



Delaware Design-Lab High School

Report Date: 21 April 2017

**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
Fax: (302) 739-4483

Table 1

Type of modification	Minor Modification	Major Modification	Application Deadline	Charter School Accountability Committee Required
Enrollment change(increase or decrease) between 5 and 15%	X		Applications only accepted between November 1 st and December 31 st	
Enrollment change(increase or decrease) of greater than 15%		X	Applications only accepted between November 1 st and December 31 st	X
Grade configuration (adding grade levels or reducing grade levels)		X	Recommended: March 1 st	X
Educational Program (i.e. curriculum)		X	Recommended: March 1 st	X
Mission (includes At-Risk designation)		X	Recommended: March 1 st	X
Replace, remove, or add EMO/CMO, or transfer of authorizer		X	Recommended: March 1 st	X
Change agreement with EMO/CMO	X		None	
Enrollment preferences		X	Recommended: March 1 st	X
Location change		X	Recommended: March 1 st	X
Goals for student performance		X	Recommended: March 1 st	X
Performance Agreement		X	None	
Start date (one-time) delay	X		None	
Name of charter school	X		None	
Existing or planned school facilities or structures (including any plan to use temporary or modular structures)	X		None	
Change in terms to current site facility arrangement (i.e. lease or purchase)	X		None	
Educator Evaluation Process	X		None	

Please indicate the type(s) of modification(s) you are requesting by checking all applicable boxes below:

Table 2

Minor Modification (Section A Only)		Major Modification (Section A <u>AND</u> additional questions identified below)	
	Enrollment change (increase or decrease) between 5 and 15%		Performance Agreement Section A only
	Change agreement with EMO/CMO		Enrollment change (increase or decrease) of greater than 15% Section B
	Start date (one-time) delay		Grade configuration (adding grade levels or reducing grade levels) Section C
	Name of charter school		Educational Program (i.e. curriculum) Section D
	Existing or planned school facilities or structures (including any plan to use temporary or modular structures)		Mission (includes At-Risk designation) Section E
	Change in terms to current site facility arrangement (i.e. lease to purchase)		Replace, remove, or add EMO/CMO, or transfer of authorizer Section F
	Educator Evaluation Process		Enrollment preferences Section G
X	Other		Location change Section H
			Goals for student performance Section I

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SECTION A

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Section A Core Questions:

1. What modification does the school's Board of Directors want to make to the term(s) of the charter? Identify the page number(s) on which the term(s) is/are stated in the currently approved charter. If the term(s) of the charter the school wants to modify is/are conditions placed on the charter by the Secretary of Education and members of the State Board of Education, state the condition(s) and the date(s) on which the condition(s) was/were placed on the school's charter.

With this submission, the Board of Directors (the "Board") of Delaware Design-Lab High School ("DDLHS" or the "School") seeks to modify the following provisions of the approved charter:

1. Global – Except when defining the term "Delaware Design-Lab High School, Inc.," delete all references to "Design-Lab," "Design-Lab School," "Design-Lab High School," and/or "Design-Lab High," and replace with DDLHS.
2. Global – Delete all references to "CEO" and/or "CAO" and replace with "Head of School" either collectively or individually, as appropriate.
3. Section 1, Page 3 – Delete all references to "Advisory Council"
4. Section 2, Page 7, **Principal/Founding Group School Leader and Leadership Team**, number 1 – Delete "to year 4" and replace with "through February 3, 2017."
5. Section 2, Page 7, **Leadership/Management Team** – Delete "The school's leadership/management team will consist of Dr. Cristina Alvarez, CEO, Dr. Martin Rayala, CAO, and the Principal to be hired in spring 2014" and replace with "Effective February 3, 2017, the school's governance/leadership/management team will consist of the Board of Directors, Joseph Mock, Head of School and Principal, and such other administrators as the Board shall deem necessary and appropriate."
6. Section 5, Page 37/Attachment 10 – Delete any reference to Attachment 10. Attachment 10 was not included in the original charter application
7. Section 5, Page 37, **2. Based on organizational chart, ...** – Delete the narrative hereunder and replace with the narrative set forth on Exhibit A hereto.
8. Section 5, Page 40, **5. Securing DPAS II Training...** – Delete any reference to a member of the Board of Directors being DPASII Certified.
9. Section 5, Page 40, **6. How the Principal/School Leader...** – Modify to state that the Board of Directors, rather than the Head of School, will evaluate the Principal, to the extent the Head of School and the Principal are the same person.
10. Section 6, Page 46, **Organizational Chart** – Replace Attachment 15 with Exhibit B hereto.
11. Section 6, Page 48, **(a) 6. Board Expansion** – Delete reference to the Board's requirement to host information sessions as ambassadors for the school.
12. Section 6, Page 48 – 49, **Advisory Bodies** – in all appropriate instances, replace "will" with "may," to provide the School with flexibility in appointing an advisory council should they so desire.
13. Section 8, Page 53 – Delete all references to "School Safety Committee"

14. Attachment 15 – Replace Attachment 15 with Exhibit B hereto.
15. Exhibit 60 – Delete references to Innovative Schools

The Board further seeks to clarify for all interested parties the School's historical relationship with Design-Lab Schools LLC (the "LLC") and its plans for implementing the terms of its charter going forward.

I. THE HISTORICAL RELATIONSHIP BETWEEN THE PARTIES

The LLC, as identified in the charter, is the employer of Dr. Cristina Alvarez and Dr. Martin Rayala, two members of the founding group of the School. Between the opening of the School in August of 2015 and February 3, 2017, Dr. Alvarez served as the School's Chief Executive Officer and Dr. Rayala served as the School's Chief Academic Officer, as set forth in the charter. In summary, from August 2015 through February 3, 2017, the LLC (through Dr. Alvarez and Dr. Rayala) provided the following services (collectively, the "Services") to the School:

August 25, 2015 through June 30, 2016 – Launched the school, operational year 1 with students (*Executive*: Recruit, hire and on-board Principal, day-to-day supervision of Principal; governance support, external relations, secured facility, lease negotiations, landlord/tenant relations, leadership development. *Operations*: Insurance, interviewing and hiring teachers, staffing, new employee orientations, student recruitment and enrollment, open houses, tours, outreach and school-community events, picnics, movie nights, skating party, bowling party, pizza socials, parent engagement events, master schedule, calendars, school policies, handbooks, manuals, contracts, programs, furnishings, equipment, transportation, nutrition, technology, insurance for the Board and DDLHS, human resources, staffing, budgets, reporting, vendor relations. *Organizational*: Delaware Community Foundation account, 501c3 IRS tax exemption application, strategic initiatives, quality control. *Academic*: Curriculum, courses, assessments, schedules, professional development, instructional coaching, external relations with universities, curriculum councils, host conference, model whole-school learning initiatives, data support, Design-Lab Schools school culture. *Partnerships*: Design-Lab Schools professional network, institutional and community partnerships. *Other*: Licensing of Design-Lab logos and trademarks.)

July 1, 2016 through June 20, 2017, 2017 – Established the school, operational year 2 with students (*Executive*: Facilities identification, broker identification, site expansion, landlord/tenant relations, architecture and design meetings, growth planning, capacity building through leader development, supervision. *Operations*: Talent acquisition, final report review, annual audit, contract management, school-based operations team support, assist with federal programs application, student recruitment and enrollment, open houses, tours, outreach and school-community events. *Organizational*: Secured 501c3 IRS tax exemption, strategic initiatives, quality control, 990s IRS Returns, Annual Report. *Academic*: Curriculum refinement, courses, assessments, schedules,

professional development, instructional coaching, external relations with universities, curriculum councils, host conference, model whole-school learning initiatives, data support, Design-Lab Schools school culture. *Partnerships:* Design-Lab Schools professional network, institutional and community partnerships. *Other:* Licensing of Design-Lab logos and trademarks.)

Further evidence of the Services performed by the LLC can be found in the minutes of the School's Board meetings, as well as in the invoices annexed hereto as Exhibit C.¹

In exchange for those Services, the LLC has been paid as follows:

Date of Payment	Amount of Payment	Fiscal Year Covered by Payment
2/25/2016	\$27,077.47	8/25/2015 – 6/30/2016
2/25/2016	\$27,077.47	8/25/2015 – 6/30/2016
2/25/2016	\$27,077.47	8/25/2015 – 6/30/2016
2/25/2016	\$27,077.47	8/25/2015 – 6/30/2016
2/25/2016	\$27,077.47	8/25/2015 – 6/30/2016
8/4/2016	\$27,077.47	8/25/2015 – 6/30/2016
8/4/2016	\$27,077.47	8/25/2015 – 6/30/2016
8/4/2016	\$27,077.47	8/25/2015 – 6/30/2016
8/4/2016	\$27,077.47	8/25/2015 – 6/30/2016
8/4/2016	\$27,077.47	8/25/2015 – 6/30/2016
8/4/2016	\$27,077.47	8/25/2015 – 6/30/2016
10/4/2016	\$196,779.96	7/1/2016 – 2/3/2017

These payments were originally coded in the School's financial system as "CMO Fees."² This coding was in error. The payments have been recoded to reflect the appropriate designation as "Payment on Vendor Invoice."

¹ The Board notes that the Department of Education has asked for "the days and times when [Drs. Alvarez and Rayala] were present at the School." Unfortunately, the Board is not in possession of this information and did not keep detailed time records on behalf of the LLC. The Board has requested this data from the LLC, and if the LLC provide this data in advance of any hearing before the Charter School Accountability Committee ("CSAC") we will furnish it as soon as possible.

² The Board notes that, on August 25, 2015, DDLHS and the LLC entered into that certain Academic and Business Services Agreement (hereinafter, the "Contract"). Pursuant to the Contract, the LLC identifies itself as a "charter management organization" (a "CMO") and agrees to provide certain services to the School in exchange for a fixed percentage of the School's total annual revenue. The Board does not believe that the Contract accurately reflects the historic relationship between the parties, or was effective, and submits that the Contract was never implemented

At this time, the School and the LLC do not have an effective working relationship. To the Board's knowledge, the LLC currently is providing very minimal Services to the School. Other than through RFP Process (as defined below) or as it relates to the grant awarded to the Design-Lab High Team from the XQ Institute, the Board does not anticipate that LLC will provide material Services to the School. The LLC will not receive any additional compensation from the School's publicly generated funds other than as approved through the RFP Process. The Board has requested documentation supporting payments received by the LLC to determine if all Services performed by the LLC were legally and appropriately chargeable to the School. To the extent they were, the payments made are in full and complete satisfaction of any Services provided by the LLC and the School believes no more funds are owed.

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

On February 3, 2017, Dr. Cristina Alvarez voluntarily resigned her position as CEO and Head of School. Pursuant to the School's by-laws, the Board appointed the current principal of the School, Joseph Mock, as Head of School. Mr. Mock has been serving in the roles of Head of School and principal since that date.

Moreover, as set forth above, to the Board's knowledge, since Dr. Alvarez's resignation the LLC has provided very minimal Services to the School.

Accordingly, the Board requests that the modification be made retroactively to February 3, 2017.

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.

Academic Performance

Successfully implementing the programmatic terms of the charter contributed to DDLHS meeting the academic performance standard. Factors that contributed to meeting the standard: All students were assessed with periodic, school-wide, norm-referenced interim assessments in English Language Arts and mathematics with the NWEA Measures of Academic Progress (MAP) assessment.³ All 9th and 10th grade students took the norm-referenced standardized PSAT in reading, writing, language and mathematics to ready them for post-secondary studies. Tenth grade students took the

according to its terms. To the extent the Contract ever was valid, the Board has taken the appropriate steps to terminate it.

³ The results of these assessments are annexed hereto as Exhibit G.

standardized DCAS exam in science. All students completed an individualized Student Success Plan for college and career preparation.

Additional Obligations – DDLHS materially complied with all other material legal, statutory, regulatory, or requirements contained in its charter that are not otherwise explicitly stated in the Organizational Framework.

Organizational Performance

It is well known that the start-up year of a charter school is a heavy lift by all parties involved in launching the school. DDLHS demonstrated organizational compliance and soundness in organizational performance due to seasoned leadership, capable strategic planning, coordinated school management, and guidance and support from the founding Board. The School's operational team was dedicated in collaborating with faculty, students, and parents to work the long hours (days, evenings, and weekends) to accomplish the many tasks required to establish DDLHS's quality programs and services.

For Educational Program, Measure 1a, DDLHS materially complied with applicable laws, rules, regulations and provisions of the charter relating to the essential terms of its educational program. DDLHS signed memoranda of understanding with Delaware Mathematics and Science Coalitions. Dr. Martin Rayala, DLS LLC's Chief Academic Officer, served on the leadership council of the Delaware Mathematics and Science Coalitions, which provided content support for faculty. DDLHS developed partnerships with Delmarva Power and Light (to support student internships). All students were scheduled for course credits that exceed the minimum requirements to complete Delaware high school graduation requirements and were a college preparatory course load. DDLHS used a modified block schedule to provide time for project-based learning. The Principal worked diligently with the Delaware DOE, Driver Education Program Manager, to develop and implement a Driver Education program. The School established a DDLHS chapter of the National Honor Society (NHS) to recognize student academic achievement and inducted the first NHS class of scholars

For Educational Program, Measure 1b, DDLHS materially complied with applicable laws, rules, regulations and provisions of the charter relating to treatment of students with identified disabilities and those suspected of having a disability, and students identified as English Learners. DDLHS hired a certified Special Education Coordinator and he attended DOE special education trainings. Likewise, DDLHS hired a certified a special education teacher and a paraprofessional who attended trainings and provided special education services to students with disabilities. Several content teachers were hired with dual certification in their subject as well as special education. The school Principal is a credentialed and experienced special educator and former Special Education Coordinator.

Identification of students needing additional services occurred through evaluations and

re-evaluations. Individual Education Plans (IEP) were developed for the students who were diagnosed as students with disabilities under IDEA. 504 plans were developed and services were delivered for the students who were not eligible under IDEA, but demonstrated need for additional support. Students with IEPs and 504 plans received academic and instructional accommodations and modifications so that they could access general education curriculum and participate in a free and appropriate education. For English Learners, staff administered the WIDA ACCESS tests to monitor students' progress toward English language proficiency.

For the 2015-16 school year, DDLHS met standard in organizational compliance and soundness.

For Governance and Reporting, Measure 3a, DDLHS materially complied with applicable laws, regulations and provisions of the charter relating to governance by its Board of Directors and public stewardship. DDLHS met the requirements for Board composition and membership by creating a Board of Directors with officers, a teacher employed by DDLHS as voting Board member, and a parent of a currently enrolled student as voting member. DDLHS demonstrated compliance with all Board policies, maintaining Articles of Incorporation, Board bylaws, 504 corporate status, and following the State Code of Conduct. DDLHS was in compliance with the regulations for the Citizens Budget Oversight Committee ("CBOC"), training and website posting of information. DDLHS was in compliance with the regulations and requirements regarding conflicts of interest, pursuant to Del. C., Title 29, Ch.58, §5805. DDLHS conducted meetings and business in accordance with the State of Delaware open meetings laws. Both the Board of Directors and CBOC conducted open, public, monthly meetings pursuant to Del. C., Title 29, Ch.100.

For Governance and Reporting, Measure 3b., the DDLHS materially complied with applicable laws, regulations and provisions of the charter relating to oversight of school management. The Board ensured that management was evaluated and the Principal evaluated teachers with the DPAS II, Delaware's statewide educator evaluation system.

For Governance and Reporting, Measure 3c. DDLHS materially complied with applicable laws, regulations and provisions of the charter relating to relevant reporting requirements to the school's authorizer, state education agency, DOE departments, and/or federal authorities. DDLHS met the reporting requirements of the annual charter school compliance calendar, for items marked as required reporting.

For Students and Employees, Measure 4a, DDLHS materially complied with applicable laws, rules, regulations and provisions of the charter relating to the legal rights of all students. DDLHS has an established and equitable system for admissions, follows the law for security and access to student records under the Family Educational Rights and Privacy Act (FERPA), and follows the law for access to documents maintained by DDLHS under Delaware's Freedom of Information Act (FOIA) and for the transfer of student data, pursuant to Del. C., Title 14, Ch.5, §512 (13). DDLHS completed reporting within the Roster Identification System and Accountability Verification System in an

accurate and timely manner, maintained due process protections for students with regard to privacy and civil rights, and provided due process for student discipline and attendance cases, including discipline hearings and suspension and expulsion policies. DDLHS supported establishing a safe, civil learning environment and a positive school climate and culture by having the faculty and staff complete DOE required trainings on the identification and reporting of youth gang activity, bullying prevention, child abuse reporting, teen dating violence response protocols, and suicide prevention.

For Students and Employees, Measure 4b, DDLHS did not meet the State attendance goal of 95%. Average daily attendance in 2015-16 was documented at 91%. The DDLHS school team analyzed various sources of data and procedures for taking attendance to identify how the attendance percentage fell short of the State standard. It was identified that teachers took attendance early in the first period of the day, which likely contributed to undercounting students who arrived to school later in the morning. In order to precisely count attendance, the school team developed a new practice of training teachers to take attendance later in the morning, and have the school administrative staff check the collected attendance data for accuracy.

For truancy prevention and intervention, the school team worked closely with DOE staff members who have expertise in school climate and discipline to refine administrative processes and procedures. The Dean of Students implemented a truancy tracking and follow-up system based on Delaware regulation. DDLHS will communicate frequently with DOE to verify that attendance is accurately documented and will reach out to the Charter School Office for technical assistance as indicated.

For Students and Employees, Measure 4c, DDLHS materially complied with applicable laws, rules, regulations and provisions of the charter relating to state certification requirements and background checks for teachers and employees. One hundred percent of teachers and the paraprofessional were credentialed, licensed, and highly qualified. Seven of thirteen teachers were certified in their content area(s) and six teachers were actively enrolled in the Alternative Route to Certification program through the University of Delaware, recognized as equivalent to highly qualified teacher/certified teacher status. All of the teachers who were enrolled in the ARTC program were provided content and instructional coaches. Each faculty and staff member submitted background checks upon hire and before starting employment. The Principal, Dean of Students, Guidance Counselor, and Special Education Coordinator were credentialed and licensed for their respective positions. DDLHS developed partnerships with University of Delaware (for content and teacher preparation). DLS LLC and DDLHS collaborated to provide ongoing professional learning opportunities for faculty and staff during weekly half-day workshops, meetings, common planning time, and conferences. DDLHS paid for faculty to attend off-site professional development in their content areas. The professional learning of the faculty and school leadership was boosted when DLS LLC planned and hosted the Design Aware Delaware Conference in January 2016, which drew a national audience of educators to the school. DDLHS developed a partnership with University of Delaware departments of mathematics, mathematics education and visual arts and communications. DLS LLC and DesignED (a DLS

network partner) planned and co-hosted the LearningXDesign Conference (June 2016, DuPont Environmental Center, Wilmington, DE) at which the DDLHS faculty and school leadership presented their action research. DLS LLC and National Art Education Association (a DLS network partner) planned and co-hosted the NAEA Summer Design Institute (August 2016, Cleveland, OH) at which the school team presented their action research. DLS LLC provided on-going, job-embedded leadership coaching to the school Principal in areas such as leadership development, presentation skills, school management and operations, human capital development, and academic program development and accountability. The School was not in operation for the 2014-2015 school year and, thus, no professional development calendar exists for that time period. The School calendar, identifying the dates for scheduled professional development for the 2015-2016 school year, is annexed hereto as Exhibit D, together with the invoices for professional development service providers.

For School Environment, Measure 5a, DDLHS complied with requirements for facilities and transportation. DDLHS maintained a viable certificate of occupancy and executed facilities lease, fire inspections for the school facility, and requisite insurance coverage. DDLHS provided bus transportation for all students and worked closely with the bus transportation company to ensure that the vendor delivered safe and punctual services. DDLHS paid for required nursing services for students and the dispensing of pharmaceuticals through a highly qualified, registered, full-time school nurse. DDLHS offered a no cost or low cost breakfast and lunch program under the federal national school breakfast/lunch program and the school kitchen met public health standards, without findings.

DDLHS staff worked with Delaware Department of Homeland Security to consult with them on best practices for school safety. The School filed an accurate Comprehensive School Safety Plan in the Emergency Response Information Portal (ERIP). DDLHS faculty and staff members completed one Table Top drill, two lockdown drills, required fire drills, bus evacuations, intruder drills, and bomb threat drills. All drills were completed on time and were accurately recorded in ERIP. DDLHS implemented Comprehensive School Safety Plan procedures to ensure the health and safety of guests, students, and staff. Visitors were required to be “buzzed in” by school administrative employees, who must physically see the visitor through an exterior glass security door. Then the administrative employees allow the visitors entry, direct them to the main office, and require that they show photo identification and sign in on a visitor logbook. Entrance by visitors through the main entrance (marked by a red and black canopy with the Design-Lab logo) is strictly enforced by training staff, communicating safety messages to students, and posting wayfinding signs at the exterior doors.

The School renovated its leased facilities and adjusted its budget provide added safety measures for students, staff, parents and visitors – examples: Installed four new exterior glass doors with an electronic security buzzer system and electronic numeric keypad; installed a high definition video camera security system to provide visual data of people’s activities inside and outside the school building; purchased a new telephone

system and located a desktop phone in each classroom and office for teachers and administrative personnel to communicate with the office. DDLHS contracted a metallurgist to custom design and install high safety rails on the stairwell handrail and guardrail to prevent accidental falls. DDLHS leased the automobile, used for Driver Education by students and the Driver Education teacher, from the State of Delaware fleet services and made sure that the vehicle met Delaware Safety Standards.

For School Environment Measure 5b, DDLHS materially complied with applicable laws, rules, regulations and provisions of the charter relating to health and safety. An aspect of the School's charter is to promote robust, healthy, student life and school culture in which each DDLHS youngster is encouraged to develop her/his passions and interests. With equity as a foundational principle, 100% of DDLHS students participated in clubs (more than 25 clubs were started), which are student-led activities based on their interests. DDLHS established athletics and sports programs for female and male students (boys baseball and girls softball in spring 2016). Sports that were planned in 2015-16 and ready for implementation: summer and fall league boys basketball to prepare for the winter basketball season (Nov 2016-Feb 2017); co-ed cross country in fall 2016 (Aug-Nov 2016), girls field hockey (Aug-Nov 2016); boys soccer (Aug-Nov 2016); girls basketball (Nov 2016-Feb 2017); co-ed track and field (March-May 2017). The Student Leadership and Excellence Program was implemented with a tiered system of incentives, to set a positive school-wide culture. The Dean of Students conducted more than 100 peer mediation sessions in order to teach students how to resolve conflict in a productive manner. The Guidance Counselor offered services to students for college and career planning and private individual social-emotional counseling. The Student Ambassador program was founded to develop exemplary student leaders through service learning. Student Ambassadors volunteered to lead school tours and recruit prospective students at open houses, community events, festivals, and conferences.

Based on information available to the DOE during the 2015-16 school year, DDLHS materially complied with all other material legal, statutory, regulatory, or requirements contained in its charter that are not otherwise explicitly stated in the Organizational Framework.

No organizational health conditions were placed upon the charter during the 2015-2016 school year.

Financial Performance

Fiscal year 2015-2016 was DDLHS's first year of operations. DDLHS was rated as Falls Far Below Standard for financial viability during the 2015-16 school year primarily due to liabilities allegedly owed to the LLC for services provided prior to the opening of the School, as well as expenses associated with start-up, such as capital outlay for additional construction costs related to the renovation of the facility, purchasing furniture and equipment, and purchasing Chromebooks and desktop computers for the technology program. Overall, the results of the independent financial audit for fiscal

year-end June 30, 2016 - completed by Maillie CPA LLP and filed with the State of Delaware on October 1, 2016 - reveal that DDLHS had expenses typical for start-up schools other than as it relates to amounts allegedly owed to the LLC. The audit opinion is unmodified, i.e., nothing was discovered that required qualification of the audit information presented. Maillie CPA LLP presented the independent financial audit to the Board at the regular monthly meeting on October 24, 2016 and to the CBOC at their meeting on October 24, 2016. The Board unanimously approved the audit on October 24, 2016.

Near Term Indicator 1a. – DDLHS was rated as Falls Far Below Standard for Working Capital Ratio: Current Assets divided by Current Liabilities. The Board notes that a substantial portion of the School's liabilities in this report were amounts allegedly owed to the LLC for services performed prior to the granting of the charter, and prior to the opening of the School. The Board is advised that these liabilities cannot legally be satisfied from public funds, if at all. The Board notes that the LLC is, and was at all relevant times, aware that there were no private funds available to satisfy these liabilities. The Board is taking steps to correct its accounting regarding these liabilities, which should cause the School's Working Capital Ratio to meet the standards set by the DOE. The Board also has analyzed the challenge of meeting this ratio and understand that it is difficult to do so during the first several years of a new charter school. As assets grow in the next few years, DDLHS will continue to practice sound fiscal management and we are confident that the DDLHS will meet the Working Capital Ratio standards

Near Term Indicator 1b. – DDLHS met the standard for Unrestricted Days Cash (73 days of cash), exceeding the minimum of 30 days for schools open less than three years.

Near Term Indicator 1c. – By enrolling 78% of projected student enrollment for the 2015-16 school year, DDLHS was rated as Falls Far Below Standard for Enrollment Variance. As the School's positive reputation grows in the community, we are confident in our ability to meet or exceed planned enrollment in future years. Moreover, the Board is in discussions to develop an additional curricular pathway to target a segment of the Delaware student population who wish to continue their studies in a particular area. The Board believes that development of this pathway will encourage a very specific, yet significant, component of the Delaware student population to consider DDLHS for their high school education.

Near Term Indicator 1d. – DDLHS met the standard for Default, Loan Covenants, & Debt Service Payments. DDLHS is not in default of debt service payments because the DDLHS does not have any long-term debt as of June 30, 2016. Sound fiscal management is the reason why the DDLHS opened without carrying loans

Sustainability Indicator 2b. – DDLHS was rated as Falls Far Below Standard in Debt to Asset Ratio: Total Liabilities divided by Total Assets, because the debt to asset ratio is greater than 0.9. Again, the Board notes that a substantial portion of the School's

liabilities in this report were amounts allegedly owed to the LLC for services performed prior to the granting of the charter, and prior to the opening of the School. The Board is advised that these liabilities cannot legally be satisfied from public funds, if at all. The Board notes that the LLC is, and was at all relevant times, aware that there were no private funds available to satisfy these liabilities. The Board is taking steps to correct its accounting regarding these liabilities, which should cause the School's Debt to Asset Ratio to meet the standards set by the DOE. As assets grow in the next few years and DDLHS continues to practice sound fiscal management, we are confident that DDLHS will meet the Debt to Asset Ratio standard.

The independent financial audit report notes two minor deficiencies, which DDLHS employees and the Board have taken immediate steps to correct:

16-1 Written Policies and Procedures - With the guidance of the contracted financial services firm and approval of the Board of Directors, we are currently developing a comprehensive accounting manual that would inform all employees of desired operating procedures and policies. Procedures will be put in place during the 2016-17 fiscal year.

16-2 Segregation of Duties - Cash Receipts - This item has been corrected. DDLHS management has implemented a procedure for segregating duties related to cash receipts. Under the direction of school management, three employees perform distinct duties for collecting cash, recording transactions, making the deposit slips and depositing the money in the bank.

Note: DDLHS was not rated for the financial sustainability factors of Total Margin and Net Position because they are judged on three years of audited financial statements and DDLHS was in its first year of operations. With respect to Sustainability Indicator 2d., DDLHS was not rated for Debt Service Coverage Ratio because the School had no debt service.

No financial health conditions were placed upon the charter during the 2015-16 school year.

DDLHS is taking steps to build organizational capacity in understanding the Performance Review and Framework. To that end, the DOE provided the Board with professional development regarding the framework at their regularly scheduled board meeting in February.

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 request for modification of the charter arises from a variety of circumstances.

Initially, the Board wanted to provide the DOE with clarification regarding the historic relationship between the LLC and the School as a matter of best practices between the

School and its authorizer. Recently, however, the LLC has made clear to the Board that it has no interest in serving as a vendor to the School and that the employees of the LLC do not wish to be formally employed by the School. Similarly, the Board has made clear that it does not wish to employ a full-scale CMO. Absent the creation of an additional engagement vehicle (neither vendor, nor employee, nor CMO) through which the LLC could provide services to the School, the Board sees no way to maintain the School's formal relationship with the LLC as set forth in the charter. To that end, the Board seeks a modification of its charter to sever its relationship with the LLC (whatever its formal status) and modify the School's leadership structure as it is described therein.

All other modifications are administrative and designed to bring the existing charter into line with how the School actually operates. For example, the School does not have an "Advisory Council" and the Board members are not DPASII certified.

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 Board believes that student achievement, staffing, facilities, and the financial viability of the School will be positively impacted by this modification.

In practicality, the change in Head of School from Dr. Alvarez to Mr. Mock has had no appreciable impact on the operations of the School. Mr. Mock is an experienced teacher, special education coordinator, and has been Principal of the School for one year.⁴ His employment as principal was made at the recommendation of Dr. Alvarez, an experienced school administrator, further bolstering the Board's belief that he is qualified to lead DDLHS. The Board knows that, with the correct support, Mr. Mock will excel in his role as Head of School. The Board and Mr. Mock have requested, and accepted, the generous assistance of various colleagues, the Charter Schools Network, and the Department of Education in this regard. By way of example, and without limitation:

- Mr. Mock has affirmatively engaged the support of seasoned school leaders, such as Margie López-Waite of Las Américas ASPIRA Academy, to guide him through this transition.
- Kendall Massett of the Charter Schools Network continues to provide invaluable support to the Board and Mr. Mock regarding compliance, protocols, and appropriate school management techniques.
- The Board has engaged the Delaware Academy of School Leadership ("DASL") to assist Mr. Mock with implementation of the School's DPAS II protocols.
- Members of the Board with experience in the fields of finance, law, child

⁴ A copy of Mr. Mock's resume is annexed hereto as Exhibit E.

development, curriculum and assessment, and regulatory compliance have taken a very active role in assisting Mr. Mock until such time as the School can hire additional personnel.⁵

These people and entities, among many others, have provided Mr. Mock with any and all appropriate training, mentoring, and assistance he has needed this year and these supportive relationships will continue in the future. Moreover, the Board intends to hire an additional, experienced administrator for the 2017-2018 School year to support Mr. Mock in his new role. To the extent any impact on operations is felt from this change, the Board is confident it has been, and will continue to be, positive. Among other things, appointing Mr. Mock as Head of School has clearly delineated the lines of authority within the School for existing staff members, allowing them to function more efficiently and effectively.

This modification necessarily requests an adjustment to the School's staffing structure, because the charter will no longer provide that Dr. Alvarez and Dr. Rayala be on-site at the School for the first four years of its operation. For the reasons set forth above, however, the Board submits that this will have no appreciable impact on the School.

Consistent with State protocols, the Board intends to solicit proposals through a bidding process (the "RFP Process") for any services needed to implement the charter and maintain the fidelity of the design thinking mission set forth therein, both as it relates to staff development and student achievement. It is well established that "design thinking" is not a patented concept, but rather is a process that "brings together what is desirable from a human point of view with what is technologically feasible and economically viable."⁶ The resources available in the market for design thinking services, even if limited to those services specifically aimed at the educational setting, are numerous and readily available. Indeed, Riverdale Country School in New York City and IDEO, an award winning global design firm, have developed a free toolkit for teachers looking to implement design thinking in their classrooms. Similarly, the Stanford University Center for Professional Development offers multiple design thinking courses, workshops, and programs targeted at educators. The website designthinkinginschools.com identifies 16 different companies and vendors that provide curriculum, teaching tools, and professional services to design thinking schools.⁷ Moreover, there are any number of design thinking teachers, administrators, and professionals in the world that the School could hire directly to assist with these services. Even the original charter application supports the availability of design-learning resources when it notes that "[s]everal examples exist of the effectiveness of the design-learning model.... There are currently over a dozen [design-learning] schools in the country." Charter Application, Section 3,

⁵ The current composition of the Board and each Board member's areas of expertise are listed on Exhibit F hereto.

⁶ IDEO website (<http://www.ideo.com/pages/design-thinking/>), retrieved April 6, 2017.

⁷ Design Thinking in Schools website (<https://www.designthinkinginschools.com/resources/>), retrieved April 6, 2017.

Page 9. Accordingly, even absent the services of the LLC, the Board is not without resources or models upon which to base the future of the School. The Board believes the RFP Process will be the most effective way to find a highly qualified, cost effective partner to implement the School's design thinking mission. The Board encourages, and hopes, that the LLC will participate in the RFP process.

The Board believes that, going forward, the operations of the School related to student achievement will be positively impacted by the modifications requested herein. As part of the RFP Process, the Board will ensure that any provider of design thinking services has a proven track record of increasing student achievement through design thinking. To date, the LLC has attempted to provide these services, but has had to split its resources between assisting with the daily operations of the School and working with curriculum, assessment, and teacher training. Under any future arrangement, whether with the LLC or otherwise, providers to the School will be able to focus resources exclusively on encouraging student learning and assessment, teacher development, coaching, and other curricular services related to design thinking.

Going forward, the Board does not believe that the facilities of the School will be impacted by the requested modifications.

Going forward, the Board does not believe that financial viability of the School will be impacted by the requested modifications, except as set forth in response to Question 6, below.

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

Because the School will make no further payments to the LLC, and because the School's budget originally contemplated payments to the LLC in substantial excess of what has been paid to date, the School's present financial position is not impacted by this modification. A copy of the currently proposed revised budget for DDLHS is annexed hereto as Exhibit G. The Board notes that this budget has not yet been approved and is scheduled for consideration at the next regularly scheduled Board meeting in May, 2017.

Going forward, the procurement of design thinking services through the RFP Process will positively impact DDLHS's financial position by tapping the competitive market to obtain premiere services at a competitive price. Regarding the overall financial viability of the School, the Board notes that the School has only met approximately 70% of its enrollment target for the 2017-2018 School year. While this normally might signal a concern regarding financial viability, the Board has taken immediate steps to ensure that the School can operate at 70% capacity. Among other things, by this modification the Board will substantially reduce the School's expenses related to design thinking providers in next year's budget. Moreover, the Board has put a hold on planned

expansion of facilities, encouraged the hiring of highly qualified teachers with multiple content area certifications, and developed community outreach strategies to increase enrollment. Finally, the Board is in discussions to develop an additional curricular pathway that will encourage a very specific, yet significant, component of the Delaware student population to consider DDLHS for their high school education. The Board has not drafted or approved its budget for the 2017-2018 school year, but intends to have reliable information showing the viability of its operations if and when requested.

Exhibit List

- Exhibit A – Organizational Narrative
- Exhibit B – Organizational Chart
- Exhibit C – LLC Invoices
- Exhibit D – Professional Development Calendar and Invoices
- Exhibit E – Resume of Joseph Mock
- Exhibit F - Board of Directors Information
- Exhibit G – Budget
- Exhibit H – Standardized Test Results

Exhibit A – Organizational Narrative

The administrative structure for the School from opening through February 3, 2017 includes the Chief Executive Officer and the Principal. From February 3, 2017 forward, the administrative structure of the School includes the Board of Directors, the Head of School (who shall serve as the Principal of the school), the Dean of Students, and various support personnel ranging from administrative staff to special education coordinators. Beginning in the 2017-2018 school year, the administrative structure will include a Vice-Principal, as well. The reporting structure is set forth on Exhibit B hereto. Upon hiring of the Vice-Principal and/or engagement of/hiring of service providers for design thinking work, the reporting structure set forth on Exhibit B may change as approved by the Board. For example, significant contract vendors may report to the Principal and the Board, or to the Board directly. Similarly, operations staff may report directly to the Vice-Principal, rather than the Head of School. The reporting structures will be refined as the appropriate people are engaged and hired and the Board will, at all times, remain the highest form of authority other than the Department of Education.

The Board of Directors governs the School by ensuring the School's compliance with its charter, setting strategic priorities, establishing budgets, evaluating the Head of School and, where appropriate, managing external stakeholders.

The Head of School reports to the Board and leads, administers, supervises, and manages all aspects of student services, instruction, and operations. The Principal is responsible for teacher and staff evaluation. All employees of the School report to the Head of School, either directly or indirectly, as may be determined.

The Vice-Principal, once hired, reports to the Head of School and performs those duties delegated to him or her by the Head of School and approved by the Board.

The Dean of Students reports to the Head of School and leads, administers, supervises, and manages all aspects of the School's climate and culture in accordance with the standards established by the Board.

Exhibit B – Organizational Chart

Exhibit C – LLC Invoices

Exhibit D – Professional Development Calendar and Invoices

Exhibit E – Joseph Mock Resume

The Board notes that Mr. Mock's resume has not been updated since his appointment as Principal, and subsequent appointment as Head of School, at DDLHS. Should the DOE like an updated resume including Mr. Mock's experience at DDLHS, the Board will ask Mr. Mock to provide it.

Exhibit F – Board Composition

Paul Miller – Board Chair
Rebecca Collins – Board Vice-Chair
Dr. Mary Diamond – Board Secretary
Rebecca Girtten – Community Member
Aileen Murray – Teacher
Joe LoPorto – Parent
Matt Urban – Community Member/Immediate Past Chair
Joseph Mock – Head of School, *ex officio/non-voting*
Michael Rogers – President, Parent Teacher Organization, *ex officio/non-voting*

Paul Miller

Paul L. Miller is currently Vice President and Portfolio Manager for Penn Investment Advisors, Inc.. He has been a part of the Risk Management and Investment Selection Committee for the past five years, in addition to serving as Managing Director of the Private Client Group. Paul began his career in investment management on Wall Street in 1998 and now resides in Wilmington Delaware with his wife and three children.

Rebecca Collins

Rebecca Collins is a lawyer and an educator, with extensive experience in both fields. Rebecca earned her law degree at Washington University School of Law in St. Louis. As a lawyer, Rebecca represented a variety of clients, from international corporations to individuals, in all manner of business and finance related matters. In her spare time, Rebecca published articles and presented at conferences regarding corporate restructuring, and participated in *pro bono* representations of underprivileged children in the greater Philadelphia area. Rebecca also holds a master's degree in education from the University of Pennsylvania and has formal teaching experience in a classroom setting at the graduate school, middle school and elementary school levels. The majority of Rebecca's formal teaching experience has been with under-resourced populations and she has a strong commitment to social justice in the field of education. Rebecca lives in Wilmington with her husband and daughter and dedicates her time and resources to many non-profit organizations such as Serviam Girls Academy, where she regularly volunteers, Rodney Street Tennis & Tutoring, where she serves on the Board of Directors, and The Tatnall School, where she serves on the Advancement and Development Committee and as the Preschool Division Representative to the Home and School Association.

Matt Urban

Matt Urban, CEO and co-founder of Möbius New Media, in downtown Wilmington, has extensive experience in diverse multi-media marketing, web experience and business management. Matt and his team successfully apply their deep knowledge of traditional and online marketing, search engine optimization/marketing to deliver local, regional, and national marketing and advertising campaigns for online and brick-and-mortar businesses. He leads talented technical and design teams with a proven track record of

delivering complex and sophisticated web applications. Matt has deep, media production expertise in video production, photography, graphic design, audio production and animation. Matt is a recognized volunteer leader with The Sierra Club, supporting leadership development and organizational effectiveness. Matt earned a Bachelor of Fine Arts from the University of Delaware and is a lifelong Delaware resident.

Rebecca Girten

A native Delawarean, Rebecca Girten is a marketing/communications professional with a background in education, mathematics, and science. Rebecca supports a variety of initiatives to help children and advance the Delaware community. She is the Talent Organizer for the TEDxWilmington series, a news reporter for DeTV, and a champion for living, working, and playing in downtown Wilmington. Rebecca has previously served as Secretary of Gateway Lab School's Board of Directors, including additional leadership positions as Chair of the Marketing and Communications Committee, Chair of the task force on board recruitment, and Vice Chair of the school's 2013 Gateway to the Stars Gala planning committee. Rebecca worked as a social media strategist with Together We Rise in Chino, CA, consulted on communications strategy for Duffy's Hope here in Wilmington, and worked in communications and operations for the ACLU of Delaware and Serviam Girls Academy in New Castle. Rebecca holds a B.S. in Physics and Mathematics from Sweet Briar College, is an alumna of the Notre Dame Mission Volunteers AmeriCorps program, and is a member of the Junior League of Wilmington, where she was a former Communications Chair. Her interests include women's education, providing resources for at-risk children, ending the school-to-prison pipeline, STEM and cultural arts school programs, startups, emerging technology, conservation, and youth-driven philanthropy.

Aileen Murray

A St. Mark's High School graduate, Aileen Murray went to the University of Miami for college, where she majored in Motion Pictures and Math. Aileen then went on to the Digital Animation and Visual Effects school in Orlando, where she learned computer animation and visual effects. She moved to Kansas City, MO to work for a small visual effects company, working on short films, television shows like Fringe and Alcatraz, and commercials for companies such as Garmin and Gatorade. She moved back to the area and is now the Media and Design teacher at Design-Lab High School. Aileen is extremely interested in film and television, and bringing the art of visual story telling and designing to her students.

Joseph M. LoPorto, PE

Joe LoPorto has over 35 years of experience in the utility industry in the areas of T&D Planning, Distribution Standards, Capital and Maintenance Budget Management, aging infrastructure strategies, reliability strategies, and T&D Automation technology implementation. Joe served as Program Manager, charged with managing implementation of Distribution Automation technologies funded by DOE's Smart Grid Investment Grants, which were completed by end of 2013. In his most recent position as Manager T&D Automation, he is charged with continued implementation of T&D automation technologies, as well as formulation of related future strategies. Joe has a

Bachelor of Science in Electrical Engineering from Rutgers University, and is a Licensed Professional Engineer and a Member of IEEE. He has spoken at various conferences on the topics of EMF impacts on projects, Distributed Generation, Asset Management Strategies, and Distribution Automation. Joe resides in Delaware with his wife and five children.

Dr. Mary Diamond

Dr. Mary Diamond is a child and adolescent psychiatrist. She has been practicing for over 20 years.

Joseph Mock

Joseph Mock is the founding Principal of Design-Lab High School and the current Head of School. He offers leadership experience from both public and charter urban schools. With over a decade as a special educator and in various other educational roles has prepared Joseph for leadership in the startup phase at Design-Lab High School. Principal Mock earned PreK-12 Administrators' and N-12 Special Education licenses in the states of Pennsylvania and Delaware. Joseph is an alumnus of Bloomsburg University, where he has earned his B.S. in Education, and The University Of Scranton, holding a M.Ed. in Educational Leadership. His interests and design skills range from practical experience as a freelance makeup artist and college course work in interior design.

Michael Rogers

Mr. Rogers is employed by Kimberly Clark Corporation in a variety of roles, including TM Operations Training Coordinator and Development, TM capital projects team, and USW labor union steward. He also is the founder and President of the DDLHS Parent Teacher Organization. He also has worked as an investigative advocate for consumers of behavioral health services for the Office of Behavioral Health of Delaware County.

Exhibit G - Budget

Exhibit H – Standardized Testing Data