



Department of Administration

John O. Norquist
Mayor

Michael J. Soika
Director of Administration

December 15, 2003

Ronald D. Leonhardt
City Clerk
City Hall, Room 205

Re: Recommendation of CSRC to Terminate the Charter School Contract Between the City
And Khamit Institute, Inc. and Revoke its Charter

Dear Mr. Leonhardt:

In accordance with sec. 330-29-4-a of the Milwaukee Code of Ordinances, I am submitting findings and recommendations of the City of Milwaukee Charter School Review Committee ("CSRC") in the above-referenced matter. It is the recommendation of the CSRC to terminate Khamit's contract and revoke its charter at the end of the regular 2003-2004 school year. I am enclosing the transcript of the November 24, 2003 hearing before the CSRC and the exhibits that are part of the hearing record.

Very truly yours,



HOWARD FULLER
Chair, Charter School Review Committee

HF/ml

**Before The
CHARTER SCHOOL REVIEW COMMITTEE
of the City of Milwaukee**

December 15, 2003

In the Matter of the Khamit Institute, Inc. Charter School

DECISION

Procedural Background

The City Charter School Review Committee (CSRC) conducted an investigation under sec. 330-29-3 of the Milwaukee Code of Ordinances (MCO) and determined there was possible cause for termination of the charter school contract between Khamit Institute, Inc. (Khamit) and the City of Milwaukee (City) and revocation of Khamit's charter.

On November 24, 2003, a hearing was held before the (CSRC) in room 301-A of City Hall, 200 East Wells Street, Milwaukee, Wisconsin 53202. The hearing was held pursuant to sec. 330-29-3 MCO. The purpose of the hearing was to determine whether the CSRC would recommend to the Common Council of the City of Milwaukee that the charter school contract between the City and Khamit be terminated and the school's charter revoked.

Khamit received advanced communication outlining the following four items that the CSRC found as potential contract violations during its investigation of the school and was informed that these items would be the subject of the November 24th hearing:

- A. Khamit failed to administer the required 4th grade Stanford Diagnostic Reading Test (SDRT) for both academic years 2000-2001 and 2002-2003.
- B. Khamit failed to administer the Direct Instruction placement tests at the end of the 2002-2003 academic year.
- C. Khamit failed to timely pay its oversight fee to the City in accordance with sec. 330-27 of the MCO.
- D. Khamit failed to properly notify the CSRC of its anticipated relocation of its school and failed to receive approval from the CSRC prior to relocation.

Upon consideration of a review of the record at the hearing, the Charter School Review Committee determines as follows¹:

¹ Note: References to specific testimony and exhibits in support of the Findings of Fact and in the Discussion that follows are not intended to exclude other supportive evidence in the record.

FINDINGS OF FACT

1. Among other powers and duties, the CSRC is charged pursuant to sec. 320-41-6 MCO with the responsibility of performing ongoing review of the financial, educational, staffing and facility status of charter schools, investigating and making recommendations to the Common Council concerning possible termination of contracts and revocation of charters. (Ex. 1, p. 0003).
2. The City and Khamit entered into a five-year contract on August 31, 1998 that established a charter school under sec. 118.40 (2r) Stats. (Ex. 1, pp. 0013-33).
3. On October 10, 2000, the Common Council voted to approve the recommendation of the CSRC and amend the contract so as to permit Khamit to provide educational services to an additional 40 children and to permit Khamit to operate its program at a new location, the Kujichagulia Center, 3908 West Capitol Drive, Milwaukee, WI 53216. (Ex. 1, pp. 0034-35).
4. On April 28, 2003, the City and Khamit entered into another five-year contract for the continuation of the charter school. (Ex. 1, pp. 0036-52).
5. The contract between the City and Khamit provides in section II.C Termination that "This Contract may be terminated before expiration of its term upon any of the following circumstances: BY CITY: 2. CITY determines that Charter School violated this Contract or Chapter 330 of the Milwaukee Code of Ordinances or no longer meets the requirements of sec. 330-15 of the Milwaukee Code of Ordinances." (Ex. 1, p. 0049).
6. The contract between the City and Khamit provides in section I.M. that "In the event Charter School anticipates relocating its school, Charter School shall notify CSRC in writing at least 30 days prior to the anticipated relocation....CSRC shall view any new facility to ascertain its appropriateness to operate the Charter School contracted for under this Contract." (Ex. 1, p. 0043).
7. Khamit was aware of the contractual requirement to notify the CSRC in advance of expanding the school location because the school had done so previously and had complied with all requirements as evidenced in the October 10, 2000 contract amendment between Khamit and the City. (Ex. 1, pp. 0034-35).
8. In a letter dated September 03, 2003, Khamit asked the CSRC for "permission to utilize an additional site" for the 2003-2004 school year. It then came to the attention of the CSRC that Khamit had already relocated its school in January of 2003 from Kujichagulia Center, 3908 West Capitol Drive, Milwaukee, WI 53216 to Parklawn YMCA, 4340 North 46th Street, Milwaukee, WI 53216 without giving the CRSC any notice and without receiving the permission of the CSRC and without an amendment being made to its contract. (Ex. 1, p. 0074).

9. In correspondence received by the CSRC on October 23, 2003, Jerry Tarrer, Executive Director of the Khamit Institute responded that Khamit did not comply with the contractual requirement of the 30-day notice to the CSRC prior to a relocation of the school because he "did not take the time to make myself aware of the proper procedures before moving to the second site." Also, Mr. Tarrer cited lack of communication between Khamit's staff as a reason for not complying with the contract. (Ex. 1, p. 0083).
10. Section 330-27-3-d of the MCO required Khamit to make a payment of 25% of its annual oversight fee to the City no later than the 21st calendar day after Khamit received the June payment from the Wisconsin Department of Public Instruction under sec. 118.40(2r)(e), Stats. Pursuant to 330-27-3-d of the MCO, Khamit was required to pay the City \$2,363.00 on or before June 25, 2003. (Ex. 1, pp. 0008, 0106).
11. Khamit was advised in May of 2001 by the CSRC to communicate quickly and completely with the CSRC or the City's Department of Administration (DOA) if Khamit was unable to comply with the oversight deadline fee or any other provision of the contract with the City. The CSRC advised Khamit that:

"Unavoidable problems with compliance deadlines sometimes do arise. Good faith efforts to rectify the situation are always welcome. But unless both the school's problem and its effort to come into compliance as soon as possible are promptly and fully explained to the Charter School Review Committee or those who staff us, neither the Committee nor those who oversee our own performance will know whether a particular instance of non-compliance is the result of negligence and cannot be excused, or arises from an unavoidable but temporary breakdown that the school is doing everything it can to put right and which the Committee would be justified in excusing."

(Ex. 1, p. 0120).
12. The DOA mailed Khamit a letter on June 2, 2003 notifying the school that its fourth quarter Administrative Service Fee payment of \$2,363.00 was due to the City by no later than June 25, 2003. (Ex. 1, p. 0106).
13. On June 27, 2003 Khamit issued a check made payable to the City in the amount of \$2,363.00. The City's bank returned the check on two occasions for not sufficient funds. (Ex. 1, p. 0107).
14. The DOA contacted Khamit no less than twelve times between July 29 and August 19, 2003 in order to ascertain when Khamit would reissue a valid check and make the payment for the oversight fee that was due on June 25, 2003. On at least two occasions, in response to the DOA inquiries, Mr. Jerry Tarrer stated that

the City would receive payment within a few days. Khamit did not provide the fourth quarter payment until September 5, 2003, a full 72 days after it was due. (Ex. 1, pp. 0105, 0108).

15. At the November 24, 2003 hearing, Mr. Tarrer admitted he had not been forthright with the DOA regarding when payment would be made. (T. p. 52).
16. This was not the first time Khamit made late payments to the City for oversight fees. The fourth quarter payment that was due on June 24, 2002 was also late. The check written to the City of Milwaukee for the fourth quarter payment in 2002 was rejected for deposit on two occasions due to not sufficient funds. The City did not receive full payment until August 12, 2002. (Ex. 1, pp. 0102-04).
17. Khamit's delinquent payment and subsequent actions caused the CSRC to request M.L. Tharps and Associates to review the financial status of Khamit. It was learned that Khamit had issued nine not sufficient funds checks in July of 2003 for a total of approximately \$17,000.00. It was also learned that Khamit had a "Negative Cash Flow at August 31, 2003" of \$35,000. (Ex. 1, pp. 0073, 0093-94).
18. The contract between the City and Khamit provides in section I.D STANDARDIZED TESTS " In those grade levels in which standardized testing is not required under sec. 118.40(2r)(d), Stats., the No Child Left Behind Act of 2001, or other law, or in which only a standardized reading test is required, Charter School shall administer such standardized tests as may be required by CSRC." (Ex. 1, p. 0040).
19. The CSRC annually determines the educational outcome goals for charter schools established pursuant to sec. 118.40(2r) Stats. In a memorandum dated November 10, 2000, Khamit was informed that it was required to administer the Stanford Diagnostic Reading Test (SDRT) to all of Khamit's fourth grade students. (Ex. 1, pp. 0112, 0119).
20. Khamit did not administer the SDRT as required in the 2000-2001 school year. On October 8, 2001 when the CSRC asked Khamit's lead teacher, Yakini Shabaka, why this test had not been administered, Ms. Shabaka responded that she was not aware of that requirement. Mr. David Riemer, then Director of the City Department of Administration explained to the CSRC that Khamit – along with all of the City sponsored charter schools – were informed of this requirement via both written communications and in meetings with school representatives. (Ex. 1, p. 0123).
21. In the Student Learning Memorandum for the 2002-2003 school year, Khamit was required to administer the SDRT in the Spring of 2003 to all of Khamit's fourth grade students. Khamit was reminded by the CSRC in writing on November 5,

2002 that it was to administer the SDRT to its fourth grade students in the Spring of 2003. (Ex. 1, p. 0126-0127, 0128).

22. Khamit did not administer the SDRT to any of its fourth grade students in the 2002-2003 school year. When the CSRC asked Mr. Jerry Tarrer why the test had not been administered, Mr. Tarrer responded that there was a lack of communication between Khamit's staff. (Ex. 1, p. 0080).
23. Ms. Sue Gramling, senior research associate with the National Council on Crime and Delinquency Children's Research Center (CRC) testified at the November 24, 2003 hearing that the CRC was unable to measure the Khamit Institute 4th grade students' grade level equivalency because the school failed to administer the SDRT. " (T)he importance of administration of the SDRT...is quite clear and I believe has been thoroughly discussed with the school . . ." (T. p. 40-41).
24. The Khamit Student Learning Memorandum for the 2002-2003 school year provides that "all students enrolled for the full school year will demonstrate progress at the rate of one grade level per year of instruction in Reading Mastery, Mathematics, and Reasoning/Writing as measured by comparing pre and post Direct Instruction placement tests at each grade level." (emphasis added). (Ex. 1, p. 0127).
25. Khamit did not administer the Direct Instruction Placement tests at the end of the 2002-2003 school year. In a letter dated October 23, 2003 Khamit explained that it did not administer the test at the end of the 2002-2003 school year because of a lack of communication between Mr. Tarrer and Ms. Shabaka. (Ex. 1, p. 0100).
26. Ms. Gramling testified that the CRC was "unable to report any valid outcomes on the local measures" because Khamit failed to administer the Direct Instruction pre and post placement tests. (T. p. 43).

Conclusion

After conducting an extensive investigation and holding a public hearing, the CSRC has concluded that Khamit Institute, Inc. did indeed violate its contract with the City of Milwaukee in the following four areas:

1. Khamit failed to administer the required 4th grade Stanford Diagnostic Reading Test (SDRT) for both academic years 2000-2001 and 2002-2003.
2. Khamit failed to administer the Direct Instruction placement tests at the end of the 2002-2003 academic year.
3. Khamit failed to timely pay its oversight fee to the City in accordance with sec.330-27 of the Milwaukee Code of Ordinances.

4. Khamit failed to properly notify the CSRC of its anticipated relocation of its school and failed to receive approval from the CSRC prior to relocation.

Recommendation

At the conclusion of the November 24, 2003 hearing on this matter, The Milwaukee Charter School Review Committee voted unanimously to recommend to the Common Council of the City of Milwaukee that the charter school contract between the City and Khamit, Institute Inc. be terminated and the school's charter revoked at the end of the regular 2003-2004 school year.

City of Milwaukee
Charter School Review Committee
Room 606, City Hall
200 East Wells Street
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By:
HOWARD FULLER, Ph.D.
Chair, Charter School Review Committee

75256