



Freeman-Brown Private School Case Study

The following case study is based on true events. Names and identifying details have been modified.

Freeman-Brown Private School (FBPS), based in Illinois, was founded in 1944 by the Brown and Freeman families. Over the years, the school acquired a reputation as a leading academic institution with an advanced curriculum. Parents described the school as having a highly performing academic environment that provided a rigorous curriculum while fostering a safe, family-oriented atmosphere in a place where *community* was valued. Not surprisingly, the student population grew and the school opened multiple campuses in the metropolitan area (Bristol, Culpeper, Richmond, Hampton, and Staunton). The Brown and Freeman families eventually sold FBPS to the for-profit, Alabama-based Caudhill International Family of Schools in 2007. The mission of the Caudhill group was to broaden the international focus of FBPS, along with the nine other schools it owned (across the United States, Switzerland, and Mexico). Even under the new ownership, the environment in the various FBPS campuses was still described as achievement-oriented and supportive.

Milestones

- 1944 - Freeman-Brown Private School was founded by the Brown and Freeman families.
- 1944 - Inaugural opening established Hampton campus.
- 1969 - Culpeper campus was established.
- 1981 - Richmond campus was established.
- 2003 - Bristol campus was created.
- 2007 - Freeman-Brown Private Schools joined the Caudhill International Family of Schools.
- 2008 - Culpeper campus relocated to Staunton campus.
- 2008 - The inaugural freshman class joined Freeman-Brown Preparatory High School.
- 2010 - Freeman-Brown Preparatory High School was designated an authorized International Baccalaureate (IB) Programme School.
- 2012 - Freeman-Brown Preparatory (High) School graduated its first class in May.
- 2012 - Freeman-Brown's new 6th-12th grade Middle and Upper School campus opened in August in North Richmond.
- 2013 - The Upper School Athletic Complex and Student Center opened.

Within a year of Caudhill owning the school, parents noticed a subtle name change. The school, which was previously known as "Freeman-Brown Private School," was now "Freeman-Brown Preparatory School." This name change in itself did not seem to affect the school's image or

functioning at an operational level, but it was an early indication of the strategic direction in which the school would be heading.

In 2008, FBPS attempted to enter the high school business at its Culpeper campus, but that initial attempt was not as successful as anticipated. This was probably a contributory factor to the relocation of the high school to a new state-of-the-art campus in Richmond, known as the North Richmond campus.

A high point for FBPS came in 2010 when it launched its International Baccalaureate Programme (IB Programme). Its first IB graduating class was May of 2012. However, that same year FBPS decided to close both the Culpeper and the Hampton campuses. At the time of the Hampton closure, families were informed that low enrollment was the reason behind the closure and that all other campuses would remain open. The economic recession in the United States between 2005 and 2011 led to many organizations going out of business, and the education sector was not exempt (U.S. Department of Labor, 2013).

In addition to the economic recession, private schools in Illinois have faced intense competition from charter schools, which are independently run public schools. Between 2011 and 2013, two top-rated charter schools opened campuses within 5 miles of the Staunton campus. Some FBPS Staunton campus students transferred to those schools.

In 2013, FBPS sent an e-mail to parents in error, informing them that the Staunton campus (pre-K through middle school) would be discontinued. That e-mail was withdrawn on the same day, and shortly afterwards, the head of the school retired. Caudhill appointed Dr. Audrina Murphy as the new head of the school. Dr. Murphy, a well-educated and experienced administrator, worked with "strategic planning experts" to create a niche and a new mission for the school. Dr. Murphy embraced her new role and continuously assured parents that the Staunton campus would remain open. Parents who attended the Parent Teacher Student Association (PTSA) meeting in mid-December 2013 affirmed that she offered assurances at the meeting.

January 2014

Winter break started on Monday, December 23, 2013, and students were scheduled to return to school on Tuesday, January 7, 2014. On Monday, January 6, 2014, the Staunton campus principal received information that the campus would close at the end of the semester, and this news was conveyed to faculty and staff at the school. Only two campuses would remain open: the Richmond and North Richmond campuses.

Parents were outraged, students were in disarray, and faculty and administration were in shock. If parents had been informed earlier, it would have been possible for them to try to secure a spot for their children at one of the schools nearby. However, open admissions at the surrounding schools had closed earlier in December. Parents attempted to place their children on waiting lists, but most lists had already filled up, some in excess of 800 students. Additionally, many local schools had already completed their hiring for the following academic year, leaving FBPS faculty and staff limited in employment options.

As it turned out, FBPS was not the only school closing campuses. That period was a difficult time for schools in Illinois in general, with reports from the Center for Education Reform (2011) reporting that between 2010 and 2011 the major reasons schools closure were financial, mismanagement, and district-related issues.

Parent Meeting

Parents were invited to a meeting on January 8, 2014, to meet with the head of the school and a Caudhill official. Parents invited the media to the meeting, but the media was denied access. At the onset of the meeting, Dr. Murphy took the podium and began by praising the Staunton campus and its community. These statements bothered some of the parents, who demanded to know why the school was closing if it had all the positive attributes just attributed to it.

The meeting grew tense and heated. Parents felt betrayed because of the timing of the closure announcement. Dr. Murphy stated that buses would be provided to shuttle children ages 2-12 to the new locations. However, the closest campus would require a trip of 40-miles (minimum) twice every day. This would not be a viable option for many parents, but the announcement timing left them with few options.

Other parents tried to negotiate with the administration to run the school for one more academic year so families would have enough time to transition their children. Neither the Caudill official nor Dr. Murphy agreed to this proposed solution.

Some parents offered to pay more in terms of tuition, but administration again did not agree to this proposal. Parents asked if the closure was due to financial reasons. Dr. Murphy replied that finances were "not a factor" and the closure was for "demographic reasons."

While Dr. Murphy stated that the reason for the closure of the two campuses was not financial in nature, Moody's analytics reported that the parent company (Caudill) was experiencing some strain. The rating of Moody's analytics is a representation of the analysts' opinion of the creditworthiness of an organization. From August 2012 to 2014, the corporate family rating (CFR) went from B2 to Caa2 indicating a lack of confidence in the financial health of Caudill.

Moving Forward

Following the parent meeting in January, some families pulled their children out of FBPS immediately, prior to the completion of the academic year. Those families received no financial reimbursement as parents had signed a contract for the academic year. Other families decided to withdraw from the school at the end of the semester. By June 2014, student population had significantly diminished on the affected campuses.

Some of the students who remained at Staunton planned to transfer to surrounding schools. Few decided to continue at the Richmond and North Richmond campuses. Others registered at Allegiant Academy, a new nonprofit private school opened by parents previously affiliated with Staunton. Kasey Luce, daughter of one of the FBPS founders, came out of retirement to become principal of Allegiant Academy. In addition to her role as principal of the school, Luce was also the president of the nonprofit corporation that owned the school.

Allegiant Academy began with an enrollment of about 100 students (pre-K-8 grade), rising to 120 students by the end of the year. Most of these students were from the Staunton campus population. The school leased a church for its first year to house the school. Parents described Allegiant Academy in positive terms with approximately 90% of families choosing to reenroll for the 2015-2016 academic year.

References

Center for Education Reform. (2011). Appendix D. Closed charter schools by state. Retrieved from https://www.edreform.com/wp-content/uploads/2011/12/CER_FINALClosedSchools2011-1.pdf

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