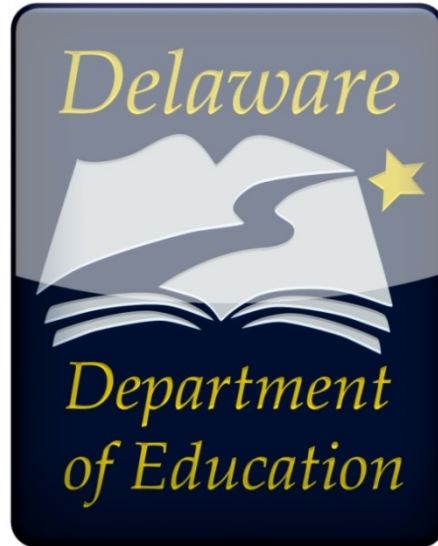


CHARTER SCHOOL ACCOUNTABILITY COMMITTEE

DELAWARE DEPARTMENT OF EDUCATION



Academy of Dover

**FORMAL REVIEW
FINAL REPORT**

CSAC Final Meeting: June 3, 2015
CSAC Final Report Published: June 5, 2015

CSAC FINAL RECOMMENDATION: PROBATION WITH CONDITIONS

The following were in attendance at the Final Meeting of the CSAC on June 3, 2015:

Voting Committee Members of the Charter School Accountability Committee

- David Blowman, Chairperson of the Charter School Accountability Committee and Deputy Secretary of Education, DDOE
- Karen Field Rogers, Associate Secretary for Adult Education and School Supports, DDOE
- April McCrae, Education Associate, Science Assessment and STEM, DDOE
- Barbara Mazza, Education Associate, Exceptional Children Resources, DDOE
- Tasha Cannon, Deputy Officer Talent Recruitment, Selection and Strategy, Teacher and Leader Effectiveness Unit (TLEU), DDOE
- Charles Taylor, Community Member and Retired Charter School Leader

Staff to the Committee (Non-voting)

- Ilona Kirshon, Deputy Attorney General, DOJ
- Jennifer Nagourney, Executive Director, Charter School Office, DDOE
- John Carwell, Education Associate, Charter School Office, DDOE
- Michelle Whalen, Education Associate, Charter School Office, DDOE
- Brook Hughes, Education Associate, Financial Reform and Resource Management, DDOE

Representatives of the School

- Kimeu Boynton, Board President, Academy of Dover
- Cheri Marshall, Head of School, Academy of Dover
- John Leone, Administrator, Academy of Dover

Discussion

Mr. Blowman stated that the purpose of the meeting was for the CSAC to continue its review of the relevant statutory criteria to determine whether the charter holder is violating the terms of its charter and, if so, whether remedial measures are warranted.

Mr. Blowman noted that the grounds for the formal review are outlined in a letter to the Academy of Dover Charter School (“AOD”) Board, dated April 23, 2015, which include the following potential violations of the law and charter:

- Financial viability;
- Financial management;
- Financial oversight;
- Board capacity; and
- Academic performance.

Mr. Blowman noted that, on April 30, 2015, AOD had submitted a set of documents to the Department of Education. These documents included copies of statements for credit cards and accounts held by the school since the 2011-12 school year, including accounts with Home Depot, Lowes, Staples, and Sam’s Club. The Charter School Office identified a set of statements documenting purchases that may have been made by the former school leader for personal use. A representative sample of those statements was then added to the record. AOD’s Board also submitted a set of documents regarding a legal judgment with Mosaica Education, Inc. (“Mosaica”), the school’s former charter management organization, which was also added to the record.

Mr. Blowman noted that a second letter was ~~sent~~ sent to the AOD Board on May 7, 2015, identifying possible outcomes of the formal review process and possible areas of discussion at the Initial Meeting of the CSAC.

An Initial Meeting of the CSAC was held on May 13, 2015 and an Initial Report was issued on May 18, 2015. During the meeting, the CSAC requested the following documents:

- Plan for establishing a Citizens Budget Oversight Committee;
- Copies of Board policies and procedures;
- Plans for establishing a Board oversight committee;
- Closure plan; and
- Current year academic data that demonstrates positive student achievement.

The CSAC confirmed that each of the requested documents had been received in their entirety, along with AOD’s response to the Initial Report.

Financial Viability

Mr. Blowman asked the school to provide an update on the status of the litigation with Mosaica. Mr. Boynton stated that the school signed a Memorandum of Understanding (“MOU”) with Mosaica that maintains the school’s economic viability. The settlement reduces the judgment by approximately two-thirds of the original amount, which was nearly \$2 million. Initial payments of will be made in the next month and a half, and annual payments of will be made over each of the next three years. If possible, the school will pay the balance earlier, as the agreement contains no pre-payment penalty. Mr. Boynton also noted that the school is working with Innovative Schools to revise the budget based on the settlement agreement. Mr. Blowman requested a budget that reflects the ~~judgement~~ judgment and demonstrates that the school will continue to be economically viable with appropriate resources to operate the school. Mr. Blowman requested that the school provide a copy of the final executed settlement by June 12, 2015, which is the close of the public comment period. Mr. Boynton noted that the MOU reflects what will be in the finalized settlement agreement. Mr. Boynton explained that the MOU was prepared specifically for the Final Meeting of the CSAC and to alleviate the judge’s concerns.

Ms. Nagourney asked the school if legal fees were included in the revised budget. Mr. Boynton stated that legal fees will be covered by a separate budget.

Ms. Field Rogers noted that the composition of the Citizens Budget Oversight Committee (“CBOC”) has a large proportion of school representatives and should include community representatives who are independent from the school.

Financial Management

Mr. Blowman asked the school if the school had established adequate written financial policies and procedures. Mr. Boynton noted that the school is working with First State Financials and the CBOC met with them last week. Ms. Field Rogers reminded the school that all CBOC members are required to attend finance training. Mr. Taylor emphasized the importance of establishing appropriate checks and balances over all financial management systems.

Ms. Field Rogers requested clarification regarding the purpose of the Board oversight committee. Mr. Boynton stated that the Board oversight committee was formed based upon the recommendation of Chuck Taylor. Mr. Taylor clarified that he suggested that the Board form an oversight committee to review operations in addition to school finances to ensure that the administration is following the Board’s policies. Ms. Nagourney noted that the CBOC should be completely separate and distinct from the Board of Directors, and both entities should operate with a high degree of transparency with respect to posted notices, agendas and minutes.

Mr. Blowman asked the school to provide an update on the school's efforts to establish adequate financial policies and procedures. Mr. Boynton stated that the Division of Accounting is helping the school. He also noted that the Auditor's report is still pending and the project leader is out of the office until June 8, 2015.

Board Capacity

Mr. Taylor asked the school about the Board's diversity. Mr. Boynton stated that the Board includes long-term residents of Dover and greater Kent County who are former educators, elected officials, members with financial and legal expertise, and one parent representative. Ms. Field Rogers noted that the CBOC should have no conflicting ties to the Board. Ms. Nagourney asked about changes to the Board since the misappropriation of school funds came to light. Mr. Boynton stated that Ms. Beverly Williams replaced Leida Sanchez as the Board Treasurer.

Mr. Taylor asked the school if the Board has received training. Mr. Boynton stated that the Board has received training and is working with the Delaware School Board Association ("DSBA") to gain additional training. Mr. Taylor asked the school if the current Board is fully functional. Mr. Boynton noted that the current Board has experience serving on other nonprofit boards. Mr. Blowman asked the school if any of the Board's training was provided by the Delaware Alliance for Nonprofit Advancement ("DANA"). Mr. Boynton stated that the school has not received any training from DANA.

Mr. Boynton stated that the current Board inherited the Mosaica judgment and has worked diligently to resolve it. He added that the Board is willing to receive additional training. He also noted that teacher and student morale is good.

Academic Performance

Mr. Blowman noted that the school's academic performance declined during the 2013-14 school year. Ms. McCrae noted that the school's assessments were primarily skills-based versus standards-based and requested information regarding the school's plans for assessments going forward. Ms. Marshall stated that the school currently does not have any embedded assessments beyond Smarter Balanced and requested recommendations.

Ms. Nagourney asked the school to provide an update on the special education program, in general, and the recent parent complaint, in particular. Mr. Boynton noted that the Board and the administration investigated the parent complaint and dealt with it as quickly as possible. He added that it is a legal matter and both parties have agreed to mediation on June 16, 2015. Ms. Nagourney asked the school if the special education program has been reviewed at a systemic level. Ms. Marshall stated that the special education program is working well and the school is receiving assistance from Ms. Mazza.

Mr. Taylor asked the school if it has a complaint process. Mr. Boynton indicated that the school has a complaint process. Ms. Mazza asked the school if it has provided training to staff on working with parents effectively. Ms. Marshall stated that the school has provided this type of training.

Conclusion:

Mr. Blowman stated that the school's economic viability must be fully evaluated based on the settlement agreement. He added that the school's ability to meet the educational program must be considered in addition to a balanced budget. Although the Auditor's report is still pending, it is clear that a former representative of the school misappropriated taxpayer funds. The Board has articulated preventative steps, but evidence of effective implementation is needed. Mr. Blowman also noted that the current Board was in place when the misappropriation of funds occurred. Thus, additional evidence of the Board's capacity to effectively oversee the school is needed. Additionally, evidence of improvement in academic performance is needed. Mr. Blowman noted that the school clearly violated the terms of its charter relative to financial viability, financial management and oversight, board capacity and academic performance.

The CSAC voted to recommend that the AOD's charter be placed on probation for a period of one year, subject to the following conditions:

1. Submit the fully executed settlement agreement with Mosaica by June 12, 2015;
2. Submit a detailed budget that demonstrates economic viability with the Mosaica settlement agreement and specify the fiscal years for all payments by June 12, 2015;
3. Submit copies of financial management and oversight procedures by August 1, 2015;
4. Board members must participate in training offered by the Delaware Alliance for Nonprofit Advancement by October 1, 2015;
5. Board members must participate in training from the Public Integrity Commission ("PIC") by October 1, 2015;
6. Submit evidence of ongoing academic progress by December 31, 2015;
7. Establish monthly CBOC meetings and post the required documentation from each meeting; and
8. Establish regular board oversight committee meetings.

Ms. Mazza abstained from the vote because she did not attend the Initial Meeting.

Next Steps:

- A second and final public hearing will be held on June 10, 2015 beginning at 6:00 p.m., in the 2nd Floor Cabinet Room of the Townsend Building located at 401 Federal Street in Dover.
- The public comment period is open, and will close on June 12, 2015.

- The Secretary will announce his decision at the June 18, 2015 State Board of Education meeting, beginning at 1:00 p.m., in the 2nd Floor Cabinet Room of the Townsend Building located at 401 Federal Street in Dover.