease or rental agreement for the school building;
 20. Documentation of the amount of rent being paid by the school on a monthly basis and an explanation of how that rental amount was determined;
 21. Copies of First Place's financial procedures and protocols.

For each of the above listed items, please identify individuals with knowledge or documentation regarding the subject matter who we may follow up with.

First Place must respond in writing to this notice within 10 working days of receipt of this letter by:

1. Confirming that the notice has been received;
2. Confirming that the Board of Directors understands the expectations and timelines of this request; and
3. Providing all information requested by 5pm February 16, 2015.

This is likely to be the first of several requests for information needed by the Commission to evaluate the allegations at the center of its inquiry. Failure to provide the above documents within the requested timeframe will be considered a material violation of the charter contract, which may result in revocation of the charter.

Based upon First Place's Board of Director's published meeting schedule, I understand that the next meeting is scheduled for February 10, 2015. Please note that I am willing to meet with a quorum of Directors prior to the February 10th meeting to further discuss



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these matters if that would be helpful.

Please contact me directly if you have any questions or concerns.

Sincerely,

Joshua Halsey, Executive Director, Washington State Charter School Commission

c: Dawn Mason, Evelyn Thomas Allen, Phyllis Yasutake, Hannah Getachew,
Josephine Howell, Robert Van Tassell, Ed Jefferson, Rev. Harriet G. Walden, Anisa
Mason, Cordell Carter, Roger McKeague, John Kerr, and Juan Cotto

cc: Linda Whitehead
Washington State Charter School Commission Commissioners
Aileen Miller, AAG