

Freire Charter School

WILMINGTON

May 5, 2015

Charter School Accountability Committee
Delaware Department of Education
The Townsend Building
401 Federal Street, Suite 2
Dover, DE 19901-3639

Via email to: infocso@doe.k12.de.us

I am writing in response to the April 23, 2015 letter in which the Charter School Office indicated that Freire Charter School Wilmington has been placed on Formal Review for failing to meet the 80% enrollment target by April 1, 2015. We believe the school has a sound plan to attract students and manage its finances as demonstrated in the attached documents, and we look forward to a productive dialogue at our first Charter School Accountability Committee hearing on May 13, 2015 at 12:45 p.m.

Attached you will find the following documents:

- **Attachment 1 – Revised Organizational Charts:**
 - The first chart shows our governance, management, and staffing structure based on our May 1st enrollment count of 160 students.
 - The second chart shows our governance, management, and staffing structure based on a Year 1 enrollment of 80%, or 179 students.
 - The third chart shows our governance, management, and staffing structure based on our intended student enrollment of 224 students, including our Head of Academics and Head of Academic Supports.
 - The fourth chart shows the general governance and management structure of Freire Charter School Wilmington based on our anticipated full enrollment of 560 students. This chart reflects our new co-leadership model, whereby the school will be led by a Head of Academics and Head of Academic Supports rather than by a Head of School.
 - Finally, the fifth chart illustrates, in a more detailed manner than the chart above, our Year 4 governance, management, and staffing structure based on our predicted Year 4 fully-expanded enrollment of 560 students in grades 8-12.
- **Attachment 2 – Budget Based on May 1st Enrollment Count:** This document presents our multi-year budget at 160 students (71% enrollment).
- **Attachment 3 – Budget Based on 80% Student Enrollment:** This document presents our multi-year budget using a Year 1 enrollment of 80% our projection (179 students).
- **Attachments 4-8 – Revenue Estimators –** These provide our revenue assumptions for both Year 1 scenarios provided above plus each additional year of operation through Year 4.

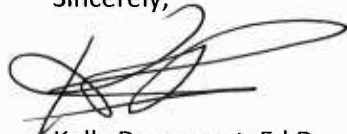
- **Attachment 9 – Line of Credit Commitment:** While we anticipate being fully enrolled, we understand that our cash flow will be based on our May 1 enrollment count. To combat this and other one-time start-up expenses, we have secured a line of credit of \$800,000 from Barclays Bank. The revolving credit agreement is attached.
- **Attachment 10 – Cash Flow Projection Based on May 1st Count:** Attached is the cash flow projection at 160 students, which illustrates how Freire will remain financially viable each month in Year 1, allowing us to make payroll and pay all of our vendors on time. The following assumptions apply for Year 1:
 - July 1st: State gives Freire 50% of funding based on May 1st Count.
 - August/September: Local districts give Freire 35% of funding based May 1st Count.
 - October: State gives Freire 25% of funding based on May 1st Count.
 - November/December: Local districts give Freire 65% of funding based on Sept 30th Count.
 - February: State gives Freire 25% of funding based on Sept 30th Count.
- **Attachment 11 – Cash Flow Projection Based on 80% Enrollment:** Attached is the cash flow projection at 179 students, which illustrates how Freire will remain financially viable each month in Year 1, allowing us to make payroll and pay all of our vendors on time. The same assumptions apply as in Attachment 5.
- **Attachment 12 – Enrollment Trend Charts:** The enrollment trends support us being fully enrolled at 224 students for the start of school. The enrollment trend charts illustrate the following as of May 1st.
 - Enrollment started increasing at higher rates starting mid-March due to a variety of new recruitment and marketing initiatives (we had nearly four times as many enrollments in the previous six weeks than in the six weeks before that).
 - The only brief drop in our rate of enrollment was due to spring break, when Freire’s offices were closed for three days.
 - As of today our enrollment is 165 students.
 - Between April 1 and May 4th, we received 109 applications who, as of today, are still deciding and have not yet enrolled.

In addition to increased ease of access to our facility for hard-hat family open houses (four were held in the past six weeks and two more are scheduled for May), the increase in enrollments has come from new and successful marketing and recruiting strategies including parent involvement, phone calls, word of mouth, and mailers.

The combined documentation that we are submitting today illustrates two main points. First, Attachments 2 and 3 illustrate that, with a modified administrative structure to reflect the lower than anticipated student enrollment, we can still operate in a financially viable manner with fidelity to our charter. Second, and more significantly, the upward trend in our enrollment leads us to state with confidence that we will open school fully enrolled. This will enable us to implement our more robust administrative structure, whereby the school is helmed by two co-heads – a Head of Academics and a Head of Academic Supports – supported by an expert charter support organization. In both scenarios we will serve our students with special needs in a supportive and legally compliant manner, maintain economic viability, and execute our plans for administrative and financial operations with fidelity to the Freire model that has proven successful in our other Freire schools. For these reasons, we kindly request that you permit Freire the ability, as per CSAC precedent, to open as scheduled in August 2015.

Thank you for your consideration.

Sincerely,



Kelly Davenport, Ed.D.
CEO, Build the Future Education Collaborative