



DEPARTMENT OF EDUCATION

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Secretary of Education
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January 21, 2015

Via email attachment and U.S. Mail

Charles S. McDowell, Esq.
President, Board of Directors
Family Foundations Academy
1101 Delaware Street
New Castle, DE 19720

Dear Mr. McDowell:

A few days prior to the December 18, 2014 State Board of Education meeting, and after the closing of the Charter School Accountability Committee's (CSAC's) review of FFA's charter renewal application, the Department became aware of potentially serious allegations of financial mismanagement. This was documented most significantly in a detailed and lengthy financial report that the Department received fewer than 24 hours prior to the State Board of Education meeting. In light of this circumstance, the Secretary of Education deferred his decision on renewal to allow for necessary due diligence through a review of the issues.

The financial report raises serious concerns and questions about many issues that are central to the continued success of a charter school. Since the December 18, 2014 State Board of Education meeting, FFA's Board of Directors has undertaken a number of significant changes, including: the termination of the school's co-directors; engaging the current leader of another charter school to oversee daily operations; and reorganization of the board of directors, including the election of five new board members, the appointment of four new board officers, and the resignation of two out of four remaining board members.

Although the Department recognizes that FFA's Board has recently taken action to address many of the concerns raised by the information in the report, such action is only the beginning of what could be a very long process. Indeed, there remain significant concerns about potential non-compliance with the law and FFA's charter that demand a rigorous review.

At the January 15, 2015 State Board of Education meeting, with the assent of the State Board of Education, FFA's charter was renewed subject to the following conditions:

- By January 30, 2015, the school shall submit clarification and documentation, to the satisfaction of the Department, of how the new FFA Board will operate FFA and EastSide Charter School;
- By January 30, 2015, the school shall submit clarification and documentation, to the satisfaction of the Department, of the identification and responsibilities of the individual
- or team who will operate the school on a daily basis, including who will be providing the services of the Head of School and Business Manager, respectively;
- By January 30, 2015, the school shall submit clarification and documentation, to the satisfaction of the Department, regarding the role and responsibilities of Dr. Lamont Browne as to both FFA and EastSide Charter School, including addressing potential violations of 29 Del. C., Chapter 58;

- By February 27, 2015, all Board members who have not participated in a Delaware Alliance for Nonprofit Advancement (DANA) board training must participate in such a program and provide verification of such participation;
- By February 27, 2015, all Board members must participate in training offered by the Public Integrity Commission in the area of conflicts of interest best practices and provide verification of such participation;
- The school shall respond, within three (3) business days, to the Department's requests for financial information.

Notwithstanding the renewal of FFA's charter with conditions, there remain significant concerns about potential non-compliance with the law and FFA's charter that demand a rigorous review. Those concerns include:

- Board capacity (14 Del. C. § 512(1));
- Board oversight and potential conflicts of interest (14 Del. C. § 512(15));
- Financial operations (14 Del. C. § 512(9));
- Financial viability (14 Del. C. § 512(8));
- Administrative operations (14 Del. C. § 512(9));
- Material fraud on the Department by the school or its representatives (14 Del. C. § 516(1)); and
- Misappropriation of federal, state, and local funds (14 Del. C. § 516(1)).

Additionally, sudden and significant changes to FFA's Board of Directors and leadership raise concerns about the continuity of the academic program's success and approved school policies, including FFA's:

- Mission (14 Del. C. § 512(3));
- Student performance education plan (14 Del. C. § 512(4) – (5));
- Curriculum (14 Del. C. § 512(6));
- Implementation of appropriate strategies to accommodate the needs of at-risk students and those needing special education services (14 Del. C. § 512(7)); and
- Student discipline plan (14 Del. C. § 512(11)).

In light of these concerns, I have decided to refer this matter to the CSAC for review and recommendations. Attached, please find a timeline for this process, including dates of CSAC meetings and public hearings. If you have any questions, please contact Jennifer Nagourney in the Charter School Office at 302-735-4020 or Jennifer.Nagourney@doe.k12.de.us.

Sincerely,

Mark T. Murphy
Secretary of Education

Enclosure

cc: David Blowman, Deputy Secretary of Education
Mary Kate McLaughlin, Chief of Staff
Dr. Lamont Browne, Family Foundations Academy
Jennifer Nagourney, Executive Director, Charter School Office