

DRAFT
Charter School Review Committee (“CSRC”)
Written Findings and Recommendation

Hearing and investigation of Maasai Institute school operations (fiscal status and performance) for possible termination of its contract and revocation of charter school status.

At our hearing on June 19, 2008, Maasai Institute’s Board of Directors presented written documentation informing the committee that it will officially cease operation because it lost the support of its bank to help cover its remaining financial obligations to keep the school in operations for the 2008-09 school term.

The CSRC agreed to accept the written documentation by Maasai Institute to officially cease operations. The CSRC then made the following motion:

“To accept the recommendation of Maasai Institute’s Board of Directors to officially cease operations of Maasai Institution and provide the Board of Director with directions for taking the appropriate steps in closing the school.”

The vote was unanimous. This decision was based on the following relevant information:

The CSRC was informed on April 30, 2008 by ~~it~~the CSRC’s accountant that Maasai Institute was having serious financial issues. The CSRC held an emergency meeting with the Maasai Institute Board of Directors on May 7, 2008 to investigate Maasai Institute’s school operations, fiscal status, and academic performance. On May 8, 2008, Maasai Institute Board of Directors met with their accountant to understand the nature of the school’s financial stability. On May 14, 2008, the CSRC held a second meeting with Maasai Institute’s Board of Directors. The Board of Directors informed the Committee that the school had a projected September, 2008 deficit of approximately \$400,000.

The CSRC determined that, based on the information presented, ~~that~~ Maasai Institute appeared to have sufficient financial resources to meet payroll and pay health insurance through the end of the school term ending June 12, 2008. Maasai Institute was asked by the CSRC to appear at a June 19, 2008 public hearing to present an financial plan that would demonstrate whether the school could reduce its debts and remain financially stable to continue operations through the end of the 2008-09 school term.

On June 19, 2008, the Maasai Institute’s Board of Directors informed the CSRC in writing at its public hearing that their bank did not want to take the risk of providing Maasai Institute access to an additional line-of-credit to help the school pay off its remaining debts in order to remain open for the 2008-09 school term. Therefore, Maasai Institute reached the conclusion to officially cease operations

of Maasai Institute and asked the CSRC to provide them with direction for taking the appropriate steps in closing the school.

The CSRC mutually agreed with the Maasai Institute's Board of Director's decision and also agreed to provide them with direction for taking the appropriate steps in closing the school.

Section II. C.1. of the charter contract provides that the contract may be terminated "when both parties agree in writing to the termination." Based on the foregoing, the CSRC recommends that the charter contract between the City of Milwaukee and Maasai Institute be terminated and Maasai Institute's charter be revoked, pursuant to Sec. II.C.1. of the charter contract. The CSRC further recommends that the Common Council approve the attached agreement between the City of Milwaukee and Maasai Institute, which provides that the charter contract be terminated and the charter revoked by mutual agreement of the parties.

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