



TO: P-12 Education Committee

FROM: Angelique Johnson-Dingle *Angelique Johnson-Dingle*

SUBJECT: Charter School Dissolutions

DATE: February 29, 2024

AUTHORIZATION(S): *Betty M...*

SUMMARY

Issue for Decision

Should the Board of Regents issue an order of dissolution of **New Covenant Charter School** and **UFT Charter School** (both authorized by the State University of New York [SUNY] Trustees) and consent to the filing of a petition for judicial dissolution by **Oracle Charter School** (authorized by the SUNY Trustees), as requested by each schools' board of trustees?

Reason(s) for Consideration

Required by New York State Education Law §216-a and Not-For-Profit Corporation Law §1102.

Proposed Handling

These issues will come before the P-12 Education Committee for recommendation and to the Full Board for action at the March 2024 meeting.

Procedural History

Pursuant to Education Law §219(3), the Board of Regents is authorized to order the dissolution of a charter school education corporation, upon application of at least three-fourths of the trustees of the corporation, if the Board of Regents is satisfied that there is no sufficient reason for the continuance of the corporation, and if all taxes chargeable to the corporation have been paid. Furthermore, Education Law §2853(1) provides that upon termination or nonrenewal of the charter of a charter school, the certificate of incorporation (i.e., provisional charter) of the charter school shall be revoked by the Board of Regents pursuant to Education Law §219.

Pursuant to Education Law §216-a and Article 11 of the New York State Not-for-Profit Corporation Law, the Board of Regents is authorized to consent to the filing of a petition for judicial dissolution of an education corporation, including charter schools, in the Supreme Court of the State of New York.

Background Information

New Covenant Charter School

In September 1999, upon the recommendation of the school's authorizer, the SUNY Board of Trustees, the Board of Regents issued a provisional charter to the New Covenant Charter School ("School" or "Corporation") to operate a charter school in the Albany City School District. After receiving two renewal terms, the School was not renewed by its authorizer and its charter expired on June 30, 2010. The School ceased educational operations after the 2009-2010 school year.

The School's Board of Trustees ("Trustees") is now petitioning the Board of Regents to dissolve the Corporation's provisional charter. The Trustees have provided evidence that all taxes payable by the Corporation have been paid and that the application is made by at least three-fourths of the trustees of the Corporation. In addition, the Trustees assert that the School has transferred all of its student records to the district(s) of residence of its former students. Pursuant to Education Law §§219 and 2853, the Trustees request that the Regents issue an order of dissolution of the Corporation. As the charter's authorizer, the SUNY Board of Trustees has stated that it has no objection to the dissolution of this provisional charter.

UFT Charter School

In July 2005, upon the recommendation of the school's authorizer, the SUNY Board of Trustees, the Board of Regents granted a provisional charter to the UFT Elementary Charter School, later renamed UFT Charter School ("School" or "Corporation"), to operate a charter school in New York City. After receiving four renewal terms, in February 2020, the School's Board of Trustees ("Trustees") voted to cease its operation as a charter school and transition the School to the New York City Department of Education ("NYC DOE"). The School ceased to operate as a charter school on June 30, 2020 and thereafter began operations as an NYC BOE school. The School and NYC BOE, through a Memorandum of Agreement dated February 27, 2020, agreed that the assets of the School would inure to the benefit of the newly constituted NYC BOE school.

As the School has now transitioned to an NYC BOE-run school, the School's Board of Trustees ("Trustees") is now petitioning the Board of Regents to dissolve the Corporation's provisional charter. The Trustees affirmed that all taxes payable by the Corporation have been paid and that the application is made by at least three-fourths of the trustees of the Corporation. In addition, the Trustees assert that the School has transferred all of its student records to the district(s) of residence of its former students. Pursuant to Education Law §§219 and 2853, the Trustees request that the Regents issue an order of dissolution of the Corporation. As the charter's authorizer, the SUNY Board of Trustees has stated that it has no objection to the dissolution of this provisional charter.

Oracle Charter School

In March 2004, upon the recommendation of the school's authorizer, the SUNY Board of Trustees, the Board of Regents granted a provisional charter to Oracle Charter School ("School" or "Corporation") to operate a charter school in Buffalo, New York. After receiving three renewal terms, the School was not renewed by its authorizer and its charter expired on July 31, 2018. The School ceased educational operations after the 2017-2018 school year.

The School's Board of Trustees ("Trustees") is now petitioning the Board of Regents for consent to file a petition for the judicial dissolution of the Corporation pursuant to Not-for-Profit Corporation Law §1102 on the basis that its charter was not renewed and it has remaining assets to be distributed by the New York Supreme Court. The School's petition states that any taxes payable by the Corporation have been paid, no taxes are now due or accrued from the petitioner Corporation, and all student records have been distributed to the respective districts and/or schools.

Staff recommend that the Board of Regents give consent to the filing by the School of a Petition for Judicial Dissolution pursuant to New York State Not-for-Profit Corporation Law Article 11, on notice to NYSED. As the charter's authorizer, the SUNY Board of Trustees has stated that it has no objection to the Regents' consent to file a petition for judicial dissolution.

Related Regents Items

Not applicable.

Recommendation

It is recommended that the Board of Regents take the following action:

VOTED: That the provisional charter of the **New Covenant Charter School**, located in the Albany City School District, County of Albany, State of New York, which was granted by the Board of Regents in September 1999, be, and the same hereby is, dissolved, that notice to such effect be given to the Board of Trustees of the Corporation and the State University of New York Trustees, and that the Board of Regents directs that any student records and/or any remaining assets of the Corporation be transferred, and that any funds remaining in the possession of the Corporation that can be attributed to public funding be distributed, to each school district having resident children served by the charter school in the last school year in accordance with the provisions of Education Law §2851(2)(t), and that, in accordance with Education Law §220, the Corporation shall, within three (3) months of said dissolution, petition the supreme court in the judicial district where the principal office of the Corporation is or was located for an order directing such disposition.

VOTED: That the provisional charter of the **UFT Charter School**, located in NYC CSD 19, County of Kings, State of New York, which was granted by the Board of Regents in July 2005, be, and the same hereby is, dissolved, that notice to such effect be given to the Board of Trustees of the Corporation and the State University of New York Trustees,

and that the Board of Regents directs that any student records and/or any remaining assets of the Corporation be transferred, and that, to the extent applicable and not otherwise governed by the Memorandum of Agreement dated February 27, 2020, between the Corporation and the Board of Education of the City School District of the City of New York, any funds remaining in the possession of the Corporation that can be attributed to public funding be distributed, to each school district having resident children served by the charter school in the last school year in accordance with the provisions of Education Law §2851(2)(t), and that, in accordance with Education Law §220, the Corporation shall, within three (3) months of said dissolution, petition the supreme court in the judicial district where the principal office of the Corporation is or was located for an order directing such disposition.

VOTED: That consent is hereby given to **Oracle Charter School** to file a petition for judicial dissolution pursuant to Article 11 of the Not-for-Profit Corporation Law, on notice to NYSED.

Timetable for Implementation

The Regents' action is effective immediately.