



DEPARTMENT OF EDUCATION

THE TOWNSEND BUILDING
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Secretary of Education
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September 25, 2012

Ms. Judi Kennedy
Co-Vice President, Board of Directors
Pencader Business & Finance Charter High School
New Castle, DE. 19720-2727

Dear Ms. Kennedy:

Please be advised that, for the reasons set forth below and with the consent of the State Board of Education, the charter of Pencader Charter High School is placed on Formal Review, pursuant to 14 Delaware Code § 515 (c) to determine whether the school is violating the terms of its charter and, if so, whether to order remedial measures.

1. **Governance & Administration** (Criteria 1, 3, 9):

- Based upon recent conversations with representatives of Pencader's Board and attendance at Board meetings, the Department has concerns regarding their knowledge and/or expertise to operate the school without assistance from third parties.
- Building-level financial oversight, a condition of Pencader's current probation, continues to be uncertain. It appears that the Board does not know the full extent of the school's current financial obligations and has not completed a review of the school's vendor contracts.
- The school's tax standing is currently unclear due to the board's failure to insure continuance of the school's 501(c)(3) status.
- Additionally, the recently issued Opinion of the Attorney General's Office on the FOIA complaint filed against Pencader left unresolved certain allegations that the election of new Pencader directors was not conducted in accordance with applicable provisions of Pencader's bylaws and the General Corporation Law.
- It appears that the Board is not in compliance with its mission statement.
- Parents and community members have complained at Board meetings and through correspondence to the Department that the Board has not been transparent or responsive to their concerns.

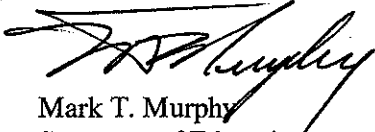
2. **Student Performance** (Criterion 6): The educational program appears to be impacted by governance and administrative decisions. Academic performance does not comply with the expectations in the school's Performance Agreement.

3. **Serving Students with Special Needs** (Criterion 7): Current board members also acknowledge problems in serving Students with Special Needs. Administrative Complaints have been filed with the Department.

4. **Economic Viability** (Criterion 8): Current enrollment has dropped to 406 significantly below authorized enrollment (625) and has impacted the school's economic viability.

This matter will be referred to the Charter School Accountability Committee for review and recommendations. The Charter School Office will contact you regarding scheduling for the Charter School Accountability Committee's meetings. If you have any questions, please contact John Carwell, Jr. in the Charter School Office at 302-735-4020.

Sincerely,



Mark T. Murphy
Secretary of Education

cc: Mary Kate McLaughlin, Chief of Staff
Karen Field Rogers, Associate Secretary/Chief Financial Officer
Amanda Fraser, Assistant Principal, Pencader Business and Finance Charter High School
John H. Carwell, Jr., Director, Charter School Office