

FAMILY FOUNDATIONS ACADEMY

Families Focused on Achievement

April 30, 2015

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Delaware Department of Education
Charter School Office
401 Federal St., Suite 2
Dover, DE 19901
Attention: Jennifer Nagourney

Ladies and Gentlemen:

By letter of March 24, 2015, Family Foundations Academy was formally advised that the Department of Education, with the assent of the State Board of Education, had determined that, as the result of Formal Review proceedings, the criteria for remedial action under Title 14, Delaware Code, Section 516, had been satisfied and that FFA has been placed on probation for 6 months, subject to certain conditions, one of which is a monthly report to DOE outlining FFA's progress on each of the identified violations of the School's charter. The violations of the charter that were identified in the Charter School Accountability's final report regarding the formal review proceedings were board governance, board oversight and conflicts of interest, financial operations and administrative operations. FFA's first such monthly report, filed on March 31, 2015, commented on each of the areas mentioned. In that report we acknowledged four open issues and requested DOE to inform us if there were any others. We have not been so informed of any other open issues. We will report below on the satisfaction of two of those open issues leaving two others yet to be completed.

Board Governance. There were two open issues with regard to board governance. One is for the last one of our Board members to attend a Public Integrity Commission training when next offered. Ms. Stewart attended such training on April 23 so that issue is closed. A second is to take steps if any matter involving a possible conflict between FFA and EastSide Charter should arise so that all EastSide connected Board members could recuse themselves without depriving the Board of a quorum. We do not see on the immediate horizon any opportunity for a conflict between FFA and EastSide but nevertheless we do plan to take steps in the next two months to address this concern.

Board Oversight and Conflicts of Interest. As reported in our March 30 Report, we are not aware of any open issues in this area other than perhaps the routine compliance with public reporting by the Board of its activities. FFA is in compliance with all such public reporting requirements.



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Financial Operations. There were two open issues in this area. One is the commencement of operation of a properly selected and constituted Citizen Budget Oversight Committee. The properly reconstituted CBOC held its first meeting on April 27, 2015. Draft minutes of that meeting have been prepared and will be posted on the School's website once approved. At that meeting it was reported that the School is projected to end this fiscal year with an operating deficit of approximately \$378,000 which is attributable primarily to one time extraordinary expenditures by prior management: \$324,000 for legal services; \$138,500 for leadership and charter renewal consulting services; and \$85,000 for a forensic audit. The deficit will in any event be easily absorbed by more than \$2.8MM of carryover funds from prior years. Preliminarily we project a break even budget for FY16.

It was also reported at the CBOC meeting that the outside financial management consulting has been completed and new operating protocols have been installed. FFA has also begun working with the Division of Accounting to ensure all preliminary requirements are met to again have the privilege of using the State's Pcard system.

Administrative Operations. There are no open issues here. The School has met the required May 1 80% enrollment target for next year. Last month we reported that a new Principal, Rachel Valentin, had been hired for the Elementary School and was already on the job. We have now also hired a new principal for the Middle School, Laretha Powell Odumosu, who has been working for us part time and will commence full time work for the School on May 4.

Very truly yours,



Charles S. McDowell
Board President



Lamont W. Browne, Ed.D.
Executive Director