

### **Mission and Vision**

The missions and visions of Build the Future (the proposed Charter Management Organization) and Freire Charter School Wilmington will be inextricably linked. Both seek to serve students in a college preparatory, nonviolent atmosphere, providing students with high-quality educational options to prepare them for bright futures.

This charter application advances the strategic vision of Build the Future because the creation of Build the Future hinges upon the approval of this charter application. If and when the charter application is approved, Freire Charter School Wilmington will contract with Build the Future (BTF) for management services. Current Freire staff members will transfer their employment to BTF at the appropriate time.

### **School Management Contracts**

1. Quite simply, Build the Future (BTF), the nonprofit Charter Management Organization (CMO) that will be launched if and when this charter application receives approval from DDOE, has not been selected so much as it will be created. Governor Markell and others have requested help addressing the lack of high-quality public high school options in Wilmington, and we believe that the model we use in our high school in Philadelphia will work, with some adaptations, to meet this need in Wilmington.

Build the Future will be launched so that Freire Charter School can replicate its successful model in Delaware. If and when this charter application is approved, BTF will launch, and some staff currently employed by Freire Charter School will leave Freire Charter School to join BTF. The CMO will provide management services to Freire Charter School Philadelphia and Freire Charter School Wilmington, as tentatively outlined in the draft contract included as Attachment 18. This will provide the necessary structure to allow Freire Charter School to expand its impact and reach the Wilmington community. Furthermore, this structure will ensure that funds received in Delaware serve Delaware students and funds received in Pennsylvania serve Pennsylvania students.

2. Based upon the draft contract submitted as Attachment 18, the terms are defined as follows:

*Proposed duration of the contract:* The Initial Term is defined as the duration of the initial charter term. Following the Initial Term, the Agreement shall be automatically renewed for additional terms ending on the later of (i) June 30 of each year subsequent to 2018 and the (ii) expiration of any renewal term of the Charter Contract (each a “Renewal Term” and, collectively with the Initial Term, the “Term”), unless written notice of intent to terminate or renegotiate is given by either Party not later than the December 31 prior to the end of the Initial Term or the December 31 prior to the end of any Renewal Term.

*Roles and responsibilities of the school governing board:* The school governing board is the group ultimately responsible for the performance of the School. The responsibility of contracting with BTF and negotiating the terms of the contract lies with the School's governing board.

*Roles and responsibilities of the school staff:* The School's Leadership Team is responsible for implementing the decisions of the School's governing board and receives development and training from BTF. The Leadership Team consists of the Head of School, Head of Academics, and Head of Academic Supports, with other staff members added to the Leadership Team at the discretion of the School's governing board and BTF.

*Scope of services to be provided by the Charter Management Organization:* The complete scope of services to be provided by BTF is included in Exhibit A of the draft contract, included as Attachment 18. The scope consists of executive functions, operations support, academic program support, and the development of strategic initiatives.

*Performance evaluation measures and mechanisms:* A performance management dashboard for the School will be developed with input from the Leadership Team, and will be based upon the Delaware Charter Performance Framework and the School's charter contract.

*Detailed explanation of compensation to be paid to provider:* Per the draft contract included as Attachment 18, BTF will charge a service fee of 12 percent of all annual school revenues.

*Financial controls and oversight:* As outlined in the Exhibit A of the draft Management Agreement, BTF will assume responsibility for all financial and accounting services, including annual audits, accounting, and regular financial reporting to the School's governing board.

*Management contract oversight and enforcement:* The School's governing board has oversight of the management contract, and can terminate or request to renegotiate the contract at any time. Likewise, BTF has the prerogative to terminate or request to renegotiate the contract at any time. Details of these terms are found in Section 10 of the draft contract included as Attachment 18.

*Service goals:* The service goals are closely intertwined with both the mission of the School and also the School's performance goals agreed to in the charter contract.

*Investment disclosure:* The purpose of Build the Future is to function as a nonprofit education management services provider. Investment is beyond the scope of BTF's mission.

*Conditions for renewal and termination of contract:* Following the Initial Term, the Agreement shall be automatically renewed for additional terms ending on the later of (i) June 30 of each year subsequent to 2018 and the (ii) expiration of any renewal term of the Charter Contract (each a “Renewal Term” and, collectively with the Initial Term, the “Term”), unless written notice of intent to terminate or renegotiate is given by either Party not later than the December 31 prior to the end of the Initial Term or the December 31 prior to the end of any Renewal Term. Conditions of termination by the School can be found in section 10.2 of the attached draft management agreement. Conditions of termination by BTF can be found in section 10.3 of the attached draft management agreement (Attachment 18).

3. A draft of the proposed management agreement is included as Attachment 18.

4. The relationship between the school governing board and the proposed Charter Management Organization is visualized on the organizational chart labeled “Build the Future General Governance and Management Structure,” included as Attachment J. As stated in the draft contract included as Attachment 18, the School’s governing board will contract with Build the Future for school management services. See below for further details on specific elements of the relationship:

- Monitoring and evaluating performance: As stipulated in the draft management agreement included as Attachment 18, Build the Future will provide the School’s Board of Directors with the following performance management tools:
  - Annual report regarding performance of each member of the School’s Leadership Team
  - Use of a performance management dashboard, aligned to the School’s performance goals set forth in the Charter Contract, and developed with input from the School’s Leadership Team
- Internal controls: Several internal controls are built into the draft contract included as Attachment 18, most notably the following
  - The School’s Board of Directors can terminate the agreement with BTF per the stipulations in section 10.2 of the attached draft management agreement
  - Build the Future can terminate the agreement with the School per the stipulations in section 10.3 of the attached draft management agreement
  - While BTF will have the authority to recruit, select, and present candidates for Leadership Team positions to the School’s Board of Directors, final authority to hire and/or terminate Leadership Team candidates rests with the School’s Board of Directors, per section 4.4 of the attached draft management agreement.
- Ensuring fulfillment of performance expectations: The School’s Board of Directors will receive regular reports on the School’s actual performance compared to its performance goals, as stated above and in the draft management agreement included as Attachment 18. Furthermore, poor performance compared to the stated goals is grounds for the School to terminate its contract with BTF, as stated in the draft agreement and below:

- Section 10.2.a.iv: The School may terminate this agreement accordance with the following provisions: the School fails to meet school-wide performance goals, as that term is defined in the School’s Charter Contract, for two consecutive school years commencing on or after [DATE], provided that the Board of Directors shall approve a termination on these grounds with a 80% or greater majority of all trustees then seated
- Thus, if the School’s Board of Directors is dissatisfied with the fulfillment of performance expectations, it will have the ability to terminate the management agreement, per the draft agreement cited here.

5. Build the Future (the nonprofit CMO poised to emerge contingent upon approval of this charter application) will be created to facilitate the efficient and responsive delivery of management services to Freire Charter School Wilmington. The proposed structure will remove any potential conflicts of interest between the school governing board and the management team, since they will be completely separate entities with the creation of BTF, with completely separate funding/revenue streams and personnel.

Freire Charter School Wilmington’s Board of Directors will each adopt a stringent Conflict of Interest Policy (see Section 1.6: Governing Board, Question 8), and the Board and staff of BTF will abide by a very similar policy, as directed by legal counsel.

6. Contingent upon approval of this charter school application, Build the Future intends to register with the appropriate authority in Delaware for purposes of conducting day-to-day business.

### **Network Management**

1. Creation of the CMO is contingent upon the approval of this charter application. If and when this charter application is approved, several current staff members of Freire Charter School Philadelphia will transition to become employees of the proposed CMO, Build the Future (BTF). To start, the number of staff members at BTF would be minimal, with growth as needed and as appropriate. The organizational chart of the CMO is included in Attachment J, and entitled “Build the Future General Governance and Management Structure.” The following roles will be included in the initial staff structure of BTF: Chief Executive Officer, Head of Administration, Director of Development, Director of Academics, and Director of Research and Quality Assessment. Responsibilities for each of these staff members are outlined on the organizational chart referred to above.

2. Creation of Build the Future (the CMO) is contingent upon the approval of this charter application. A list of the proposed services that BTF will provide to the school, along with the cost of those services, is included in the draft management agreement, Attachment 18. Please see Section 7.4 of that document for complete information on costs of services. Please see Exhibit A of that document for a list of services to be provided to the proposed school.

Service goals are also included in the service contract. As stipulated in the draft management agreement included above, Build the Future will provide the School's Board of Directors with the following performance management tools:

- Annual report regarding performance of each member of the School's Leadership Team
- Use of a performance management dashboard, aligned to the School's performance goals set forth in the Charter Contract, and developed with input from the School's Leadership Team

The Board of Directors will base its determination of BTF's success on the data provided in the performance management tools. Likewise, BTF will measure its success as against the School's performance on the performance management tools discussed above. If the school is meeting and/or improving its record with regard to the performance management goals, then BTF will consider its service delivery successful. The success of BTF is inextricably linked to the mission of the School and both BTF and Freire Charter School seek to serve students in a college preparatory, nonviolent atmosphere where all students are expected and encouraged to reach their full academic potential.

3.

<b>Function</b>	<b>Network/Management Organization Decision-Making</b>	<b>School Decision-Making</b>
<b>Academic</b>		
Academic Performance Goals	X	X
Curriculum	X	X
Professional Development	X	X
Data Management and Interim Assessments	X	
Promotion Criteria		X
Culture	X	X
<b>Operational</b>		
Operational Performance Goals	X	X
Student Recruitment		X
School Staff Recruitment and Hiring	X	X
H/R Services (payroll, benefits, etc.)	X	
Community Relations		X
Information Technology		X
Facilities Management		X
Vendor Management/Procurement	X	X
Other operational	TBD	TBD

Function	Network/Management Organization Decision-Making	School Decision-Making
services, if applicable		
Financial		
Financial Performance Goals	X	
Budgeting, Finance, and Accounting	X	
Fundraising/development	X	

**Highly Successful Charter Operator Capacity**

1. a. Freire Charter School currently operates one school with two campuses in Philadelphia, PA. Freire Charter School did not open any new schools in Fall 2013. Aside from the plans to open a school in Delaware—contingent upon the approval of this charter application—there are no plans to open additional schools in Fall 2014 or 2015.

1. b. In the long-term, Build the Future and Freire Charter Schools will continue to operate in a manner that serves the best interest of students. We do not have plans to open additional schools in Delaware at this time, but if it became clear that it was possible and necessary to serve additional students in Wilmington or elsewhere in Delaware, we would consider it. We see ourselves filling a need for our students, and as long as there are students in need of a high-quality, college preparatory school environment, we will consider seeking out opportunities to serve them well.

1. c. Neither Freire Charter School nor Build the Future has plans to open additional schools in other jurisdictions or markets at this time. In the long-term, Build the Future and Freire Charter Schools will continue to operate in a manner that serves the best interest of students. We see ourselves filling a need for our students, and as long as there are students in need of a high-quality, college preparatory school environment such as ours, we will consider seeking out opportunities to serve them well. If the opportunity to serve students in other areas arose and the capacity of our organization could withstand the growth, it would be worth consideration.

Please see the business plan, included as Attachment 19.

2. If this charter application is approved, that will trigger the creation of the new CMO called Build the Future. Several current staff members of Freire Charter School will join the staff of Build the Future. Each of these staff members was and continues to be critical to the success of Freire Charter School Philadelphia. Each has an impressive track record in his/her area of expertise, and will add tremendous value to the Freire Charter School Wilmington endeavor.

Specifically, the evolution and creation of Freire Charter School Wilmington will happen in three phases, as outlined on the chart below:

	Timing/Duration	Scope
Phase I	Through 9/2014	Training of leadership team; Finalizing building and financing arrangements; Building capacity of School's governing board; Fundraising; Building community support; Recruiting students/parents
Phase II	9/2014-6/2014	Recruiting/hiring staff; Recruiting students/parents; Finalizing Safety/Emergency Plan; Securing vendor contracts; Fundraising; Community outreach; Facility improvements; Building performance management tools; Training of leadership team; Building capacity of School's governing board; Build capacity of CMO; Developing curriculum/assessments; Developing pedagogy; Visits to local schools; Outreach to state and local government
Phase III	June 2014 & beyond	Conclude recruitment/hiring of staff; Begin on-the-job training and development of staff and leadership team; Coordinate and conduct summer clinic for students; Coordinate and conduct Pre-Service Professional Development for staff; Obtain CO and move into building; Attend all required DDOE training sessions; Fundraising; Community outreach; Implement curriculum/assessments

3. Please see Attachment 20.

4. Please see Attachment 21.

5. Freire Charter School's current Director of Development, Ann Pagano has a track record of success with both private fundraising and grant writing in Philadelphia. Upon approval of this charter application, Ann will transition to the staff of the BTF, the CMO that will be launched in order to support this organizational growth.

In order to reach fundraising goals, BTF will continually develop relationships within Wilmington and Philadelphia, since BTF will provide services to schools in both cities. As BTF grows and establishes itself, we intend to hire a staff member specifically devoted to the fundraising efforts in Delaware. In addition, BTF will apply for grant funding relevant to its mission and vision.

Ultimately, since BTF will be supported mainly through a fee-for-service structure as outlined in the draft management agreement included in this application, the fundraising needs of BTF will be manageable, as evidenced in Attachment 20 and Attachment 21.

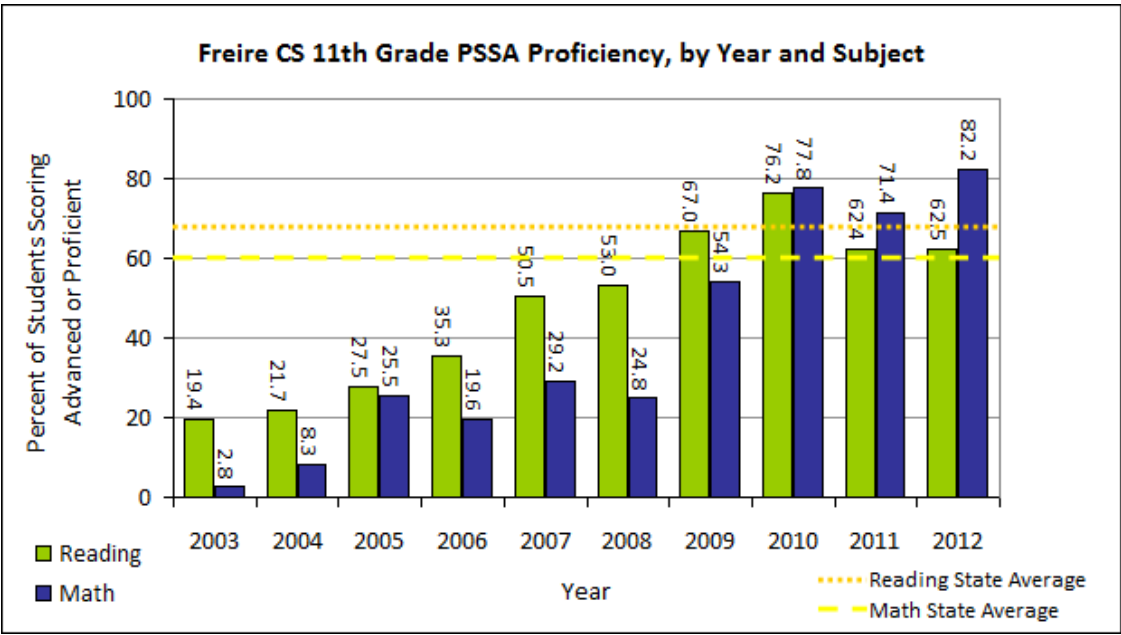
### **Portfolio Review and Performance Record**

1. Please see Attachment 22.

2. a. Freire Charter School’s existing high school campus has a proven track record of success. We base this judgment upon a variety of data points, including student achievement data, academic growth data, and comparative academic results, as well as our students’ outcomes as related to college enrollment.

**Student Achievement Data**

In Philadelphia, we assess student achievement through a variety of methods, including the Pennsylvania System of State Assessments (PSSA). Until 2012, high school students took the PSSA in the spring of their 11<sup>th</sup> grade year. In 2013, Pennsylvania transitioned to the Keystone Exams. Historical data for Freire students’ proficiency rates on the PSSA is included in the chart below.



**Academic Growth Data**

The state of Pennsylvania utilizes the PVAAS system to track student growth over time. The system uses a formula and students’ past test scores to predict how students will perform on the Keystone Exams. Students’ predicted scores are then compared to students’ actual performance. The resulting comparison provides the school and the state with data on the “value added” provided by the school’s instruction. The more evidence of student growth, the higher a school’s “value added” score.

High schools are provided with PVAAS reporting information for students who take the Algebra I, Literature, and Biology Keystone Exams. The results from Freire’s 2013 PVAAS Value Added Report for these exams are included, along with the scoring key, as Attachment K. The report shows that with regard to growth on the Keystone exams, Freire Charter School has met or exceeded the Pennsylvania standard for academic



growth for all three Keystone Exams at both the school level and at the student performance level for 2013, the first year that our students took these exams.

### **Comparative Academic Results**

GreatPhillySchools.org collects student achievement, school safety, and attendance data for all schools in Philadelphia and provides annual ratings to the public on its website. Their ratings are based on a 10-point scale, with 10 being the highest possible score, and the rankings are comparative. Freire Charter High School currently has a GreatPhillySchools.org ranking of 9 out of 10. The full data report from GreatPhillySchools.org for Freire Charter High School is included here as Attachment C, and is also available at <http://greatphillyschools.org/en/show/freire-charter-high-school>. The GreatPhillySchools.org ranking methodology is included as Attachment C and is also available at <http://greatphillyschools.org/pages/en/data-updates/gps-ratings-methodology>. Of the 87 Philadelphia high schools ranked by GreatPhillySchools.org, only 15 schools were rated a 9 or a 10, the best possible rankings, and 10 of those schools are special admission/magnet schools or are private schools. Freire Charter High School is proud to be one of the highest-performing public, open-enrollment high schools in the city of Philadelphia.

### **College Enrollment**

Since we are a college preparatory program, our students' academic success in college is one of our key performance indicators from year to year. On average, 82 percent of our alumni enroll in college during the first year after high school, and approximately 85 percent of those students return for their sophomore year, according to the National Student Clearinghouse (NSC). The latest graphs from the NSC illustrating these statistics are included as Attachment A.

By way of comparison, the Strategic Data Project at Harvard University recently completed an analysis of college-going statistics for students in Delaware.<sup>1</sup> Their analysis found that only three public high schools in the state of Delaware met or exceeded the 2011 national average for college enrollment, which is 68.2 percent. Furthermore, their analysis indicated that in the state of Delaware, just 67 percent of African American students graduate from high school in four years, and just 30 percent of those high school graduates enroll in college immediately after graduating from high school. (See Attachment B for additional source information.)

2. b. Our mission to provide a college-preparatory learning experience with a focus on individual freedom, critical thinking, and problem solving in an environment that emphasizes the values of community, teamwork, and nonviolence, guides the decisions that teachers, school leaders, and students make every day. Freire Charter School educates the whole child and builds in continuous support programs to empower all students to reach the high expectations their teachers have for them and they have for themselves. As a school and as a community, Freire Charter School is committed to

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<sup>1</sup> Full report: [http://www.doe.k12.de.us/DEDOE\\_CG\\_final\\_slides\\_public\\_release\\_full\\_deck\\_07112013.pdf](http://www.doe.k12.de.us/DEDOE_CG_final_slides_public_release_full_deck_07112013.pdf)

reversing the dismal academic performance statistics for low-income and minority students. We are convinced that our students can and will achieve at high levels.

2. c. The graph showing 11<sup>th</sup> grade PSSA Proficiency from 2003-2012 clearly shows that there were serious challenges with regard to academic achievement during the early years of the school’s development. The first few years of the school’s development were focused on solidifying the school’s culture, which was necessary in order for students to feel safe and ready to learn at school. Since then, the school’s leaders and instructional staff continue to work on an ongoing basis to refine and revitalize the school’s curriculum to ensure that students are consistently challenged. Freire Charter School responds to student data to make program improvements and adjustments.

2. d. Freire Charter School launched its middle school program in 2012 in direct response to and in parallel operation with the high school program. While student success at the high school is strong, one of the most consistent issues at the high school is the fact that each year, approximately 80 percent of 9<sup>th</sup> graders enter the high school reading and doing math on a middle school level. The rationale for launching the high school program was to bring students into the Freire Charter School program earlier in order to ensure that when students get to 9<sup>th</sup> grade, they are ready for high school work. Even now, with the middle school only in its second year of operation, 8<sup>th</sup> grade students cannot move on to the high school until they are performing on grade level. Over time, we believe this will dramatically increase the level of rigor of the high school program, as less instructional time will need to be devoted to remediation courses.

**3. a. Student Achievement Data**

Freire Charter School’s middle school program administered the PSSA to all students in 5<sup>th</sup>, 6<sup>th</sup>, and 8<sup>th</sup> grade during the spring of 2013, the first year of operation. The charts below indicate the percentage of students receiving Proficient or Advanced on the exams:

**Freire Charter School 5<sup>th</sup> Grade 2013 PSSA Results**

	<b>Math</b>	<b>Reading</b>	<b>Writing</b>
<b>Below Basic</b>	36.9	47.7	2.1
<b>Basic</b>	39.6	20.1	54.1
<b>Proficient</b>	17.4	26.2	43.8
<b>Advanced</b>	6.0	6.0	0

**Freire Charter School 6<sup>th</sup> Grade 2013 PSSA Results**

	<b>Math</b>	<b>Reading</b>
<b>Below Basic</b>	23.1	22.5
<b>Basic</b>	27.3	33.8
<b>Proficient</b>	33.6	31.7
<b>Advanced</b>	16.1	12.0

### Freire Charter School 8<sup>th</sup> Grade 2013 PSSA Results

	Math	Reading	Writing	Science
<b>Below Basic</b>	35.4	17.3	0.1	45.8
<b>Basic</b>	23.2	19.4	25.7	30.2
<b>Proficient</b>	28.3	30.6	65.3	20.8
<b>Advanced</b>	13.1	32.7	7.9	3.1

These results leave room for much improvement, and the staff and leadership at the middle school have put plans in place to address the ongoing needs of our students with regard to academic performance.

#### **Academic Growth Data**

The state of Pennsylvania utilizes the PVAAS system to track student growth over time. The system uses a formula and students' past test scores to predict how students will perform on the Keystone Exams. Students' predicted scores are then compared to students' actual performance. The resulting comparison provides the school and the state with data on the "value added" provided by the school's instruction. The more evidence of student growth, the higher a school's "value added" score.

Middle schools and elementary schools are provided with PVAAS data for student performance on the PSSA. The results from Freire's 2013 PVAAS Value Added Report for these exams are included, along with the scoring key, as Attachment K. The report shows that with regard to the middle school's PSSA scores, there is room for improvement with growth, as well, particularly in the 5<sup>th</sup> grade. Based on the PVAAS system, there is moderate evidence that students in 5<sup>th</sup> grade did not meet the Pennsylvania standards for growth on the PSSA.

#### **Comparative Academic Results**

GreatPhillySchools.org collects student achievement, school safety, and attendance data for all schools in Philadelphia and provides annual ratings to the public on its website. Their ratings are based on a 10-point scale, with 10 being the highest possible score, and the rankings are comparative. Freire Charter Middle School currently has a GreatPhillySchools.org ranking of 6 out of 10. The full data report from GreatPhillySchools.org for Freire Charter Middle School is included here as Attachment C, and is also available at <http://greatphillyschools.org/en/show/freire-charter-school>. Examination of the Freire Charter Middle School ranking report indicates that the school's academic performance is the weakest metric at present, while student attendance (9/10), school safety (10/10), and the metric used to evaluate whether a school is making progress at closing the achievement gap (9/10) are all very strong. GreatPhillySchools.org ranking methodology is included with Attachment C and is also available at <http://greatphillyschools.org/pages/en/data-updates/gps-ratings-methodology>.

3. b. Freire Charter School's middle school program launched in August 2012, with over 300 students and many staff members who were brand new to Freire's school culture.

The school's results thus far have not been as impressive as the high school's current results. It will take a year, maybe two before the school can begin to expect the type of academic growth and performance on a scale similar to the high school. The leadership in place at the middle school is experienced and steady, and understands completely the mission and vision of Freire Charter School.

3. c. As soon as it became clear that the academic performance of Freire's middle school students would be a significant challenge, the school's leadership examined student data in order to develop effective strategies to address the areas of concern. In particular, the areas of Reading and Math instruction at the 5<sup>th</sup> grade level were identified as areas of urgent need. As a result of the lessons learned through our first year at the middle school, the team has rebuilt the system of instruction at the school and realigned the assessments to the new system. The new system allows staff members to intervene on an individual level for students needing targeted help with reading and math. In addition, in order to make this system work, the school hired a new reading specialist/master teacher to redesign the reading program, and all math classes will be taught by certified math teachers.

In 2013-2014 Freire now utilizes a "push-in" model as opposed to a "pull-out" model for individual interventions. In addition, Freire now monitors individual student progress with more frequency than in 2012-2013. For instance, the Freire team has created a room within the school that serves as a "Literacy Room." The Literacy Room is a place for one-on-one read aloud assessments and has targeted goals for each individual student's Lexile scores posted on a data wall. Students and teachers use the data wall to track individual progress towards reaching those targets. These interventions are specifically targeted to the students who need it most--the students reading far below grade level as well as our ELL students.

With regard to math instruction, the 2012-2013 school year showed that we needed teachers at the 5th grade level who had a strong command of math content. Over the summer, the school schedule was altered and additional math teachers were added to the staff so that now, all 5th grade math is taught by a certified math teacher, using the Saxon math program, and pushing conceptual understanding and problem solving skills.

3. d. Freire operates under the philosophy that we are always striving for improvement and seeking to serve our students better. That said, the teachers and school leaders at Freire Charter Middle School will know that performance with regard to this goal is satisfactory when each and every 8<sup>th</sup> grade students is ready to leave 8<sup>th</sup> grade reading and doing math on grade level, ready for challenging high-school level work. During the first year of operation, slightly more than half of our 8<sup>th</sup> grade students were on grade level after just one year at Freire. The team plans to monitor this trend over the year and base projections and timelines for accomplishing this goal upon data from this year's 8<sup>th</sup> grade class.

4. Not applicable. Neither Freire Charter School nor Build the Future currently operates any schools in the state of Delaware.

5. Not applicable. Neither Freire Charter School nor Build the Future currently operates any schools in the state of Delaware.

6. Please see Attachment 25.

7. Not applicable. Freire Charter School's is not currently operated by a charter management organization.

8. Not applicable. Freire Charter School's charter in Philadelphia has been renewed three times, most recently in Spring 2013.

9. Freire Charter School's most recent charter renewal occurred in 2013. There were no deficiencies or compliance violations that led to formal authorizer intervention with either of Freire's campuses.

10. a. During the 2008-2009, 2009-2010, and 2010-2011 school years, Freire Charter School's authorizer (the School District of Philadelphia) attempted to impose an enrollment cap on the school, contrary to Pennsylvania legal precedent. Freire Charter School's Board of Directors did not agree to the enrollment cap of 440 students (at that time the current high school was the only Freire campus). At the Board's direction and with their full knowledge, the school continued to enroll approximately 500 students in order to have a sustainable business model.

In addition to being Freire Charter School's authorizer in Philadelphia, the School District of Philadelphia (SDP) is also responsible for making per pupil payments to charter schools on a monthly basis. During the 2008-2009, 2009-2010, and 2010-2011 school years, the SDP paid Freire Charter School for only 440 students, even when the school's enrollment was above that number.

In the fall of 2010, Freire Charter School filed a petition with the Pennsylvania Department of Education (PDE) for a diversion of funds in order to receive payment for the total student enrollments during the school years in question. PDE withheld the funds, and the SDP challenged that decision, which led to continued legal action.

10. b. Following the SDP's challenge to that decision, Freire Charter School's leadership met with the SDP Superintendent to discuss the matter. During the meeting with SDP's Superintendent, it became clear that SDP would not take action on changing Freire Charter School's enrollment cap unless a court decision forced the issue.

Freire Charter School filed a Declaratory Judgment asking the Philadelphia Court of Common Pleas to resolve the issues of whether the imposed enrollment cap was legal and whether Freire Charter School was owed funds by the School District of Philadelphia. The Court ruled in Freire Charter School's favor on both counts. The

SDP's appeals were heard by Pennsylvania's Supreme Court, where the original decision was upheld.

10. c. Freire Charter School received payment for all of students on its roster during the 2008-2009, 2009-2010, and 2010-2011 school years. Freire Charter School and the School District of Philadelphia agreed to a new enrollment cap of 1,000 students.