



FIRST STATE MILITRAY ACADEMY
MINOR MODIFICATION
27 JULY 2106

DELAWARE DEPARTMENT OF EDUCATION
APPLICATION TO MODIFY AN APPROVED CHARTER
2016-17

DE Department of Education
Charter School Office
401 Federal Street, Suite 2
Dover, DE 19901
Phone: (302) 735-4020
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First State Military Academy

Minor Modification
27 July 2016

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FIRST STATE MILITARY ACADEMY



C. SCOTT KIDNER, CHAIRMAN OF THE BOARD
PATRICK R. GALLUCCI, COMMANDANT
COL. ROBERT E. WALLACE, USMC (RET.)
ARLES D. WOOD, OPERATION OFFICER
CASSANDRA MCKAY, DIR. OF ADMIN AND PERSONNEL

MINOR MODIFICATION

July 26, 2016

Charter School Office
Mr. John Carwell
Delaware Department of Education
401 Federal Street, Suite 2
Dover, DE 19901-3639

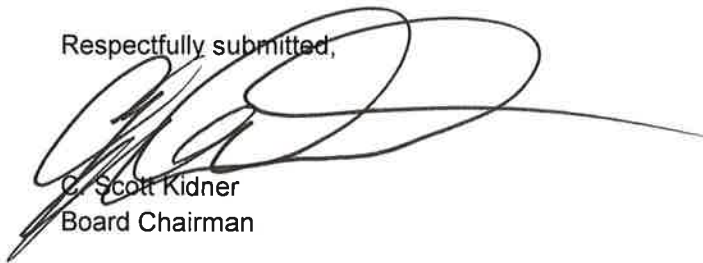
Dear John;

Attached you will find First State Military Academy's (FSMA) minor modification seeking to alter our agreement with Innovative Schools (IS) for the coming 2016 - 2017 school year as our Charter Management Organization.

We are seeking to make this modification to reflect the growth of our staff in their abilities to manage those areas that IS had been doing for FSMA last year. We are very confident that our reporting to DOE and other agencies as required will go unnoticed by those receiving agencies, and these reports will meet or exceed those requirements. Additionally, this minor modification will better reflect the services FSMA actually needs from IS for the coming year, and allows us to focus our limited resources towards building a strong staff, while returning any potential savings back towards the classroom and our Cadets..

As you review the attached, please do not hesitate in contacting myself or Patrick Gallucci, our Commandant, with any questions or issues unresolved in this document.

Respectfully submitted,



C. Scott Kidner
Board Chairman

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Minor Modification Application to the Delaware Department of Education

Section A Questions:

1. What modification does the school's Board of Directors wish to make to the term(s) of the charter?

The Board of Directors of First State Military Academy requesting to change the agreement with our current CMO, Innovative Schools. The change will give us the opportunity to select only those services needed by the school from IS on an hourly basis. This offer was proposed by our current CMO. This offer will reduce our costs.

2. What is the effective date of the proposed modification?

The effective date for this modification is retroactive to the first day of the 2017 fiscal year.

3. The authorizer will review your most recent Performance Review Reports as part of your application. Discuss the school's academic performance, compliance with the terms of its charter, and financial viability as measured by the Performance Framework.

The school just completed its first year of operation and is following its mission and purpose. The school does not have data to compare one year from the next.

4. Describe the rationale for the request(s). Discuss any relevant research base or evidence that supports this type of request. (Attachments may be provided)

The school will be able to hire personnel fulltime dramatically increasing our productivity and moving towards a self-sufficient organization.

5. Describe how the proposed modification will impact the operation of the school. Include how student achievement, staffing, facilities, and financial viability of the school may be impacted in the current school year and for the remainder of the school's charter term.

The modification will not cause an impact on the operation of the school. The school has already handled a number of operational matters for the 2015-2016 school year. To insure that those areas where staff did not have completed training, or necessary skills, FSMA has hired a more efficient contractor to support the school in back office work, while being trained to eventually take over these tasks. The school will work with Innovative Schools in areas of need on an hourly basis.

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6. Indicate the projected impact, if any, of the proposed modification on the schools present financial position, and its financial position going forward. If the modification promises to create financial challenges, indicate how those will be remedied.

The IS contract was \$133,000 for services to FSMA in the '15-'16 school year. During our review to prepare for a new contract, we discovered expenditures that were made on our behalf we felt were not necessary. For example, one such category was \$29,296.68 spent on travel and overhead. FSMA did not feel this was prudent and did not feel this contributed to our mission. As we reviewed all categories of spending, it became clear to FSMA that many of these services should and could be accomplished by current or new staff. Therefore, by implementing this minor modification, we will increase the number of hours worked by our staff per month (since they are now focused exclusively on our business), and by only contracting for those services we actually need from IS, saving the school money. Finally, as is well known, schools must become self sufficient; FSMA believes we can move in this direction more quickly and effectively by making this change now, not in 2 or 3 years.

Section F Questions:

1. If you are seeking to transfer from your current authorizer to another, detail the rationale and identify the projected benefits to the school and its students. Identify any prospective challenges and indicate your plans for remediation.

We are not changing authorizers

2. Detail the reason(s) for seeking to add, replace or remove an EMO/CMO Identify any prospective challenges and indicate your plans for remediation. Include the projected benefits. (Note: Pursuant to 14 DE Admin. Code § 275.9.4.3, an application to replace, remove or permit the school to operate without an educational management organization providing administrative, managerial or instructional staff or services to the charter holder at any time before the First Instructional Day is considered an application for a new charter and shall not be processed or considered as a modification application.)

As stated previously, FSMA believes this is an appropriate action for the school to take, given the benefits to our operating budget, and most importantly, getting our team in place to support our teachers and our Cadets.

3. If the proposed modification will entail costs that the school is not currently carrying, please identify them and present financial information indicating that such costs are viable and how the school will address them.

The cost of hiring an employee and contracting out back office work is approximately \$20,000 less than the cost of doing business with IS under the previous contract. This will allow us to use the remaining funds to seek help from Innovative Schools In areas of need.

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4. If the school seeks to add or replace an EMO/CMO, please present evidence that its program is sound, and that affiliation with that organization is likely to improve academic performance for students. If the EMO/CMO works or has worked with other schools within or outside the state, provide evidence of its record of such performance.

FSMA is not seeking to replace our CMO, we are requesting this minor modification to alter our agreement with IS.