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STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

S U B J E C T: Approval of the August 26, 2016

SPCSA Board Meeting Action Minutes

<u> / / </u>	Public Workshop
<u> / / </u>	Public Hearing
<u> / / </u>	Consent Agenda
<u> / / </u>	Regulation Adoption
<u> / / </u>	Approval
<u> / / </u>	Appointments
<u> / x/ </u>	Information
<u> / x/ </u>	Action

MEETING DATE: September 23, 2016

AGENDA ITEM: 2

NUMBER OF ENCLOSURE(S): 1

PRESENTER(S): Adam Johnson, Chair, SPCSA

FISCAL IMPACT:

BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):

LENGTH OF TIME EXPECTED FOR PRESENTATION (IN MINUTES): 5 Mins

SUBMITTED BY: _____

NEVADA STATE PUBLIC CHARTER SCHOOL AUTHORITY

August 26, 2016

Legislative Building
Room 2135
Carson City, Nevada

And

Grant Sawyer Building
Room 4400
Las Vegas, Nevada

MINUTES OF THE MEETING

BOARD MEMBERS PRESENT:

In Las Vegas:

Adam Johnson
Melissa Mackedon
Jacob Snow
Stavan Corbett
Jacob Guinasso
Kathleen Conaboy

In Carson City:

None

Teleconference:

None

BOARD MEMBERS ABSENT

Nora Luna

AUTHORITY STAFF PRESENT:

In Las Vegas:

Patrick Gavin, Director, State Public Charter School Authority
Brian Scroggins, Deputy Director, State Public Charter School Authority
Nya Berry, Education Program Professional, State Public Charter School Authority
Joan Jurgensen, Education Program Professional, State Public Charter School Authority

In Carson City:

Danny Peltier, Management Analyst I, State Public Charter School Authority
Tanya Osborne, Administrative Assistant, State Public Charter School Authority
Jessica Hoban, Administrative Services Officer 2

LEGAL STAFF PRESENT:

In Las Vegas:

Greg Ott, Deputy Attorney General
Ed Magaw, Deputy Attorney General

AUDIENCE IN ATTENDANCE:

In Las Vegas:

Attendance Sheet Attached

In Carson City:

Attendance Sheet Attached

CALL TO ORDER; ROLL CALL; PLEDGE OF ALLEGIANCE; APPROVAL OF AGENDA

Member Mackedon moved to approve today's agenda. Member Guinasso seconded the motion. The motion carried unanimously.

Member Mackedon moved to have a flexible agenda. Member Snow seconded the motion. The motion carried unanimously.

Agenda Item 1 – Public Comment

Mike Montandon spoke about an amendment submitted Founders Academy. Chris Orme an attorney with the law firm of Hutchison and Steffen represented a landlord called Tower Distribution Center, the landlord of Quest Academy at the Torrey Pines Campus. Mrs. Sanchez spoke in behalf of Beacon Academy. Laura Granier spoke about Nevada Connections Academy.

Agenda Item 3 – Introduction of New members

Chair Johnson introduced all new members on the board.

Agenda Item 4 – Approval of Consent Agenda

- Designation of Members to Attend 2016 NACSA Conference Pursuant to SPCSA Policies and Procedures
- Consideration and possible action of the Founders Academy charter contract amendment request to add one or more Educational Management Organizations
- Consideration and possible action of the Coral Academy charter contract amendment request to add an Educational Management Organization
- Consideration and possible action of the Coral Academy charter contract amendment request to acquire a new central office facility

- Consideration and possible action regarding the Fall 2016 Expansion Amendment Timeline
- Discussion and possible action regarding American Preparatory Academy Relocation Amendment
- Consideration and possible action on the Somerset Academy Early Renewal Application

There was discussion on approvals/denials of the consent agenda.

Member Guinasso made a motion to reject the American Preparatory Academy's Relocation Amended application with instructions to re-submit it and to provide an explanation as to why they didn't comply with the contract and the regulation and to re-submit that at a later date. Member Snow seconded the motion. The motion carried unanimously.

Member Snow motioned to approve the Coral Academy charter contract amendment and with the understanding that the Authority is going to have to rely on staff to be judicious. Member Mackedon seconded the motion. The motion carried unanimously.

Member Guinasso moves to approve the expansion amendment timeline. Member Conaboy seconded the motion. The motion carried unanimously.

Member Conaboy moved to approve the remainder of the consent agenda. Member Snow seconded the motion. The motion carried unanimously.

Agenda Item 7- Quest Academy and Silver State Charter School receiver update
Josh Kern gave update about Quest Academy and Silver State Charter Schools.

Agenda Item 9 – Update, discussion, and possible action regarding status of Nevada Connections Academy charter contract incorporating the terms of the proposed improvement plans.

Greg Ott and Director Gavin both talked about possible action for the school.

Member Guinasso moved to have the contract negotiations completed by September 19, 2016. Member Mackedon seconded the motion. The motion carried unanimously.

Agenda Item 8 – Update, discussions, and possible action regarding status of Beacon Academy charter contract incorporating the terms of the proposed improvement plans.

Greg Ott spoke about how Beacon Academy representatives from the school expressed surprise that the SPCSA Board action included a provision that judicial review of any decision to reconstitute the governing body or install a receiver.

Member Guinasso motioned to have the negotiations with Beacon Academy completed by September 19th. Member Corbett seconded the motion. The motion carried unanimously.

Agenda Item 6 – Discussion and possible action regarding Nevada Virtual Academy Performance Improvement Plan

Director Gavin spoke about the performance plan for Nevada Virtual Academy. He gave an overview of the background of why the school was placed on the agenda. Richard Gordon the vice-president of the governing board for Nevada Virtual Academy explained the improvement plan.

Member Guinasso motioned to accept the update on the school and direct the school and staff to continue negotiations and assessments measures with the goal of establishing annual growth targets for each cohort of students and to explore how to leverage the mass assessment interim and annual data so it would be used to monitor the progress of younger students over time including more transient students. Member Mackedon seconded the motion. The motion carried unanimously.

Agenda Item 5 – Consideration of Nevada Virtual Academy’s amendment request to relocate and occupy new facility.

Director Gavin spoke about relocation of the school.

Member Guinasso motioned to have this contract negotiated by September 19th. Member Corbett seconded the motion. The motion carried unanimously.

Agenda Item 2 – Approval of the July 29, 2016 SPCSA Board Meeting Action Minutes

Member Corbett made a motion to accept the action minutes. Member Snow seconded the motion. The motion carried unanimously.

Agenda Item 10 – Update on Agency Budget Request

Director Gavin spoke about information from the agency regarding the state budget submission of the agency and what to expect moving forward.

Agenda Item 11 – Charter School Association of Nevada

Vice Chair Mackedon provided an update on the conference.

Agenda Item 12 – Update, discussion and possible action regarding the State Public Charter School Authority’s Strategic Plan

Director Gavin spoke about the SPCSA’s Strategic plan.

Member Mackedon motioned to approve the draft metrics related to Goals 2 and 3 with the addition of reconstitution in Goal No. 2. Member Snow seconded the motion. The motion carried unanimously.

Agenda Item 13 - 2016 Summer Charter Application Cycle Update

Deputy Director Scroggins listed the summer charter application received by the SPCSA during the most recent application cycle.

Agenda Item 14 – Chair and Vice Chair Elections Pursuant to NRS 388A.153(5)

Member Snow moved to reappoint Chair Johnson and Vice Chair Mackedon to another term. Member Guinasso seconded the motion. The motion carried unanimously.

Agenda Item 15 – Public Comment

Dr. John Hawk, Chief Executive Officer, Nevada State High School, asked for the Authority and SPCSA staff to provide information regarding the Infinite Campus SIS and other issues regarding communication between SPCSA staff and Nevada State High School.

Chair Johnson adjourned the meeting at: 2:24

STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

S U B J E C T: Approval of Consent Approval

<u> / / </u>	Public Workshop
<u> / / </u>	Public Hearing
<u> / / </u>	Consent Agenda
<u> / / </u>	Regulation Adoption
<u> / / </u>	Approval
<u> / / </u>	Appointments
<u> / x/ </u>	Information
<u> / x/ </u>	Action

MEETING DATE: September 23, 2016

AGENDA ITEM: 3

NUMBER OF ENCLOSURE(S): 1

PRESENTER(S): Adam Johnson, Chair, SPCSA; Patrick Gavin, Director, SPCSA

FISCAL IMPACT:

BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):

LENGTH OF TIME EXPECTED FOR PRESENTATION (IN MINUTES): 15 Mins

- Submission Timeline for Amendment Requests and Other School Materials for Board Consideration (Adam Johnson, Board Chair, SPCSA) (*Information/Discussion/For Possible Action*)
- Approval of SPCSA Public Information Request Fee Policy (Patrick Gavin, Executive Director, SPCSA) (*Information/Discussion/For Possible Action*)
- Approval of revisions to provisions of SPCSA Board and Staff Policies (Patrick Gavin, Executive Director, SPCSA) (*Information/Discussion/For Possible Action*)

SUBMITTED BY: _____

STATE OF NEVADA

BRIAN SANDOVAL
Governor

PATRICK GAVIN
Executive Director



STATE PUBLIC CHARTER SCHOOL AUTHORITY

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BRIEFING MEMORANDUM

TO: SPCSA Board
FROM: Patrick Gavin
SUBJECT: Agenda Item 3—Consent Agenda—Submission Timelines
DATE: September 23, 2016

Background:

Authority members have expressed concern regarding receipt of complete school materials with less than adequate time for review.

Recommendation:

Staff recommends the following timelines for placing items on the Agenda be established by the Authority:

For the October 21, 2016 Meeting: complete materials must be submitted by 5 pm Pacific Time no less than 15 days prior to the meeting. This means a complete set of materials to be reviewed for the October meeting must be submitted by Thursday October 6, 2016. Board consideration of requests filed after that date and any board consideration of proposed items which are deemed incomplete or for which the school provides supplementary materials will be scheduled for a subsequent meeting. All materials must be submitted in the submission portal maintained by the Agency for this purpose.

For the November 18, 2016 Meeting: complete materials must be submitted by 5 pm Pacific Time no less than 25 days prior to the meeting. This means a complete set of materials to be reviewed for the November meeting must be submitted by Wednesday, October 19, 2016. Board consideration of requests filed after that date and any board consideration of proposed items which are deemed incomplete or for which the school provides supplementary materials will be scheduled for a subsequent meeting. All materials must be submitted in the submission portal maintained by the Agency for this purpose.

For the December 16, 2016 Meeting: complete materials must be submitted by 5 pm Pacific Time no less than 45 days prior to the meeting. This means a complete set of materials to be reviewed for the December meeting must be submitted by Tuesday, November 1, 2016. Board consideration of requests filed after that deadline and any board consideration of proposed items which are deemed incomplete or for which the school provides supplementary materials will be scheduled for a subsequent meeting. All materials must be submitted in the submission portal maintained by the Agency for this purpose.

For all meetings in calendar year 2017 and thereafter: complete materials must be submitted by 5 pm Pacific Time no less than 45 days prior to a regularly scheduled meeting. If the due date for materials falls on a Saturday, a Sunday, or a legal holiday, the submission shall be timely if submitted by 5 pm on the first business day following the Sunday or legal holiday. Board consideration of requests filed after that date and any board consideration of proposed items which are deemed incomplete or for which the school provides supplementary materials will be scheduled for a subsequent meeting. All materials must be submitted in the submission portal maintained by the Agency for this purpose.

The Chair or Acting Chair, at the request of the Executive Director, may waive these timelines for a specific school request at his discretion. If a member determines that he or she did not have sufficient time to review the materials, they may make a motion to table the Agenda item for a subsequent meeting. All materials must be submitted in the submission portal maintained by the Agency for this purpose.

Notwithstanding the foregoing, in the event that the Authority sets a specific date for receipt of materials, including evidence or other materials to be considered at a public hearing, that deadline shall supersede the more general timelines specified above. All materials must be submitted in the submission portal maintained by the Agency for this purpose.

BRIAN SANDOVAL
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STATE OF NEVADA

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BRIEFING MEMORANDUM

TO: SPCSA Board
FROM: Patrick Gavin
SUBJECT: Agenda Item 3—Consent Agenda—Public Information Request Fee Policy and Schedule
DATE: September 23, 2016

Background:

NRS Chapter 239, the [Nevada Public Records Act](#), provides for the inspection of public records and the provision of copies of such records to members of the public who request them. [NNRS 239.052 et seq.](#) also provides that governmental entities may charge fees for costs associated with responding to public record requests. The Agency's proposed public records access policy, procedure, and fee schedule are attached. These materials have been reviewed by counsel and are modeled on those adopted by the Nevada Department of Education.

It is anticipated that the vast majority of public record requests can be accommodated without charging any fees. However, the Agency occasionally receives requests for voluminous documentation or for materials which require careful review to ensure that there is no inadvertent disclosure of information which is confidential by state or federal law or regulation, e.g. personally identifiable information on charter school students.

Recommendation:

Complying with some public information requests can result in in considerable labor and materials costs to the Agency. Consequently, Staff recommends approval of this public information request policy, procedure, and fee schedule document.

State Public Charter School Authority Fee Schedule for Public Records Requests

1. No fees will be assessed until total costs reach \$10. If the cost of producing the records is estimated to be more than \$10, the records will not be produced until payment is received, unless a decision to waive fees has been made by the Executive Director.
2. **Staff time.** Pursuant to NRS 239.055, a fee may be charged for extraordinary staff time for processing, researching, copying, or legal/technical review. "Extraordinary staff time" is defined as any time over 30 minutes required to process records requests. Fee will be based on the salary grade of the staff person who provides or prepares the requested information.
 - a. \$20 per hour per staff member (Grades 10-19)
 - b. \$30 per hour per staff member (Grades 20-29)
 - c. \$40 per hour per staff member (Grades 30-39)
 - d. \$50 per hour per staff member (Grades 40+)
3. **Copying/Storage Fees**
 - a. Black & white, 8 ½ x 11" \$0.03 per page
 - b. Black & white, 8 ½ x 14" \$0.06 per page
 - c. Color up to 8 ½ x 14" \$0.10 per page
 - d. Records sent via email Free (limited to 5 GB in total)¹
 - e. Electronic scanning to CD \$5 per disc
 - f. USB flash drive \$1.00 per gigabyte of storage capacity
 - g. Certified true copies: \$5 per page
4. **Postage.** All shipping will be USPS Parcel Post unless otherwise requested. Costs will be reimbursed by the requester.
5. **Payment.** Payment may only be made by checks or money orders made out to "State Public Charter School Authority."

¹ State email policy restricts file size and total size of email queue. To ensure efficient operation of state technology systems, materials that are more than 5 MB in total will be provided via USB flash drive.

PUBLIC RECORDS REQUEST PROCEDURE

- I. SPCSA's Records Official
 - A. Each executive agency must have a designated Records Official
 - B. Whenever a new or additional Records Official is designated, the Records Official Designation form must be completed and submitted to the Nevada State Library and Archives.
 - C. The Records Official may assign an assistant to help the Records Official log and respond to public records requests. All records requests received by the Agency should be forwarded *immediately* to the Records Official. The Records Official should then work with the Executive Director and/or the timeline for the NDE's response as well as the content of the response. In handling the records request, the Records Official shall follow the procedure outlined herein.

- II. Responding to a Public Records Request
 - A. All requests for public records received by any employee at the Agency should be immediately forwarded to the public Records Official who will ensure that the request is logged in the Public Records Request log.
 - i. The Records Official or designee shall acknowledge receipt of the request in writing. If the request is received by e-mail, this acknowledgement may be sent by e-mail.
 - ii. The Records Official or designee will forward the request to the person who may best be able to respond and/or where the records are maintained.
 - B. The Records Official ensures that, within five(5) business days from receipt of the request, one of the following occurs:
 - i. The requester inspects the record or receives copies of the record, as requested;
 - ii. If the Agency does not have a legal custody of the record, written notice of that fact and the name and address of the governmental entity that has legal custody of the record, if known, is provided to the requester;
 - iii. If the record has been destroyed pursuant to the Agency records retention schedule, written notice of that fact is provided to the requester;

- iv. If the Agency is unable to provide the record by the end of the fifth business day after the request is received, written notice of that fact and a date and time after which the record will be available for the person to inspect or copy is provided to the requester. If this is known at the time the acknowledgment is sent to the requester, this information may be included with the acknowledgment sent by the Records Official or designee; or
 - v. If the request must be denied because the record is confidential, written notice of that fact and a citation to the specific statute or other legal authority that makes the record confidential is provided to the requester.
 - C. The requestor is to be advised, in advance, of the volume or list of records encompassing the request and the potential cost to provide the records if applicable. Copies of records shall be furnished upon payment of associated fees (Please see Fee Schedule)
 - i. When a custodian reviews a public record request, it may be determined that the request will require significant use of personnel or resources to produce and be designated as an Extraordinary Public Record Request.
 - ii. Fees may be imposed in accordance with NRS 239.055.
 - iii. The requestor is to be advised if the cost of the request exceeds \$10.00 and that payment in full of the minimum estimated amount will be required to process the request.
 - iv. The amount deposited by the requestor shall include the estimated manpower costs to retrieve or reproduce the record(s) and the estimated material charges to retrieve or reproduce the record(s).
 - v. The criteria above are guidelines which may be expanded depending upon the circumstances of the request
- III. General Policies for Processing Public Records Requests
- A. All public records, unless declared by law to be confidential, must be open at all times during office hours to inspection by any person, and may be copied.

- B. Original public records must not be removed from Department offices during inspection by members of the public and must be monitored by an employee while any review is being conducted.
- C. No cost will be assessed for inspection of existing records. However, copies of public records may be obtained for a standard copying fee that is outline in the Agency's Fee Schedule for Requests for Public Records.
- D. If a record contains information deemed confidential, a request to inspect or copy the record so the remainder of the record can be inspected or copied.
- E. Public records must be provided in any medium in which they are readily available. The custodian of the record shall not refuse to provide a copy of the record in a readily available medium because he has already prepared or would prefer to provide the copy in a different medium.
- F. Request for reproduction of public records should be in writing and may be faxed, emailed, hand-delivered, mailed or submitted in person. The Public Records Request Form can be found on the Agency's website. This form should be utilized to obtain requestor's name, address, contact information and specific documents requested. However, if the requestor is unwilling to provide the request in writing, staff may complete a Public Records Request Form on behalf of the requestor.
- G. If there is an issue regarding inspection or reproduction of a requested document, the Attorney General's Office should be consulted. The Deputy Attorney General assigned to the Agency will assist with the issues of whether:
 - i. The item requested is actually a public record, available for review and reproduction; or
 - ii. The item requested is a public record which some special legal considerations dictate should not be made available for inspection and reproduction. This item requires a legal balancing test. If a balancing test is to be performed, the requestor should be informed and then notified as soon as a decision has been made. Balancing tests should be performed without delay.
- H. Copyrighted materials may be duplicated without risk of infringement when reproduction is for the specific purpose of: "criticism, comment, news reporting, teaching, scholarship, or research" (17 U.S.C.A. Sec. 107).

When the custodian is aware that some other use is intended, consultation with the Deputy Attorney General assigned to the Agency may be necessary to insure there is no infringement by reproduction of copyrighted material.

- I. Confidential records of charter schools and federal, state, and local governments shared with the Agency **MUST NOT** be disclosed without prior written authorization from that charter school or government agency.
- J. The Fee Schedule for Request for Publics Records must be posted in public view in each office of the Agency.

BRIAN SANDOVAL
Governor

STATE OF NEVADA

PATRICK GAVIN
Executive Director



STATE PUBLIC CHARTER SCHOOL AUTHORITY

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BRIEFING MEMORANDUM

TO: SPCSA Board
FROM: Patrick Gavin
SUBJECT: Agenda Item 3—Consent Agenda—Revisions to SPCSA Board and Staff Policies
DATE: September 23, 2016

Background:

The Agency Duty, Policies, and Procedures were approved by the Authority on February 26, 2016. Previous state-mandated Agency policies were developed by the Executive Director pursuant to Executive branch policy. The Governor's Office of Finance provided agency staff with previously approved Agency Duties, Policies, and Procedures templates and recommended additional changes that reflect unique features of the Authority and the Agency.

The Governor's Office of Finance recently identified a discrepancy in provisions of the Agency Duties, Policies, and Procedures which could result in a violation of the [State Administrative Manual \(SAM\)](#). This discrepancy arose due to combining materials from multiple agencies, including one which has an exemption from some SAM provisions.

Recommendation:

The proposed revision may be found on [page 27](#) of the [accompanying redline document](#). To be clear, the Agency does not believe that there has been any violation of SAM. To prevent potential violations, staff recommends approval of the revisions to the Duties, Policies, and Procedures.

STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

S U B J E C T: Update, discussion and possible action regarding Nevada Connections Academy improvement plan, including but not limited to approval of proposed charter contract with terms previously approved by the Authority, discussion and possible action regarding staff recommendation on alternative terms proposed by the school, or issuance of finding that the school is eligible for revocation of its written charter due to violation of NRS 388A.330(e) and issuance of direction to staff to issue Notice of Intent to Revoke the Written Charter.

- / / Public Workshop
- / / Public Hearing
- / / Consent Agenda
- / / Regulation Adoption
- / / Approval
- / / Appointments
- / x/ Information
- / x/ Action

MEETING DATE: September 23, 2016

AGENDA ITEM: 4

NUMBER OF ENCLOSURE(S): 1

PRESENTER(S): Patrick Gavin, Director, SPCSA

FISCAL IMPACT:

BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):

LENGTH OF TIME EXPECTED FOR PRESENTATION (IN MINUTES): 45 Mins

SUBMITTED BY: _____

BRIAN SANDOVAL
Governor

STATE OF NEVADA

PATRICK GAVIN
Executive Director



STATE PUBLIC CHARTER SCHOOL AUTHORITY

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BRIEFING MEMORANDUM

TO: SPCSA Board
FROM: Patrick Gavin
SUBJECT: Agenda Item 4—Nevada Connections Academy Update
DATE: September 23, 2016

Background:

At the August 26, 2016 Authority meeting, the Authority directed staff and Nevada Connections Academy to negotiate an amended charter contract by September 19, 2016.

After extensive discussions with the school and its counsel, Staff and counsel have not agreed to mutually agreeable terms. While the school has raised a number of objections related to standard terms in the charter contract and staff has proposed language to accommodate a number of their concerns, a variety of sticking points remain. Most notably, the school disagrees with staff's interpretation that the Authority directive included the expectation that in exchange for approval of the improvement plan targets and a prohibition on termination of the charter contract for failure to achieve those specific goals, the school would be required to agree that any judicial review of such a decision be limited to a determination of whether or not the school did or did not achieve the annual graduation rate target specified in the agreement.

Counsel is prepared to answer any questions the Authority may have with regard to the negotiations between the school and staff.

Recommendation:

Staff recommends:

- 1) The Authority affirm that the following language in the draft contract:

“For the graduating cohorts, as defined by NAC 389.0246, of 2016, 2017,

and 2018 the Charter School's Charter Contract shall not be eligible for termination based on a graduation rate, as calculated by the Nevada Department of Education, below 60%. However, the Charter School shall be eligible for reconstitution of its governing board or appointment of a receiver if its graduation rate is below the benchmarks established by this section. For the graduating cohorts included in this section, judicial review of any decision to reconstitute the governing board, or appoint a receiver under this section or NRS 388A.330(1)(e) shall be limited to a review of whether the school has or has not achieved the annual graduation rate target.

Graduation rate benchmarks for the Charter School:

Cohort 2016: 45%

Cohort 2017: 52%

Cohort 2018: 60%

- 2) Pursuant to [NRS 388A.330](#) and [NAC 386.330](#), the Authority direct staff to Issue a Notice of Intent to Revoke the Written Charter of Nevada Connections Academy based on having a graduation rate for the preceding school year that is less than 60 percent.

STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

S U B J E C T: Update, discussion and possible action regarding Beacon Academy improvement plan, including but not limited to approval of proposed charter contract with terms previously approved by the Authority, discussion and possible action regarding staff recommendation on alternative terms proposed by the school, or issuance of finding that the school is eligible for termination of it charter contract due to violation of NRS 388A.330(e) and issuance of direction to staff to issue Notice of Intent to Terminate the Charter Contract

- / / Public Workshop
- / / Public Hearing
- / / Consent Agenda
- / / Regulation Adoption
- / / Approval
- / / Appointments
- / x/ Information
- / x/ Action

MEETING DATE: September 23, 2016
AGENDA ITEM: 5
NUMBER OF ENCLOSURE(S): 1

PRESENTER(S): Patrick Gavin, Director, SPCSA

FISCAL IMPACT:

BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):

LENGTH OF TIME EXPECTED FOR PRESENTATION (IN MINUTES): 45 Mins

SUBMITTED BY: _____

BRIAN SANDOVAL
Governor

STATE OF NEVADA

PATRICK GAVIN
Executive Director



STATE PUBLIC CHARTER SCHOOL AUTHORITY

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BRIEFING MEMORANDUM

TO: SPCSA Board
FROM: Patrick Gavin
SUBJECT: Agenda Item 5—Beacon Academy Update
DATE: September 23, 2016

Background:

At the August 26, 2016 Authority meeting, the Authority directed staff and Beacon Academy to negotiate an amended charter contract by September 19, 2016.

Staff and the school have not agreed to mutually agreeable terms.

Counsel is prepared to answer any questions the Authority may have with regard to the negotiations between the school and staff.

Recommendation:

Staff recommends:

Pursuant to [NRS 388A.330](#) and [NAC 386.330](#), the Authority direct staff to Issue a Notice of Intent to Terminate the Charter Contract of Beacon Academy based on having a graduation rate for the preceding school year that is less than 60 percent.

STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

S U B J E C T: Update, discussion and possible action regarding Nevada Virtual Academy improvement contract negotiations

<u> / / </u>	Public Workshop
<u> / / </u>	Public Hearing
<u> / / </u>	Consent Agenda
<u> / / </u>	Regulation Adoption
<u> / / </u>	Approval
<u> / / </u>	Appointments
<u> / x/ </u>	Information
<u> / x/ </u>	Action

MEETING DATE: September 23, 2016
AGENDA ITEM: 6
NUMBER OF ENCLOSURE(S): 1

PRESENTER(S): Patrick Gavin, Director, SPCSA

FISCAL IMPACT:

BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):

LENGTH OF TIME EXPECTED FOR PRESENTATION (IN MINUTES): 45 Mins

SUBMITTED BY: _____

BRIAN SANDOVAL
Governor

STATE OF NEVADA

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Executive Director



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BRIEFING MEMORANDUM

TO: SPCSA Board
FROM: Patrick Gavin
SUBJECT: Agenda Item 6—Nevada Virtual
DATE: September 23, 2016

Background:

At the August 26, 2016 Authority meeting, the Authority directed staff and the school to negotiate an amended charter contact by September 10, 2016.

After extensive discussions with the school and its counsel, Staff and counsel agreed to mutually agreeable terms. The proposed charter contract accompanies this memorandum.

Recommendation:

Staff recommends approval of the amended charter contract between Nevada Virtual Academy and the State Public Charter School Authority.

STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

S U B J E C T: Consideration and possible action of the American Preparatory Academy charter amendment request to move facilities.

<u> / / </u>	Public Workshop
<u> / / </u>	Public Hearing
<u> / / </u>	Consent Agenda
<u> / / </u>	Regulation Adoption
<u> / / </u>	Approval
<u> / / </u>	Appointments
<u> / x/ </u>	Information
<u> / x/ </u>	Action

MEETING DATE: September 23, 2016

AGENDA ITEM: 7

NUMBER OF ENCLOSURE(S): 1

PRESENTER(S): Patrick Gavin, Director, SPCSA

FISCAL IMPACT:

BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):

LENGTH OF TIME EXPECTED FOR PRESENTATION (IN MINUTES): 45 Mins

SUBMITTED BY: _____

BRIAN SANDOVAL
Governor

STATE OF NEVADA

PATRICK GAVIN
Executive Director



STATE PUBLIC CHARTER SCHOOL AUTHORITY

**1749 North Stewart Street Suite 40
Carson City, Nevada 89706-2543
(775) 687 - 9174 • Fax: (775) 687 - 9113**

BRIEFING MEMORANDUM

TO: SPCSA Board
FROM: Patrick Gavin
SUBJECT: Agenda Item 7—American Preparatory Academy Charter Amendment to Relocate and Consolidate Facilities
DATE: September 23, 2016

Background:

American Preparatory Academy has previously requested approval to relocate and consolidate its Oakey campus into its Patrick/Sunset campus. American Preparatory Academy's board chair, Lee Iglody, has requested that this item be tabled as the school requires additional time to develop a complete and responsive document.

Recommendation:

Staff recommend that this extension be granted and that the school be required to resubmit a complete and responsive document by a deadline specified by the Authority.



AMERICAN PREPARATORY ACADEMY

September 21, 2016

Via Email (ajohnson@spcsa.nv.gov)

Adam Johnson

Chair

State Public Charter School Authority

9890 S Maryland Pkwy

Suite 200B

Las Vegas, NV 89183

Dear Mr. Johnson,

The Board of Directors of American Preparatory Academy Las Vegas (APA-LV) is still in the process of revising its 2016 Charter School Facilities Amendment Request (SPCSAAR). The SPCSA staff has provided APA-LV thorough comments. After conferring with our staff, it appears that we will not be able to deliver to the SPCSA the completed SPCSAAR on time for review for this coming SPCSA meeting on September 23. In lieu of uploading an incomplete product, we would like to ask that SPCSA move us to the October 19, 2016, agenda.

We are very close but apparently not close enough. It is our sincere desire to provide the SPCSA the information it has asked for, to the extent we reasonably can. Again, the thoughtful and illuminating comments from Patrick Gavin has put us firmly on track to deliver in time for the October 19, 2016, SPCSA meeting. We would upload our completed SPCSAAR by October 6, 2016, to allow sufficient time for full consideration by SPCSA.

Please let me know if this is acceptable. I am also available to appear personally on Friday to answer questions.

Thank you very much.

Sincerely,

Lee Iglody

Governing Board President

Cc: Patrick Gavin (pgavin@spcsa.nv.gov)

STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

S U B J E C T: Executive Director's Report.

<u> / / </u>	Public Workshop
<u> / / </u>	Public Hearing
<u> / / </u>	Consent Agenda
<u> / / </u>	Regulation Adoption
<u> / / </u>	Approval
<u> / / </u>	Appointments
<u> / x/ </u>	Information
<u> / / </u>	Action

MEETING DATE: September 23, 2016

AGENDA ITEM: 8

NUMBER OF ENCLOSURE(S): 1

PRESENTER(S): Patrick Gavin, Director, SPCSA

FISCAL IMPACT:

BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):

LENGTH OF TIME EXPECTED FOR PRESENTATION (IN MINUTES): 15 Mins

SUBMITTED BY: _____

BRIAN SANDOVAL
Governor

STATE OF NEVADA

PATRICK GAVIN
Executive Director



STATE PUBLIC CHARTER SCHOOL AUTHORITY

**1749 North Stewart Street Suite 40
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BRIEFING MEMORANDUM

TO: SPCSA Board
FROM: Patrick Gavin
SUBJECT: Agenda Item 8—Executive Director’s Report
DATE: September 23, 2016

There are several key items of which the Authority should be aware, including:

Budget Submission:

- Budget was submitted on time; staff are responding to initial requests from the Governor’s Office of Finance
- The Agency’s Budget Request Presentation to Finance, the Governor’s Office, and LCB representatives will occur on Friday, September 30, 2016

Regulations:

- LCB has just concluded reviewing one of our three regulations (regarding the loan account); two others should be returned shortly
- NRS 233B requires that the draft regulations be posted 30 days prior to the public hearing. Given that the next Authority meeting is October 19, this raises concerns about the timeline between a potential November Authority hearing and final review and revision by LCB in time for the December Legislative Commission (date TBD).

NACSA Attendees:

- Chair Johnson, Vice Chair Mackedon, and Member Guinasso will be attending on behalf of the Authority

Staffing Update:

- Kathleen Robson, who oversaw federal programs, has taken a job closer to home at her children's school; initial interviews for her replacement took place this week. In the interim, her duties have been divided among other staff.
- Both Brian Scroggins and Jessica Hoban are participating in the state's [Certified Public Manager](#) program. Jessica is participating in the Carson City class; Brian is in the Las Vegas class.

Summer Cycle Applications:

- Marzano Academy has requested their application be withdrawn and receive no further consideration
- Vector Academy was left off of the list due to an inadvertent oversight

Positive Press:

- An SPCSA charter school implementing the federal pre-K program was recently [featured](#) in the Review Journal. Authority staff member Nya Berry was interviewed and provided helpful context on the program. While not mentioned, Agency fiscal staff have also been a critical part of moving this program forward at both SPCSA and district-sponsored schools, as discussed in June during Nya's presentation before the Authority regarding the Pre-K Memorandum of Understanding.

STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

**S U B J E C T: Quest Academy and Silver State
Charter School receiver update.**

 / / Public Workshop
 / / Public Hearing
 / / Consent Agenda
 / / Regulation Adoption
 / / Approval
 / / Appointments
 / x/ Information
 / / Action

MEETING DATE: September 23, 2016

AGENDA ITEM: 9

NUMBER OF ENCLOSURE(S): 1

PRESENTER(S): Josh Kern, receiver, The Ten Square Group

FISCAL IMPACT:

BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):

LENGTH OF TIME EXPECTED FOR PRESENTATION (IN MINUTES): 45 Mins

SUBMITTED BY: _____

BRIAN SANDOVAL
Governor

STATE OF NEVADA

PATRICK GAVIN
Executive Director



STATE PUBLIC CHARTER SCHOOL AUTHORITY

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BRIEFING MEMORANDUM

TO: SPCSA Board
FROM: Patrick Gavin
SUBJECT: Agenda Item 9—Quest and Silver State Receiver Update
DATE: September 23, 2016

Background:

In the fall of 2014, the Authority received multiple reports of financial mismanagement from governing body members at two charter schools, Quest Academy and Silver State Charter School. Based on those reports and issues with the timeliness and completeness of the 2014 independent audits of both schools, the Agency served both schools with Notices of Breach in December 2014.

During late 2014 and early 2015, the Agency contacted each of the big four accounting firms (PricewaterhouseCoopers, Ernst & Young, Deloitte, and KPMG). Based on restrictions on the Agency's ability to conduct the investigation under the auspices of counsel and limitations on the Agency's ability to indemnify a firm in any suit brought by a school as a result of an audit or investigation, the Agency was only able to agree to acceptable terms with Deloitte.

In early 2015, the Interim Finance Committee approved a Work Program transferring funds from the Agency's reserve category to Professional Services to fund the proposed contract with Deloitte.

On June 9, 2015, the Board of Examiners approved the Agency's contract with Deloitte to perform audits of Quest and Silver State.

Deloitte began their review of both schools in July 2015.

Deloitte prepared and submitted reports on their findings and supporting documentation related to Quest in September 2015. Those materials may be found at <http://goo.gl/6WBnyk>.

Deloitte prepared and submitted reports on their findings and supporting documentation related to Silver State in October 2015. Those materials may be found at <https://goo.gl/A841fA>.

Based on the risk of imminent insolvency to Quest and ongoing governance deficiencies that led to the effective dissolution of the Quest governing body, the Authority intervened in October 2015 and voted to place the school in receivership. Joshua Kern was installed as receiver in November 2015. He has made multiple reports to the Authority regarding progress at Quest since his appointment.

Due to the systemic financial mismanagement at Silver State, the Authority initiated revocation proceedings in November 2015. The Authority initially voted to revoke Quest's written charter in January 2016. Due to litigation risk and concern regarding potential ongoing financial and academic issues, the Authority directed staff to enter into settlement negotiations in March 2016. After several months of negotiations, the Authority and Silver State agreed to a settlement that permitted ongoing operation and a renewal under the governance and oversight of a court-appointed receiver and the monitoring of a court-approved trustee to enforce the terms of the receivership appointment. The court appointed Joshua Kern the receiver of Quest effective July 1, 2016. The initial Trustee resigned shortly thereafter and the court replaced her with Robert Cane. The court has also issued an order clarifying the role of the Receiver and the Trustee. This will be Mr. Kern's third report to the Authority related to Silver State.

STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

S U B J E C T: Update, discussion and possible action regarding the State Public Charter School Authority's Strategic Plan

<u> / / </u>	Public Workshop
<u> / / </u>	Public Hearing
<u> / / </u>	Consent Agenda
<u> / / </u>	Regulation Adoption
<u> / / </u>	Approval
<u> / / </u>	Appointments
<u> / x/ </u>	Information
<u> / x / </u>	Action

MEETING DATE: September 23, 2016

AGENDA ITEM: 10

NUMBER OF ENCLOSURE(S): 1

PRESENTER(S): Patrick Gavin, Director, SPCSA

FISCAL IMPACT:

BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):

LENGTH OF TIME EXPECTED FOR PRESENTATION (IN MINUTES): 15 Mins

SUBMITTED BY: _____

BRIAN SANDOVAL
Governor

STATE OF NEVADA

PATRICK GAVIN
Executive Director



STATE PUBLIC CHARTER SCHOOL AUTHORITY

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BRIEFING MEMORANDUM

TO: SPCSA Board
FROM: Patrick Gavin
SUBJECT: Agenda Item 10—Strategic Plan
DATE: September 23, 2016

Background:

The Authority adopted its first [strategic plan](#) on March 23, 2013. Based on feedback from NACSA and WestEd in the fall of 2015, the Authority began revisions to its strategic plan in May 2016. At that time, the Authority identified two key objectives and four goals in the [draft document](#).

Objectives:

- 1) **By 2020, increase the number of high quality seats in SPCSA-sponsored charter schools to 60,000.**
- 2) **By 2020, enroll a statewide student population which is representative of our sending schools.**

Goals:

- 1) **Open and sustain quality schools that reflect the demographics of their community**
 - a) Proactive Enrollment Practices
 - b) Equitable Funding
 - c) Focusing on local talent to open new schools
- 2) **Unwavering Commitment to High Quality Schools—4 & 5 Star Schools**
 - a) Approve only the highest quality applicants
 - b) Reward High Quality Schools and Disseminate Best Practices
 - c) Sanction low performing schools
 - d) Align assessments to standards
 - e) Third party comprehensive assessment of the quality of the sector

3) **Fulfillment of Public School Obligations**

- a) Ensure equitable service to traditionally underserved populations
- b) Reward schools that equitably serve underserved populations
- c) Investigate and sanction schools that do not equitably serve underserved populations
- d) Recognize problems and encourage partnerships to facilitate solutions for children's environmental challenges

4) **Facilitate a Community of Practice Among Charter School Operators and Leaders to Build a Culture of Innovation and Collaboration**

- a) Leverage the Authority's LEA role to encourage the development and dissemination of best practices
- b) Collaborate with the Governor's Office, the Office of Economic Development, and other key stakeholders to encourage the formation of high quality schools that support the overarching workforce and economic development goals of the state.

Pursuant to a request from members of the Authority, staff have broken out the review of the proposed measures for consideration over the next several meetings. /

The draft metrics related to Goal 4 are:

- The number and percentage of 4 and 5 star schools that develop and disseminate best practices in academics and equity
- The number and percentage of 1, 2, and 3 star schools that increase by one level or more each year
- The number and percentage of targeted RFP school applications received and approved

Each of these measurements represents new areas of focus for the Authority based on Board, community, and legislative concerns regarding the demographics of our portfolio and the need to ensure high quality, high achieving programs for all students, including those who are at risk.

The first metric for goal 4 is aligned to the Federal Charter Schools Program grant's dissemination funding stream, which funds the sharing of best practices by top performing charter schools. As we strive for high academic achievement and a more diverse and equitable charter school movement in this state, it is critical that we look to those schools in our portfolio who excel at this and we encourage them to share their knowledge with others and to seek out funding streams to support the growth of a community of practice in this area.

While the first metric is primarily an input or behavioral/process measure, the second metric is an attempt to quantify a critical output of dissemination that is not captured in any of the other metrics—the number and percentage of schools at the one, two, or three star level that increase their performance. While our focus on performance management and tools like closure, receivership, and reconstitution are an important component of that, it is also important to recognize that the greatest resource and support our schools have is not their financially strapped, state agency authorizer. Rather, it is the larger charter school community. If we look at the limited examples of self-directed versus authorizer imposed turnaround—e.g. the turnaround of Excel Academy in Boston, which is now one of the top performing public school systems in one of the nation's highest performing states—one of the essential elements has been the network of school leaders at high performing schools and a handful of linchpin board members who have shared their knowledge and even their homegrown talent with schools that have stumbled. Similarly, the dramatic shifts in the academic programs and culture of many “no excuses” school models over the past several years are

a result of generous knowledge sharing and unabashed appropriation of what is working well at peer schools. While we cannot directly control this, we do have some ability to influence knowledge sharing across the sector.

Similarly, the last metric for goal four reflects our interest in ensuring that the charter school sector continues to be a force of innovation and a catapult towards success in college and career. Our state is embarking on an ambitious set of workforce and economic development initiatives and it behooves us to seek out and encourage applications from organizations that have the knowledge and skills to create high quality programs which will ensure that Nevadans of all backgrounds can benefit from the promise of a more diversified New Nevada economy.

Recommendation:

Staff requests endorsement of the proposed metrics for Goal 4. A final review of the revised mission, core beliefs, core functions, and theory of action will be placed on the October agenda.

STATE PUBLIC CHARTER SCHOOL AUTHORITY

SUPPORTING DOCUMENT

S U B J E C T: Financial Framework Report

 / / Public Workshop
 / / Public Hearing
 / / Consent Agenda
 / / Regulation Adoption
 / / Approval
 / / Appointments
 / x/ Information
 / x / Action

MEETING DATE: September 23, 2016

AGENDA ITEM: 11

NUMBER OF ENCLOSURE(S): 1

PRESENTER(S): Duffy Chagoya, Accountant, SPCSA

FISCAL IMPACT:

BUDGET ACCOUNT (FOR PRINTING CHARGES ONLY):

LENGTH OF TIME EXPECTED FOR PRESENTATION (IN MINUTES): 30 Mins

SUBMITTED BY: _____

Considerations of the Financial Performance Framework

Purpose

- Expectations of accountability
- For use in a performance based contract

Implementation:

- Incorporation into the contracts
- Determine when to implement
- Board adoption/revision to policies
- Communication: gaining buy in from various stakeholders (internal, external, charter school leaders, policymakers, leadership)

Accountability:

- Executing the contract
- Annual reviews
- Ongoing monitoring
- Renewal reviews

Reporting Mechanism:

- Internal accountability reporting
- Public accountability reporting

Levels of Information

Indicators:

General categories of financial performance used to identify information that best reflects :

- a) the current financial status of a school (**Near Term Indicators**) and that depict
- b) the future financial viability of a school (**Sustainability Indicators**)

Measures:

The general means to evaluate an aspect of an indicator. Eight measures are used in the framework.

Near Term Indicators - Current Ratio, Unrestricted Days of Cash-on-Hand, Enrollment Forecast Accuracy, Debt Default

Sustainability Indicators - Total Margin, Debt to Asset Ratio, Cash Flow, Debt Service Coverage Ratio

Metrics:

The methods for calculating measures. An example of a metric is Current Ratio equals Current Assets divided by Current Liabilities.

Targets:

The thresholds that signify success for a specific measure. An example of a metric is Current Ratio is greater than 1.1.

Ratings

Meets Standard:

The school's performance on this component does not signal a financial risk to the school and meets the authorizer's standard. Meeting the standard requires no follow up action by the authorizer.

Does Not Meet Standard:

The school's performance on this component signals a moderate financial risk to the school and does not meet the authorizer's expectation. This indicator may require follow up depending on the interplay with other indicators. Schools may be eligible for notice of unsatisfactory performance, probation, or other forms of intervention. Schools not meeting the standard across more than one area may be eligible for non-renewal.

Falls Far Below Standard:

The school's performance on this component signals a significant financial risk to the school and does not meet the authorizer's expectation. Follow up is necessary to determine probation, intervention, non-renewal, or revocation.

**Nevada State Public Charter School Authority
Financial Performance Framework Calculations Workbook**

School FY School Code

Standards for a school beyond the first two years of operation are being applied

Near Term

Measure 1 - Current Ratio

Total Current Assets	\$ 276,168.00	<input checked="" type="checkbox"/>	Meets Standard:	Is 1.1 or greater
Total Current Liabilities	\$ 62,589.00	<input type="checkbox"/>	Meets Standard:	Between 1.0 and 1.1 and one-year trend is positive
Current Ratio	4.41	<input type="checkbox"/>	Does Not Meet Standard:	Between 0.9 and .99
One-Year Trend	-0.12	<input type="checkbox"/>	Does Not Meet Standard:	Between 1.0 and 1.1 and one-year trend is negative
		<input type="checkbox"/>	Falls Below Standard:	Less Than 0.9

Measure 2 - Unrestricted Days of Cash-on-Hand

Annual Expense	\$ 2,192,780.00	<input type="checkbox"/>	Meets Standard:	60 days of cash or more
Less Annual Depreciation	\$ 6,427.00	<input type="checkbox"/>		
Total	\$ 2,186,353.00	<input type="checkbox"/>	Meets Standard:	Between 30 and 60 and one-year trend is positive
Days	365	<input type="checkbox"/>	Does Not Meet Standard:	Days of cash between 15 and 29
Unrestricted Cash and Equivalents	\$ 199,839.00	<input checked="" type="checkbox"/>	Does Not Meet Standard:	Between 30 and 60 and one-year trend is negative
Average Daily Expenses	\$ 5,990.01	<input type="checkbox"/>	Falls Below Standard:	Less than 15 days of cash
Days of Cash-On-Hand	33.4			
One-Year Trend	-21.9			

Measure 3 - Enrollment Forecast Accuracy

Actual Enrollment	312	<input type="checkbox"/>	Meets Standard:	Enrollment forecast accuracy equals or exceeds 95% in the most recent year and equals or exceeds 95% of each the last three years
Projected Enrollment	400	<input type="checkbox"/>		
Current Year Forecast Accuracy	78.0%	<input type="checkbox"/>	Does Not Meet Standard:	Enrollment forecast accuracy is between 85% and 94% in the most recent year
Previous Year Forecast Accuracy	109.0%	<input type="checkbox"/>		
2013 Forecast Accuracy	75.3%	<input type="checkbox"/>	Does Not Meet Standard:	Enrollment forecast accuracy is 95% or greater in the most recent year but does not equal or exceed 95% or greater each of the last three years
		<input checked="" type="checkbox"/>	Falls Below Standard:	Enrollment forecast accuracy is less than 85% in the most recent year

Measure 4 - Debt Default

Does the school have a loan?	No	<input checked="" type="checkbox"/>	Meets Standard:	School is not in default of loan covenant(s) and is not delinquent with debt service payments
Is the school in default of loan covenants?	No	<input type="checkbox"/>	Falls Below Standard:	School is in default of loan covenant(s) and is not delinquent with debt service payments

**Nevada State Public Charter School Authority
Financial Performance Framework Calculations Workbook**

School FY School Code

Standards for a school beyond the first two years of operation are being applied

Sustainability

Measure 1 - Total Margin

2015 Total Revenue	\$ 2,132,189.00	<input type="checkbox"/>	Meets Standard:	Aggregated three-year total margin is positive and the most recent year total margin is positive
2015 Total Expenditures	\$ 2,192,780.00	<input type="checkbox"/>		
Net Surplus	\$ (60,591.00)	<input type="checkbox"/>	Meets Standard:	Aggregated three-year total margin is greater than -1.5% but less than zero, the trend is positive for the last two years, and the most recent year total margin is positive
Current Year Total Margin	-2.8%	<input type="checkbox"/>		
Previous Year Current Margin	-1.9%	<input type="checkbox"/>		
2013 Total Margin	0.8%	<input checked="" type="checkbox"/>	Does Not Meet Standard:	Aggregated three-year total margin greater than -1.5%, but the most recent year is negative
Three-Year Net Surplus	\$ (82,465.00)	<input type="checkbox"/>		
Three-Year Revenues	\$ 5,590,346.00	<input type="checkbox"/>	Falls Below Standard:	Aggregated three-year total margin is less than -1.5%
Aggregated Total Margin	-1.5%	<input type="checkbox"/>		

Measure 2 - Debt to Asset Ratio

Total Assets	330,362	<input checked="" type="checkbox"/>	Meets Standard:	Is less than 0.9
Total Liabilities	62,589	<input type="checkbox"/>	Does Not Meet Standard:	Is between 0.9 and 1.0
Debt to Asset Ratio	0.19	<input type="checkbox"/>	Falls Below Standard:	Is greater than 1.0

Measure 3 - Cash Flow

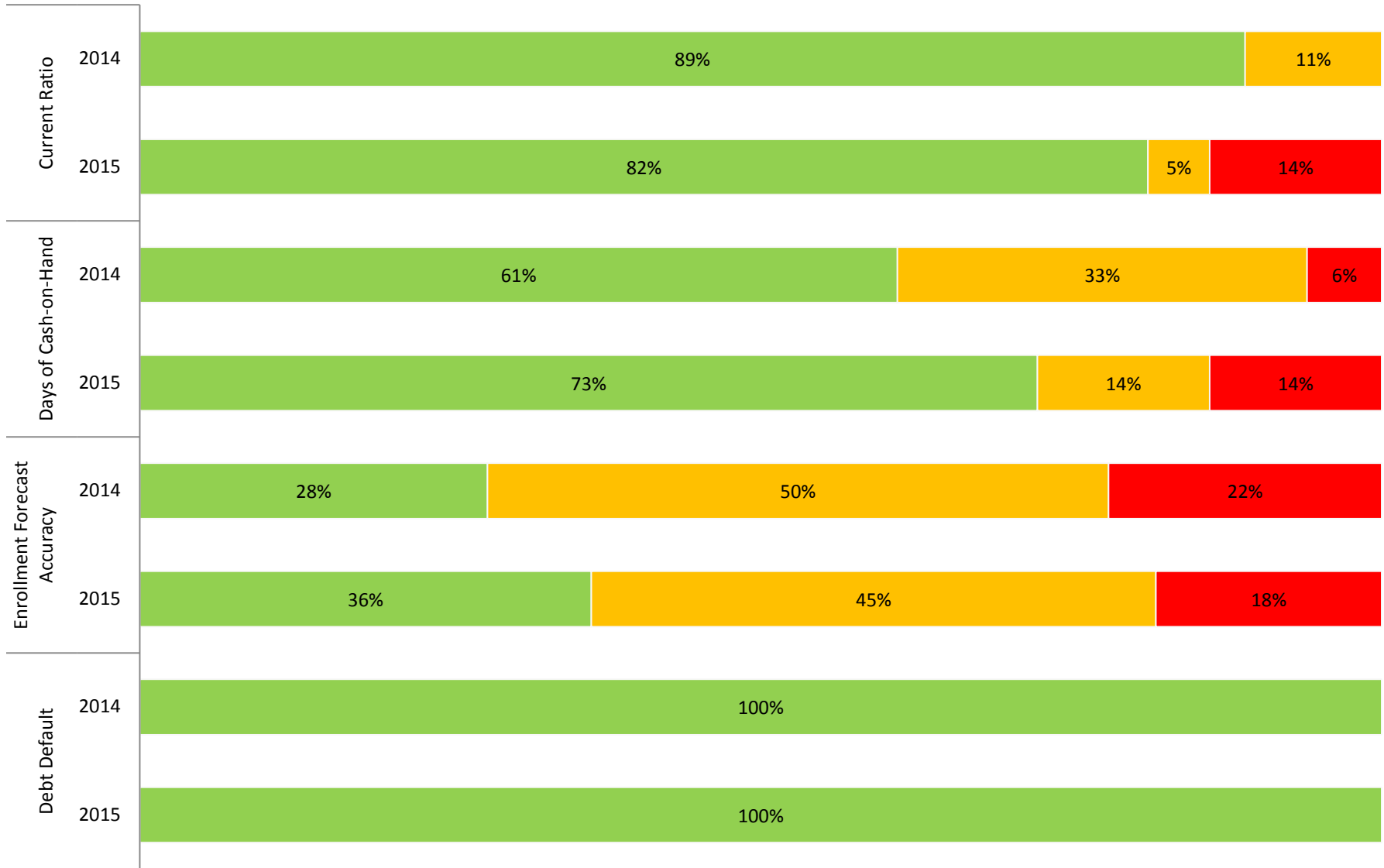
2015 Cash	\$ 199,839.00	<input type="checkbox"/>	Meets Standard:	Multi-year cumulative is positive and cash flow is positive each year
2014 Cash	\$ 284,688.00	<input type="checkbox"/>		
2013 Cash	\$ 324,490.00	<input type="checkbox"/>	Meets Standard:	Multi-year cumulative is positive, cash flow is positive in two of the three years, and cash flow in the most recent year is positive
Current Year Cash Flow	\$ (84,849.00)	<input type="checkbox"/>		
Previous Year Cash Flow	\$ (39,802.00)	<input type="checkbox"/>	Does Not Meet Standard:	Multi-year cumulative cash flow is positive, but the current year trend is negative
2013 Cash Flow	\$ (174,265.00)	<input type="checkbox"/>		
Multi-Year Cash Flow	\$ (124,651.00)	<input checked="" type="checkbox"/>	Falls Below Standard:	Multi-year cumulative cash flow is negative

Measure 4 - Debt Service Coverage Ratio

Net Income	\$ (60,591.00)	<input type="checkbox"/>	Meets Standard:	Is equal to or exceeds 1.10
Depreciation Expense	\$ 6,427.00	<input type="checkbox"/>	Does Not Meet Standard:	Less than 1.10
Interest Expense	\$ -	<input type="checkbox"/>		
Total	\$ (54,164.00)	<input type="checkbox"/>		
Annual Principal	\$ -	<input type="checkbox"/>		
Interest Payments	\$ -	<input type="checkbox"/>		
Total	\$ -	<input type="checkbox"/>		
Debt Service Current Ratio		<input type="checkbox"/>		

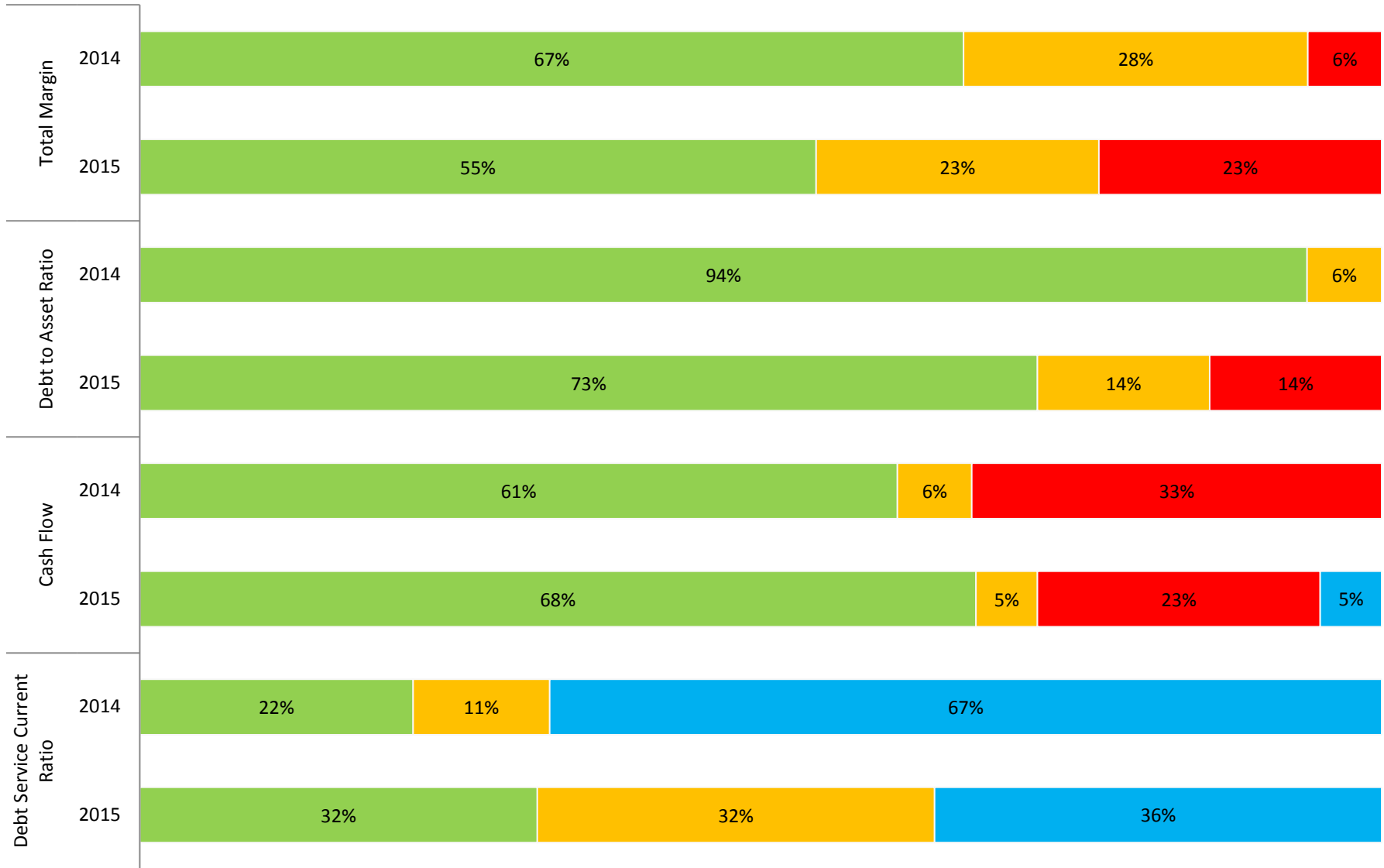
Summary of Near Term Measures Across All Schools

■ Meets Standard
 ■ Does Not Meet Standard
 ■ Falls Far Below Standard
 ■ N/A



Summary of Sustainability Measures Across All Schools

■ Meets Standard
 ■ Does Not Meet Standard
 ■ Falls Far Below Standard
 ■ N/A

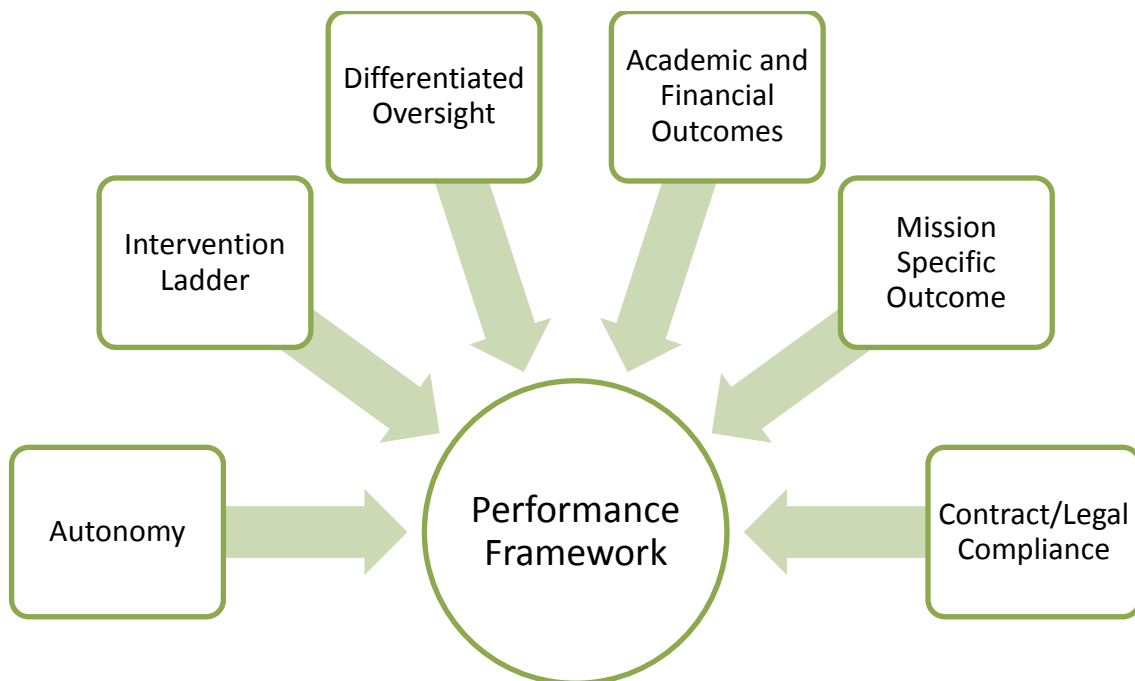


Charter School Performance Framework

Objective:

To provide charter school boards and leaders with clear expectations, fact-based oversight, and timely feedback while ensuring charter autonomy.

- Clear standards, timely feedback, and maximum transparency
- Objective information for schools, students, and families
- Differentiated oversight including incentives for charter schools designated as quality
- Comprehensive information to guide charter renewal determinations



Section 1: Introduction

This document describes the Charter School Performance Framework, the accountability mechanism for all charter schools sponsored by the State Public Charter School Authority (Authority).

This document provides:

- A conceptual overview of the Charter School Performance Framework (the body of the document); along with
- The specifics regarding Performance Framework implementation, and the academic, financial, organizational and mission specific performance standards.

In addition to establishing performance criteria for charter schools, the Charter School Performance Framework also ensures that the Authority is accountable to charter schools.

The Authority is accountable for implementing a rigorous and fair oversight process that respects the autonomy that is vital to charter school success. This mutual obligation drives the Charter School Performance Framework – a collaborative effort with the common mission of improving and influencing public education in Nevada by sponsoring public charter schools that prepare all students for college and career success and by modeling best practices in charter school sponsorship.

Charter School Performance Framework Authority Obligations

- Clearly communicate standards and expectations to schools;
- Conduct a transparent, consistent, and predictable oversight process;
- Conduct an oversight process that is respectful of schools' autonomy;
- Emphasis on student outcomes rather than compliance and process;
- Provide fact-based feedback to schools and communities indicating where schools stand relative to performance framework standards and expectations.

Section 2: Objective of the Charter School Performance Framework

Through its mission, the Authority has the responsibility to ensure its sponsored schools prepare all students for college and career success and to model best practices in charter school sponsorship.

The Authority acknowledges that charter schools need autonomy in order to develop and apply the policies and educational strategies that maximize their effectiveness.

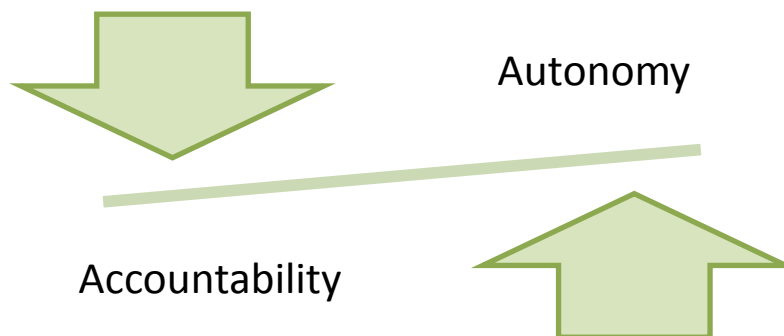
The Charter School Performance Framework balances these two considerations.

The objective of the Charter School Performance Framework is to provide charter school boards and leaders with clear expectations, fact-based oversight, and timely feedback while ensuring charter school autonomy.

In addition to achieving this objective, the Performance Framework should deliver important secondary benefits:

- Incentives for charter schools designated as quality that regularly achieve their academic, financial, organizational, and mission specific performance standards;
- Comprehensive information for data-driven and merit-based charter renewal and contract revocation/termination;
- Differentiated oversight based on each school's performance and maturity;
- Maximum transparency so all stakeholders can understand where charter schools are meeting or exceeding performance standards, and where they are failing to achieve performance standards; and
- Objective information for students and families who want to learn more about the charter schools in their community.

The Performance Framework describes methods that seek the optimal balance between oversight and autonomy, while delivering the secondary benefits important to each targeted stakeholder. The Performance Framework is a dynamic process subject to continuous review and improvement.



Section 3: Performance Framework Components

The Performance Framework provides for the evaluation of schools based on their ability to operate as sound, independent entities that successfully serve all students. The Authority has selected components that strike the balance between easy-to-submit documents and data that provide fact-based insight on school performance.

Routine Year Round Submissions

During the year, schools are required to submit a variety of documents to the Authority and the Department of Education. It is vital that this information is submitted by the given due date. These required submissions are often linked to funding allotments or federal reporting requirements. See the Reporting Requirements Manual for greater detail on each requirement and its function.

Academic, Financial, Organizational and Mission Specific Indicators

Academic – Academic achievement determinations for all schools will be based on student progress over time (growth), student achievement (status), and college and career readiness.

Financial – The near term fiscal health of schools is assessed through four measures: 1) Current Ratio; 2) Unrestricted Days Cash on Hand; 3) Enrollment Forecast Accuracy; and 4) Debt Default. The fiscal sustainability of schools is assessed through four different measures: 1) Total Margin; 2) Debt to Asset Ratio; 3) Cash Flow; and 4) Debt Service Coverage Ratio. These measures will be evaluated quarterly and a profile published annually based on each school’s audited financial statements.

Organizational – Defines the operational standards to which a charter school should be accountable to its sponsor and the public. It is designed to treat all schools as though they are the same only in terms of meeting minimum legal and ethical requirements.

Mission Specific – The Authority may, upon request of the governing body of a charter school, include additional rigorous, valid and reliable performance indicators that are specific to the mission of the charter school and complementary to the existing framework measures.

Annual Review

The annual review is a process that compiles data from the routine year-round submissions; academic, financial, organizational and mission specific indicators and oversight to provide an evaluation of school performance. In the annual review, each school will receive an academic and financial profile, an organizational overview of compliance, and a review of mission specific indicators

Annual reviews will be provided to charter school boards and school leaders each fall following the release of the State’s star ratings. We are committed to clearly communicating information from the annual review to families, schools, and the public. These reviews will also be posted on the Authority website.

Mid-Term Review

The mid-term review is a process that compiles all annual reviews and provides a three year longitudinal evaluation of school performance. The mid-term review includes a site visit to gather qualitative data that complements the quantitative findings. The results of the mid-term review provide stakeholders with a multi-year analysis of school performance and status of the school related to expectations at time of renewal.

Section 4: Performance Framework Process Description

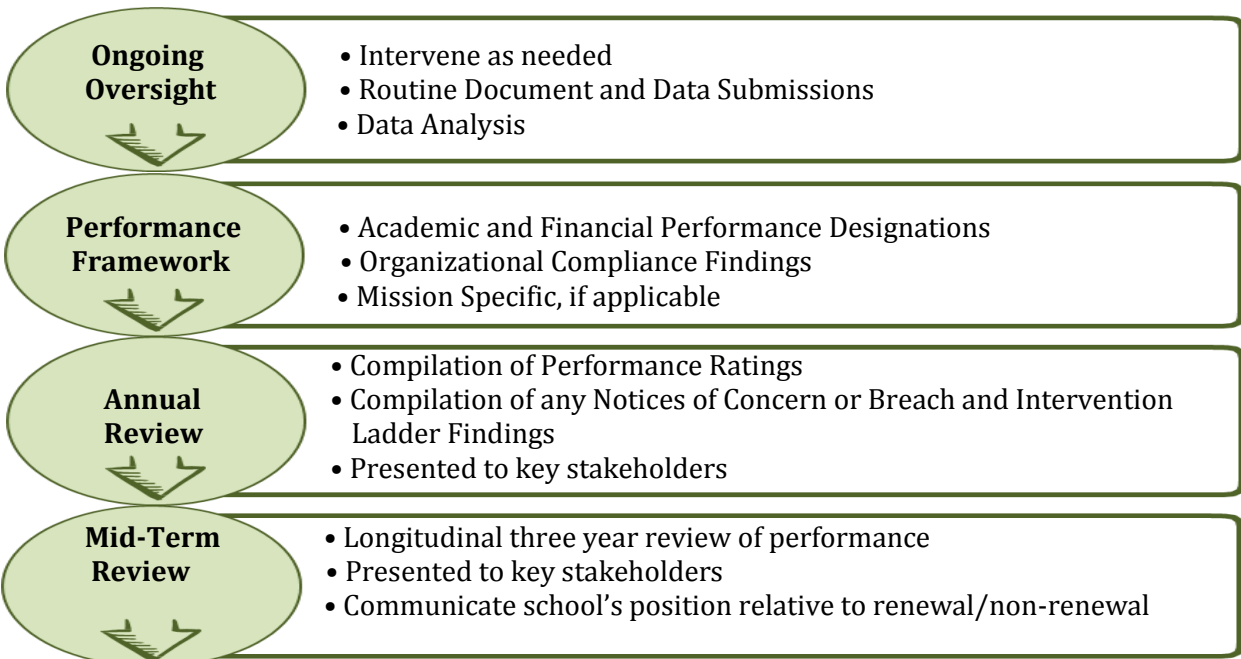
The Authority has studied best practices to develop the Performance Framework process depicted in this flowchart. Throughout the school year, every charter school will submit scheduled documents and data that enable us to assess their compliance with laws and regulations, and their progress in achieving important school milestones.

The routine year round submissions are indicated in the Reporting Requirements Manual.

The Authority believes in conducting its oversight in a manner that is respectful of school autonomy and differentiated based upon charter school performance and maturity. Charter schools with a track record of compliance and performance do not need the same level of oversight as charter schools without such a track record. The Authority's oversight plan includes the opportunity for schools during their first three years of operation, based on compliance and performance, to transition from demonstrated compliance to assumed compliance.

Every charter school will receive an Annual Review and a three year Mid-Term review. The reviews analyze a school's academic, financial, organizational, and mission specific performance along with information collected from the ongoing oversight processes. The parameters of these analyses are indicated in detail in Appendix A, "Detailed Academic Performance Indicator Descriptions", Appendix B, "Detailed Financial Performance Indicator Descriptions", and Appendix C, "Detailed Organizational Performance Indicator Descriptions." The mission specific indicators will be finalized at the beginning of the second school year using the first school year as the baseline.

Site visits afford a sponsor with an opportunity to appreciate a qualitative aspect of the school not directly measured in ways other than observation or personal interaction. The Authority has two types of official site visits: Mid-Term Review and Targeted. The Mid-Term Review site visit is guided by a clear purpose and rubric that complements the quantitative findings. A Targeted site visit is driven by specific circumstances where the frequency and intensity of the visit will depend upon a particular circumstance.



Section 5: Intervention Ladder

Occasionally, the routine Performance Framework process will result in adverse findings. Charter schools may fall out of compliance on important legal or contractual requirements. Academic standards may not be met. Financial sustainability may become an issue. When these situations occur, the Authority may need to intervene.

Level 1: Notice of Concern

A school enters Level 1 upon receiving a Notice of Concern.

All schools begin outside of the intervention ladder and are considered to be in Good Standing. Schools in good standing receive non-intrusive regular oversight and submissions tracking. Schools must meet performance targets and expectations including compliance and maintain open communication with us in exchange for this level of non-intrusive oversight.



Level 2: Notice of Breach

A school enters Level 2 when it fails to comply with a material term or condition of its charter contract.

Schools can enter Level 1 of the intervention ladder if the Authority receives a verified complaint of material concern, or if regular oversight generates significant questions or concerns. We will communicate with school leaders, parents, and any other necessary stakeholders to verify complaints. We will contact the Board president and school leaders to issue a formal Notice of Concern. The Notice of Concern contains specific actions and due dates required to remedy the concern. Upon remedying the concern, the school returns to Good Standing. If the concern is not remedied in the time allotted, the school progresses to Level 2 of the intervention ladder.



Level 3: Intent to Revoke

A school enters Level 3 when it fails to meet its requirements or schedule to remedy a Notice of Breach.

At Level 2, the school is issued a Notice of Breach. The Notice of Breach outlines the actions necessary to cure the breach. A school can enter the ladder at Level 2 if it fails to comply with a material term or condition of its charter contract. Once a Notice of Breach is issued, the Authority monitors the school's implementation of the steps required to cure the breach. Once the school has met the Notice of Breach requirements, they exit from Level 2 and return to Good Standing.

Failure to meet the requirements specified in the Notice of Breach will result in entry to Level 3, charter school revocation/termination review. The review may include additional visits to the school or an in-depth audit to assess financial and organizational health. Schools in Level 3 are at risk of contract revocation/termination. Schools may also progress on the ladder to Level 3 if they receive repeated Notices of Breach in the same school year. Findings from the Intent to Revoke will determine whether a school enters into revocation/termination proceedings or is granted a revised Notice of Breach, returning to Level 2.

In unfortunate cases, data gathered from the Performance Framework process can be used to directly initiate charter school revocation/termination proceedings. The Authority recognizes the severity of this process and will use this right only in the case of persistent shortcomings or a grave incident that threatens the health, safety, or welfare of children.

Section 6: High-Stakes Decisions

The Authority will consider the collective record of a school’s academic, financial, organizational and mission specific performance when making high-stakes decisions, though the academic performance will be the most important factor in most decisions.

Contract Renewal

The Performance Framework provides information necessary for merit-based charter renewal decisions. Decisions will be made in accordance with statute and regulation and based on longitudinal information over a school’s charter term. Once a school is recommended for renewal and approved by the Authority the school will receive a renewal term length of six years as defined by law.

Performance Expectation

- Academic: Schools seeking renewal must be designated “Adequate” or above on the Authority Academic Framework plus receive a three-star rating or above on the Nevada School Performance Framework in the preceding school year.
- Financial: Schools must be rated as financially sustainable.
- Organization: Schools must be considered compliant with the material terms and conditions of its charter contract.

Streamlined Renewal

Schools designated as quality schools by the Authority may qualify for the streamlined renewal process. Quality schools are schools ranked on the Authority Academic Framework as “Exceeds” or “Exceptional” and on the Nevada School Performance Framework as a four or five-star school.

Contract Termination

The following performance outcomes may be cause for revocation/termination of a school’s charter:

- Persistent Underperformance: A school with any combination of “Unsatisfactory” or “Critical” designations on the Authority Framework and two-star or one star ranking on the Nevada School Performance Framework for three consecutive academic reporting cycles.

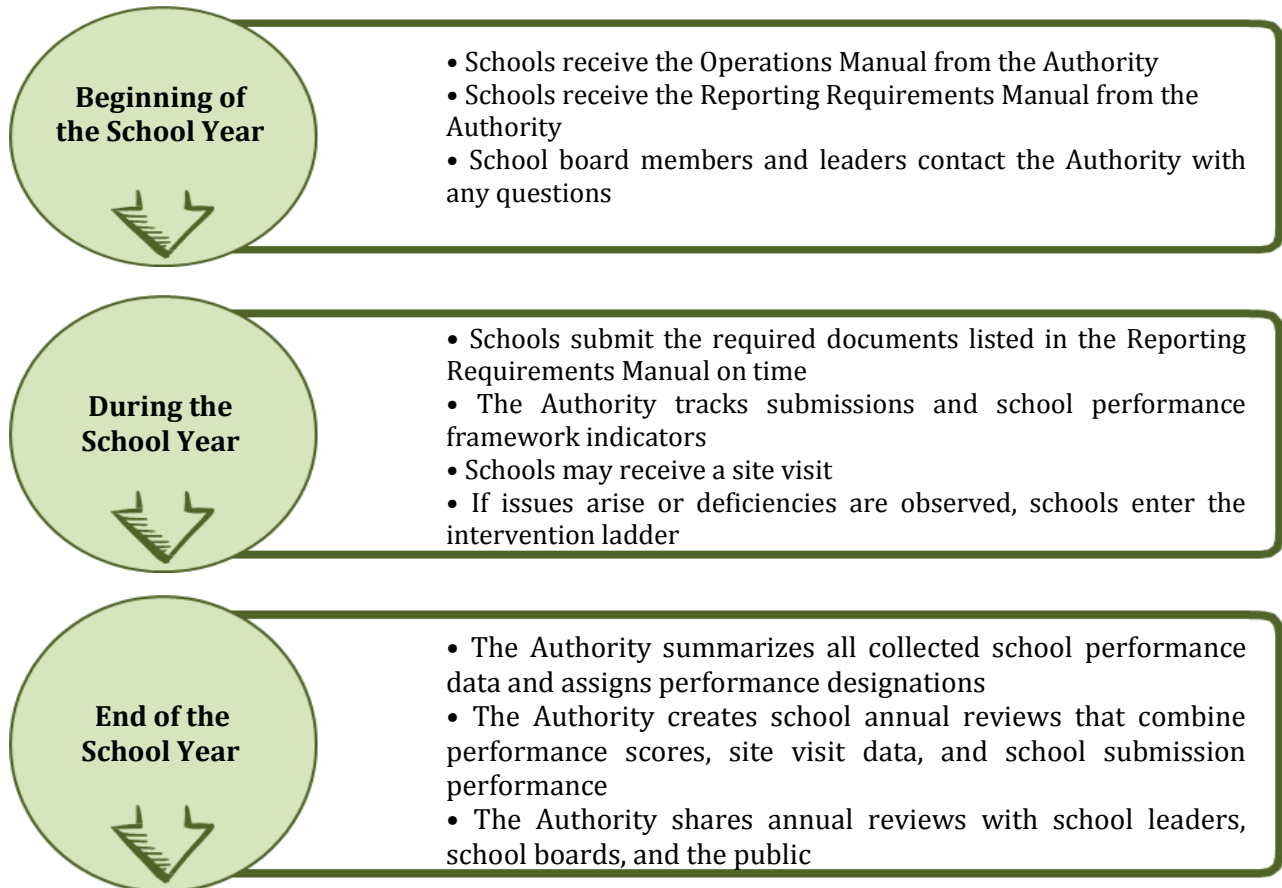
Auto-Termination

As defined by law, starting with the 2013-2014 school year, a charter school must be closed after obtaining three consecutive ratings of one-star on the Nevada School Performance Framework.

Performance Framework Ranking/Designation				
Designation	NSPF		Authority	Timeframe
Contract Renewal Expectation	3-stars or above	AND	“Adequate” or above	Preceding Year
Quality	4-star or 5-star	AND	“Exceptional” or “Exceeds	Preceding Year
Contract Termination	Any combination of 1-star or 2 star	AND	Any combination of “Unsatisfactory” & “Critical”	Three consecutive years
Auto-Termination	1-star			Three consecutive years starting in 2013-2014

Section 7: Performance Framework Timeline

The Performance Framework is implemented according to an annual timeline. The goals of the timeline: a) to set clear expectations for the Authority interaction with schools; while b) standardizing the oversight process.



Schools should contact the Authority at any time for additional support on and information about meeting any of the Performance Framework components.

Appendix A: Detailed Academic Performance Indicator Descriptions

Designations			Points awarded for designation
Quality	Exceptional	EX	97.5
	Exceeds	EC	85.5
Meets Standard	Adequate	AD	62.5
Does Not Meet Standard	Approaches	AP	37.5
	Unsatisfactory	U	15
	Critical	C	2.5
	Missing or not applicable	NA	

Designations		Minimum score for designation	Maximum score for designation
Quality	EX	95	100
	EC	75	94.9
Meets Standard	AD	50	74.9
Does Not Meet Standard	AP	25	49.9
	U	5	24.9
	C	0	4.9

Indicator	Growth	Status	
Weight	60.00%	40.00%	

Elementary

Indicator	Growth	Status	
Weight	60.00%	40.00%	

Middle School

Indicator	Growth	Status	College & Career Readiness
Weight	40.00%	30.00%	30.00%

High School

2.1 Student Progress Over Time (Growth)

2.1.a Are schools making adequate progress based on the school’s Median Student Growth Percentiles in reading?	
Exceptional:	$\geq 95^{\text{th}}$ percentile
Exceeds:	$\geq 75^{\text{th}}$ percentile and $< 95^{\text{th}}$ percentile
Adequate:	$\geq 50^{\text{th}}$ percentile and $< 75^{\text{th}}$ percentile
Approaches:	$\geq 25^{\text{th}}$ percentile and $< 50^{\text{th}}$ percentile
Unsatisfactory:	$\geq 5^{\text{th}}$ percentile and $< 25^{\text{th}}$ percentile
Critical:	$< 5^{\text{th}}$ percentile

2.1.b Are schools making adequate progress based on the school’s Median Student Growth Percentiles in math?	
Exceptional:	$\geq 95^{\text{th}}$ percentile
Exceeds:	$\geq 75^{\text{th}}$ percentile and $< 95^{\text{th}}$ percentile
Adequate:	$\geq 50^{\text{th}}$ percentile and $< 75^{\text{th}}$ percentile
Approaches:	$\geq 25^{\text{th}}$ percentile and $< 50^{\text{th}}$ percentile
Unsatisfactory:	$\geq 5^{\text{th}}$ percentile and $< 25^{\text{th}}$ percentile
Critical:	$< 5^{\text{th}}$ percentile

2.1.c Are schools making adequate growth based on the percentage of students meeting AGP in reading?	
Exceptional:	$\geq 95^{\text{th}}$ percentile
Exceeds :	$\geq 75^{\text{th}}$ percentile and $< 95^{\text{th}}$ percentile
Adequate:	$\geq 50^{\text{th}}$ percentile and $< 75^{\text{th}}$ percentile
Approaches:	$\geq 25^{\text{th}}$ percentile and $< 50^{\text{th}}$ percentile
Unsatisfactory:	$\geq 5^{\text{th}}$ percentile and $< 25^{\text{th}}$ percentile
Critical:	$< 5^{\text{th}}$ percentile

2.1.d Are schools making adequate growth based on the percentage of students meeting AGP in math?	
Exceptional:	$\geq 95^{\text{th}}$ percentile
Exceeds:	$\geq 75^{\text{th}}$ percentile and $< 95^{\text{th}}$ percentile
Adequate:	$\geq 50^{\text{th}}$ percentile and $< 75^{\text{th}}$ percentile
Approaches:	$\geq 25^{\text{th}}$ percentile and $< 50^{\text{th}}$ percentile
Unsatisfactory:	$\geq 5^{\text{th}}$ percentile and $< 25^{\text{th}}$ percentile
Critical:	$< 5^{\text{th}}$ percentile

2.1.e Using Adequate Growth results, are schools meeting AGP in reading when compared with the traditional schools that charter school student would otherwise attend? **The difference between the AGP of the charter and the weighted AGP of the traditional school is:**

Exceptional:	≥ 20
Exceeds:	> 10 and < 20
Adequate:	≥ 0 and < 10
Approaches:	≥ -10 and < 0
Unsatisfactory:	≥ -20 and < -10
Critical:	< -20

2.1.f Using Adequate Growth results, are schools meeting AGP in math when compared with the traditional schools that charter school student would otherwise attend? **The difference between the AGP of the charter and the weighted AGP of the traditional schools is:**

Exceptional:	≥ 20
Exceeds:	≥ 10 and < 20
Adequate:	≥ 0 and < 10
Approaches:	≥ -10 and < 0
Unsatisfactory:	≥ -20 and < -10
Critical:	< -20

2.1.g Are students in sub-groups (FRL, ELL, IEP) making adequate growth based on the percentage of students meeting AGP in reading?

Exceptional:	$\geq 95^{\text{th}}$ percentile
Exceeds:	$\geq 75^{\text{th}}$ percentile and $< 95^{\text{th}}$ percentile
Adequate:	$\geq 50^{\text{th}}$ percentile and $< 75^{\text{th}}$ percentile
Approaches:	$\geq 25^{\text{th}}$ percentile and $< 50^{\text{th}}$ percentile
Unsatisfactory:	$\geq 5^{\text{th}}$ percentile and $< 25^{\text{th}}$ percentile
Critical:	$< 5^{\text{th}}$ percentile

2.1.h Are students in sub-groups (FRL, ELL, IEP) making adequate growth based on the percentage of students meeting AGP in math?

Exceptional:	$\geq 95^{\text{th}}$ percentile
Exceeds:	$\geq 75^{\text{th}}$ percentile and $< 95^{\text{th}}$ percentile
Adequate:	$\geq 50^{\text{th}}$ percentile and $< 75^{\text{th}}$ percentile
Approaches:	$\geq 25^{\text{th}}$ percentile and $< 50^{\text{th}}$ percentile
Unsatisfactory:	$\geq 5^{\text{th}}$ percentile and $< 25^{\text{th}}$ percentile
Critical:	$< 5^{\text{th}}$ percentile

2.2 Student Achievement (Status)

2.2.a Are students achieving proficiency on state examinations in reading?

Exceptional: $\geq 95^{\text{th}}$ percentile

Exceeds: $\geq 75^{\text{th}}$ percentile and $< 95^{\text{th}}$ percentile

Adequate: $\geq 50^{\text{th}}$ percentile and $< 75^{\text{th}}$ percentile

Approaches: $\geq 25^{\text{th}}$ percentile and $< 50^{\text{th}}$ percentile

Unsatisfactory: $\geq 5^{\text{th}}$ percentile and $< 25^{\text{th}}$ percentile

Critical: $< 5^{\text{th}}$ percentile

2.2.b Are students achieving proficiency on state examinations in math?

Exceptional: $\geq 95^{\text{th}}$ percentile

Exceeds: $\geq 75^{\text{th}}$ percentile and $< 95^{\text{th}}$ percentile

Adequate: $\geq 50^{\text{th}}$ percentile and $< 75^{\text{th}}$ percentile

Approaches: $\geq 25^{\text{th}}$ percentile and $< 50^{\text{th}}$ percentile

Unsatisfactory: $\geq 5^{\text{th}}$ percentile and $< 25^{\text{th}}$ percentile

Critical: $< 5^{\text{th}}$ percentile

2.2.c Using proficiency rates, are schools achieving proficiency in reading when compared with the traditional schools that charter school student would otherwise attend? **The difference between the proficiency rate of the charter school and the weighted proficiency rate of the traditional schools is:**

Exceptional: ≥ 30

Exceeds: ≥ 15 and < 30

Adequate: ≥ 0 and < 15

Approaches: ≥ -15 and < 0

Unsatisfactory: ≥ -30 and < -15

Critical: < -30

2.2.d Using proficiency rates,, are schools achieving proficiency in math when compared with the traditional schools that charter school student would otherwise attend? **The difference between the proficiency rate of the charter school and the weighted proficiency rate of the traditional schools is:**

Exceptional: > 30

Exceeds: ≥ 15 and < 30

Adequate: ≥ 0 and < 15

Approaches: ≥ -15 and < 0

Unsatisfactory: ≥ -30 and < -15

Critical: < -30

2.2.e Are students in sub-groups (FRL, ELL, IEP) achieving proficiency on state examinations in reading?	
Exceptional:	$\geq 95^{\text{th}}$ percentile
Exceeds:	$\geq 75^{\text{th}}$ percentile and $< 95^{\text{th}}$ percentile
Adequate:	$\geq 50^{\text{th}}$ percentile and $< 75^{\text{th}}$ percentile
Approaches:	$\geq 25^{\text{th}}$ percentile and $< 50^{\text{th}}$ percentile
Unsatisfactory:	$\geq 5^{\text{th}}$ percentile and $< 25^{\text{th}}$ percentile
Critical:	$< 5^{\text{th}}$ percentile

2.2.f Are students in sub-groups (FRL, ELL, IEP) achieving proficiency on state examinations in math?	
Exceptional:	$\geq 95^{\text{th}}$ percentile
Exceeds:	$\geq 75^{\text{th}}$ percentile and $< 95^{\text{th}}$ percentile
Adequate:	$\geq 50^{\text{th}}$ percentile and $< 75^{\text{th}}$ percentile
Approaches:	$\geq 25^{\text{th}}$ percentile and $< 50^{\text{th}}$ percentile
Unsatisfactory:	$\geq 5^{\text{th}}$ percentile and $< 25^{\text{th}}$ percentile
Critical:	$< 5^{\text{th}}$ percentile

2.3: Career and College Readiness

2.3.a Based on scores obtained from EXPLORE and PLAN, are students making adequate growth for being college ready by the time they graduate?	
Exceptional:	Average growth for all students in Math would be ≥ 3 points Average growth for all students in English would be ≥ 3 points
Exceeds:	Average growth for all students in Math would be ≥ 2.3 points and < 3 points Average growth for all students in English would be ≥ 2.4 and < 3 points
Adequate:	Average growth for all students in Math would be ≥ 2 points and < 2.3 points Average growth for all students in English would be ≥ 2 points and < 2.4 points
Approaches:	Average growth for all students in Math would be ≥ 1.5 points and < 2 points Average growth for all students in English would be ≥ 1.5 points and < 2 points
Unsatisfactory:	Average growth for all students in Math would be ≥ 1 point and < 1.5 points Average growth for all students in English would be ≥ 1 point and < 1.5 points
Critical:	Average growth for all students in Math would be < 1 point Average growth for all students in English would be < 1 point

2.3.b Are students on target for being college ready by the time they graduate as measured by the EXPLORE and PLAN college readiness bench marks in English and Math?

English

Exceptional:	$\geq 76\%$
Exceeds	$\geq 66\%$ and $< 76\%$
Adequate:	$\geq 56\%$ and $< 66\%$
Approaches:	$\geq 46\%$ and $< 56\%$
Unsatisfactory:	$\geq 36\%$ and $< 46\%$
Critical:	$< 36\%$

Math

Exceptional:	$\geq 45\%$
Exceeds	$\geq 35\%$ and $< 45\%$
Adequate:	$\geq 25\%$ and $< 35\%$
Approaches:	$\geq 15\%$ and $< 25\%$
Unsatisfactory:	$\geq 5\%$ and $< 15\%$
Critical:	$< 5\%$

2.3.c Are students graduating from high school?

- Based on a four-year adjusted cohort graduation rate
- Based on a five-year adjusted cohort graduation rate

Exceptional:	$\geq 95^{\text{th}}$ percentile
Exceeds:	$\geq 75^{\text{th}}$ percentile and $< 95^{\text{th}}$ percentile
Adequate:	$\geq 50^{\text{th}}$ percentile and $< 75^{\text{th}}$ percentile
Approaches:	$\geq 25^{\text{th}}$ percentile and $< 50^{\text{th}}$ percentile
Unsatisfactory:	$\geq 5^{\text{th}}$ percentile and $< 25^{\text{th}}$ percentile
Critical:	$< 5^{\text{th}}$ percentile

2.3.d Do students have the content and skill knowledge needed to succeed beyond high school?

Exceptional:

Exceeds:

Adequate:

Approaches:

Unsatisfactory:

Critical:

Appendix B: Detailed Financial Performance Indicator Descriptions

The Financial Performance Framework is composed of both near term and sustainability indicators, each having four measures. It is important to note that the Framework is not designed to evaluate a school's spending decisions. It does not include indicators of strong financial management practices, which are laid out in the organizational performance framework. The Financial Performance Framework analyzes the financial *performance* of a charter school, not its processes for managing that performance.

Near Term	Indicator
1.a. Current Ratio: Current Assets divided by Current Liabilities	Measure
Meets Standard: <input type="checkbox"/> Current Ratio is greater than 1.1 or <input type="checkbox"/> Current Ratio is between 1.0 and 1.1 <i>and</i> one-year trend is positive (current year ratio is higher than last year's)	Metric
Note: For schools in their first or second year of operation, the current ratio must be greater than 1.1.	Target
Does Not Meet Standard: <input type="checkbox"/> Current Ratio is between 0.9 and 1.1 Or <input type="checkbox"/> Current Ratio is between 1.0 and 1.1 <i>and</i> one-year trend is negative	
Falls Far Below Standard: <input type="checkbox"/> Current ratio is less than 0.9	

Near Term Measures

1) ***The current ratio depicts the relationship between a school's current assets and current liabilities.***

Overview: The current ratio measures a school's ability to pay its obligations over the next twelve months. A current ratio of greater than 1.0 indicates that the school's current assets exceed its current liabilities, thus indicating ability to meet current obligations. A ratio of less than 1.0 indicates that the school does not have sufficient current assets to cover its current liabilities and is not in a satisfactory position to meet its financial obligations over the next 12 months.

Source of Data: Audited balance sheet.

Near Term
Current Assets divided by Current Liabilities
Meets Standard: <input type="checkbox"/> Current Ratio is 1.1 or greater. or <input type="checkbox"/> Current Ratio is between 1.0 and 1.1 <i>and</i> one-year trend is positive. Note: For schools in their first or second year of operation, the current ratio must be greater than 1.1.
Does Not Meet Standard: <input type="checkbox"/> Current Ratio is between 0.9 and .99 Or <input type="checkbox"/> Current Ratio is between 1.0 and 1.1 <i>and</i> one-year trend is negative.
Falls Far Below Standard: <input type="checkbox"/> Current ratio is less than 0.9

2) The unrestricted days cash on hand ratio indicates how many days a school can pay its operating expenses without another inflow of cash.

Overview: The unrestricted days cash ratio defines whether or not the school has sufficient cash to meet its day-to-day obligations.

Source of Data: Audited balance sheet and income statement.

Near Term
Unrestricted Cash divided by (Total Expenses/365)
<p><i>Meets Standard:</i></p> <p><input type="checkbox"/> 60 Days Cash or more</p> <p>or</p> <p><input type="checkbox"/> Between 30 and 60 Days Cash <i>and</i> one-year trend is positive</p> <p>Note: For schools in their first or second year of operation, they must have a minimum of 30 Days Cash.</p>
<p><i>Does Not Meet Standard:</i></p> <p><input type="checkbox"/> Days Cash is between 15 and 29 days</p> <p>Or</p> <p><input type="checkbox"/> Days Cash is between 30 and 60 days <i>and</i> one-year trend is negative</p>
<p><i>Falls Far Below Standard:</i></p> <p><input type="checkbox"/> Less than 15 Days Cash</p>

3) Enrollment forecast accuracy tells authorizers whether or not the school is meeting its enrollment projections, thereby generating sufficient revenue to fund ongoing operations.

Overview: The enrollment forecast accuracy depicts actual versus projected enrollment. A school budgets based on projected enrollment but is funded based on actual enrollment; therefore, a school that fails to meet its enrollment targets may not be able to meet its budgeted expenses.

Source of Data:

- Projected enrollment – Charter school board-approved enrollment budget for the year in question.
- Actual enrollment.

Near Term
Actual Enrollment divided by Enrollment Projection in Board-Approved Budget
<p><i>Meets Standard:</i></p> <p><input type="checkbox"/> Enrollment Forecast Accuracy equals or exceeds 95% in the most recent year <i>and</i> equals or exceeds 95% each of the last three years</p> <p>Note: For schools in their first or second year of operation, Enrollment Forecast Accuracy must be equal to or exceed 95% for each year of operation.</p>
<p><i>Does Not Meet Standard:</i></p> <p><input type="checkbox"/> Enrollment Forecast Accuracy is between 85% and 94% in the most recent year</p> <p>or</p> <p><input type="checkbox"/> Enrollment Forecast Accuracy is 95% or greater in the most recent year <i>but does not</i> equal or exceed 95% or greater each of the last three years</p>
<p><i>Falls Far Below Standard:</i></p> <p><input type="checkbox"/> Enrollment Forecast Accuracy is less than 85% in the most recent year</p>

4) Debt default indicates if a school is not meeting debt obligations or covenants.

Overview: This metric addresses whether or not a school is meeting its loan covenants and/or is delinquent with its debt service payments.

Source of Data: Notes to the audited financial statements.

Near Term
<i>Meets Standard:</i> <input type="checkbox"/> School is not in default of loan covenant(s) and is not delinquent with debt service payments
<i>Does Not Meet Standard:</i> <input type="checkbox"/> Not Applicable
<i>Falls Far Below Standard:</i> <input type="checkbox"/> School is in default of loan covenant(s) or is delinquent with debt service payments

Sustainability Measures

1) Total margin measures the deficit or surplus a school yields out of its total revenues; in other words, whether or not the school is living within its available resources

Overview: The total margin measures if a school operates at a surplus (more total revenues than expenses) or a deficit (more total expenses than revenues) in a given time period. The aggregated three-year total margin is helpful for measuring the long-term financial stability of the school by smoothing the impact of single-year fluctuations on the single year total margin indicator.

Source of Data: 3 years of audited income statements

Sustainability
Net Surplus divided by Total Revenue
Aggregated Total Margin:
Total 3 Year Net Surplus divided by Total 3 Year Revenues
<p><i>Meets Standard:</i></p> <p><input type="checkbox"/> Aggregated Three-Year Total Margin is positive <i>and</i> the most recent year Total Margin is positive or</p> <p><input type="checkbox"/> Aggregated Three-Year Total Margin is greater than -1.5%, the trend is positive for the last two years, <i>and</i> the most recent year Total Margin is positive</p> <p>Note: For schools in their first or second year of operation, the aggregate Total Margin must be positive.</p>
<p><i>Does Not Meet Standard:</i></p> <p><input type="checkbox"/> Aggregated Three-Year Total Margin is greater than -1.5%, but the trend is negative.</p>
<p><i>Falls Far Below Standard:</i></p> <p><input type="checkbox"/> Aggregated Three-Year Total Margin is less than -1.5% or</p> <p><input type="checkbox"/> Current year Total Margin is less than -10%</p>

2) The debt to asset ratio measures the amount of liabilities a school owes versus the assets they own; the extent to which the school relies on borrowed funds to finance its operations.

Overview: The debt to asset ratio compares the school’s liabilities to its assets. Simply put, the ratio demonstrates what a school owes against what it owns. A lower debt to asset ratio generally indicates stronger financial health.

Source of Data: Audited balance sheet

Sustainability
Total Liabilities divided by Total Assets
<p><i>Meets Standard:</i></p> <p><input type="checkbox"/> Debt to Asset Ratio is less than 0.90</p>
<p><i>Does Not Meet Standard:</i></p> <p><input type="checkbox"/> Debt to Asset Ratio is between 0.90 and 1.0</p>
<p><i>Falls Far Below Standard:</i></p> <p><input type="checkbox"/> Debt to Asset Ratio is greater than 1.0</p>

3) The cash flow measure indicates a school's change in cash balance from one period to another.

Overview: Cash flow indicates the trend in the school's cash balance over a period of time. This measure is similar to days cash on hand, but indicates long-term stability versus near-term. Since cash flow fluctuations from year-to-year can have a long-term impact on a school's financial health, this metric assesses both three year cumulative cash flow and annual cash flow.

Source of Data: 4 years of audited balance sheets

Sustainability
Three-Year Cash Flow = (Prior Year 3 Total Cash) – (Year 0 Total Cash) One-Year Cash Flow = (Prior Year 1 Total Cash) – (Year 0 Total Cash)
<p><i>Meets Standard:</i></p> <input type="checkbox"/> Three-year cumulative cash flow is positive <i>and</i> cash flow is positive each year. or <input type="checkbox"/> Three-year cumulative cash flow is positive, cash flow is positive in two of three years, <i>and</i> cash flow in the most recent year is positive. Note: For schools in their first or second year of operation, they must have positive cash flow.
<p><i>Does Not Meet Standard:</i></p> <input type="checkbox"/> Three-year cumulative cash flow is positive, but the trend is negative.
<p><i>Falls Far Below Standard:</i></p> <input type="checkbox"/> Three year cumulative cash flow is negative.

4) The debt service coverage ratio indicates a school's ability to cover its current year debt obligations.

Overview: This ratio measures whether or not a school can pay the principal and interest due on its debt based on the current year's net income. Depreciation expense is added back to the net income because it is a non-cash transaction and does not actually cost the school money. The interest expense is added back to the net income because it is one of the expenses an entity is trying to pay, which is why it is included in the denominator.

Source of Data:

- Net income: audited income statement
- Depreciation expense: audited cash flow statement
- Interest expense: audited cash flow statement
- Principal and interest obligations: provided from the school

Sustainability
(Net Income + Depreciation + Interest Expense)/(Principal and Interest Payments)
<p><i>Meets Standard:</i></p> <input type="checkbox"/> Debt Service Coverage Ratio is equal to or exceeds 1.10
<p><i>Does Not Meet Standard:</i></p> <input type="checkbox"/> Debt Service Coverage Ratio is less than 1.10
<p><i>Falls Far Below Standard:</i></p> <input type="checkbox"/> Blank

Appendix C: Detailed Organizational Performance Indicator Descriptions

I. Educational Program

1. Essential terms of the charter agreement

- a. The school complies with the essential terms of the education program as stated in the charter.
- b. The school, if intended primarily for at-risk pupils, complies with NRS 386.500 and NAC 386.150(9) regarding serving at-risk pupils.

2. Education requirements

- a. The school complies with NRS 386.550(1)(i) and NRS 389.018(1) by providing instruction in the core academic subjects.
- b. The school complies with NRS 386.550(1)(i) by providing the courses of study required for promotion or graduation.
- c. The school complies with NRS 386.550(1)(f) and NAC 386.350(7) regarding amount of instructional time.
- d. The school complies with NRS 386.583 regarding academic retention requirements.
- e. The school complies with applicable promotion and graduation requirements.
- f. The school complies with applicable statutes and regulations regarding the state's adopted curriculum content standards.
- g. The school complies with NRS 386.550(1)(g) and Chapters 389 of NRS and NAC regarding state assessments and testing practices.
- h. The school complies with all applicable requirements regarding programming and reporting resulting from federal or non-DSA state funding including Title I, Title IIa, and Title III.

3. Students with disabilities

- a. The Charter School assures that it will adopt procedures that align with state and federal requirements in the following areas: [special education].

4. English Language Learner Students

- a. Proper steps for identification of students in need of ELL services.
- b. Appropriate and equitable delivery of services to identified students.

- c. Appropriate accommodations on assessments.
- d. Evaluation of ELLs': English Language Progress and Attainment (Exiting from program-Proficiency), and content Achievement.
- e. Ongoing monitoring of exited students (for 2 years after program exit).
- f. Assess the success of the ELL program and modify it where needed.
- g. Collection and Reporting of Timely and Accurate Data upon Request of the NDE/SPCSA.

II. Financial Management and Oversight

1. Financial Reporting and compliance

- a. The school complies with NAC 387.625, NAC 387.775(5), NAC 387.775(6) and NAC 387.775(9) regarding completion and on-time submission of the annual independent audit and corrective action plans, if applicable.
- b. The school complies with NRS 386.570 regarding all money received must be deposited in a financial institution in this state.
- c. The school complies with NRS 386.550, NAC 387.720 and NAC 387.725 regarding the adoption of a budget.
- d. The governing body of the school complies with NRS 387.303 regarding the annual report of budget.
- e. The governing body of the school complies, in writing, with NRS 386.573 regarding orders for payment of money.
- f. The school has submitted required expenditure reporting to In\$ite (Schoolnomics Consulting Services) required by the Legislative Counsel Bureau as authorized by **NRS 218E.625 and NRS 386.605**: yes/no.

2. Financial management and oversight

- a. An unqualified audit opinion in an annual independent audit as required by NAC 387.625 and NAC 387.775.
- b. An annual independent audit, as required by NAC 387.625 and NAC 387.775, devoid of significant findings and conditions, material weaknesses, or significant internal control weaknesses.

- c. An annual independent audit, as required by NAC 387.625 and NAC 387.775 that does not include a going concern disclosure in the notes or an explanatory paragraph within the audit report.
- d. The school's governing body has adopted written financial policies.
- e. Internal control consideration as a basis for design of the annual independent audit in conformity with NAC 387.625 and NAC 387.775.
- f. Financial Transaction Testing in conformity with NAC 387.625 and NAC 387.775.

III. Governance and Reporting

1. Governance and reporting

- a. Board policies adopted by the board and housed in AOIS' Permanent Files, if such policies have been adopted by the board and submitted into AOIS.
- b. NRS 386.520, Board bylaws as approved by the sponsor.
- c. NRS 386.550, Open Meeting Law.
- d. NRS 386.549, Conducting at least quarterly meetings.
- e. NRS 386.549, Salary for meeting attendance.
- f. NRS 386.549, Submission of signed and notarized affidavit for board service.
- g. NRS 386.549, Board composition/required membership.
- h. NAC 387.770(3), Designation of the person responsible for the maintenance of property, equipment and inventory records.
- i. NRS 386.605, Annual report of accountability.
- j. NRS 385.357(6), Plan to improve the achievement of pupils.

2. Management accountability

- a. NAC 386.405(5), Evaluation of any EMO with which the school has contracted, per the written performance agreement between the board and the EMO if applicable.
- b. NAC 386.405(6), Provision by the EMO, if applicable, of the financial report.
- c. NAC 386.410(5), Evaluation of the performance of each entity with whom the board has entered into a contract, including the school administrator.

- d. NAC 386.405(4), If applicable, approval of the appointment of key personnel who are directly employed and provided to the school by an EMO.

3. Reporting requirements

- a. The school complies with reporting requirements as described in the AOIS Reporting Requirements Manual including those related to the AOIS Permanent Files.
- b. The school complies with reporting requirements related to an authorizer-imposed corrective action plan or notice of concern, if applicable.

IV. Students and Employees

1. Rights of students

- a. The school's lottery method, maintenance of an enrollment waiting list, and enrollment practices are consistent with guidance provided by the Authority on its website.
- b. The school's enrollment recruiting and advertising comply with the school's charter school application as stated in Required Element A.7.4 and elsewhere.
- c. The school collects, protects and uses student information appropriately.
- d. The school complies with NRS 386.555 regarding the prohibition of support by or affiliation with religion or religious organizations.
- e. The school complies with NRS 386.585 and NRS 392.4655-.4675 regarding school discipline.

2. Attendance goals

- a. The school complies with NAC 386.350 regarding attendance.

3. Staff credentials

- a. The school complies with NRS 386.590 regarding staff credentialing.

4. Employee rights

- a. The school complies with NRS 386.595 regarding employee rights.

5. Background checks

- a. The school complies with NRS 386.588 regarding criminal history of employees.

V. School Environment

1. Facilities and transportation

- a. Have current fire, building, health and asbestos inspection documents and approvals, including the certificate of occupancy, been submitted into AOIS in compliance with NAC 386.170?
- b. The school complies with NAC 386.215 regarding insurance coverage by submitting into AOIS the current Affidavit for Provision of Insurance Coverage.
- c. The school complies with Section C.4 of its charter school application and NRS 392.300-392.410 regarding pupil transportation.

2. Health and safety

- a. The school complies with NRS 389.065 (sex education); NRS 391.207-391.208 (nursing services); NRS 392.420, 392.425, 392.430, 392.435, 392.437, 392.439, 392.443, 392.446, and 392.448 (school health and safety); and NAC 389.2423, 389.2938, 389.381, and 389.455.
- b. The school complies with NRS 392.616 regarding establishment of a crisis and emergency response development committee.
- c. The school complies with NRS 392.624 regarding annual review and update of the NRS 392.620 plan for responding to a crisis or emergency.

3. Information management

- a. The school complies with the Family Educational Rights and Privacy Act (FERPA), the Protection of Pupil Rights Amendment, and the Military Recruiter Provisions of the NCLB Act of 2001.
- b. The school complies with applicable state or federal freedom of information requirements.
- c. The school complies with applicable student record transfer requirements.
- d. The school complies with applicable requirements for the proper and secure maintenance of testing materials.

VI. Additional Obligations

1. Additional obligations

- a. The school and its governing body comply with the terms and conditions of its charter.

- b.** The school complies with NAC 386.342 and NAC 387.770 regarding inventory documentation.
- c.** The school (applicable only to high schools) complies with NRS 386.550(1)(m) and NAC 386.350(10) regarding notification of accreditation status.
- d.** The school complies with NRS 386.550(1)(c) and Section C.2 of its charter school application regarding fees.
- e.** The school complies with requirements regarding maintenance of personnel records.
- f.** The school complies with NAC 386.345(2) and NRS 332.800 regarding purchasing and prohibition of board member interest in contracts.
- g.** The school complies with NRS 392.040 regarding age of enrollment in grades K, 1 and 2.

Appendix B: Detailed Financial Performance Indicator Descriptions

The Financial Performance Framework is composed of both near term and sustainability indicators, each having four measures. It is important to note that the Framework is not designed to evaluate a school's spending decisions. It does not include indicators of strong financial management practices, which are laid out in the organizational performance framework. The Financial Performance Framework analyzes the financial *performance* of a charter school, not its processes for managing that performance.

Near Term	Indicator
1.a. Current Ratio: Current Assets divided by Current Liabilities	Measure
Meets Standard: <input type="checkbox"/> Current Ratio is greater than 1.1 or <input type="checkbox"/> Current Ratio is between 1.0 and 1.1 <i>and</i> one-year trend is positive (current year ratio is higher than last year's)	Metric
Note: For schools in their first or second year of operation, the current ratio must be greater than 1.1.	Target
Does Not Meet Standard: <input type="checkbox"/> Current Ratio is between 0.9 and 1.1 Or <input type="checkbox"/> Current Ratio is between 1.0 and 1.1 <i>and</i> one-year trend is negative	
Falls Far Below Standard: <input type="checkbox"/> Current ratio is less than 0.9	

Near Term Measures

1) ***The current ratio depicts the relationship between a school's current assets and current liabilities.***

Overview: The current ratio measures a school's ability to pay its obligations over the next twelve months. A current ratio of greater than 1.0 indicates that the school's current assets exceed its current liabilities, thus indicating ability to meet current obligations. A ratio of less than 1.0 indicates that the school does not have sufficient current assets to cover its current liabilities and is not in a satisfactory position to meet its financial obligations over the next 12 months.

Source of Data: Audited balance sheet.

Near Term
Current Assets divided by Current Liabilities
Meets Standard: <input type="checkbox"/> Current Ratio is 1.1 or greater. or <input type="checkbox"/> Current Ratio is between 1.0 and 1.1 <i>and</i> one-year trend is positive. Note: For schools in their first or second year of operation, the current ratio must be greater than 1.1.
Does Not Meet Standard: <input type="checkbox"/> Current Ratio is between 0.9 and .99 Or <input type="checkbox"/> Current Ratio is between 1.0 and 1.1 <i>and</i> one-year trend is negative.
Falls Far Below Standard: <input type="checkbox"/> Current ratio is less than 0.9

2) The unrestricted days cash on hand ratio indicates how many days a school can pay its operating expenses without another inflow of cash.

Overview: The unrestricted days cash ratio defines whether or not the school has sufficient cash to meet its day-to-day obligations.

Source of Data: Audited balance sheet and income statement.

Near Term
Unrestricted Cash divided by (Total Expenses/365)
<p><i>Meets Standard:</i></p> <p><input type="checkbox"/> 60 Days Cash or more</p> <p>or</p> <p><input type="checkbox"/> Between 30 and 60 Days Cash <i>and</i> one-year trend is positive</p> <p>Note: For schools in their first or second year of operation, they must have a minimum of 30 Days Cash.</p>
<p><i>Does Not Meet Standard:</i></p> <p><input type="checkbox"/> Days Cash is between 15 and 29 days</p> <p>Or</p> <p><input type="checkbox"/> Days Cash is between 30 and 60 days <i>and</i> one-year trend is negative</p>
<p><i>Falls Far Below Standard:</i></p> <p><input type="checkbox"/> Less than 15 Days Cash</p>

3) Enrollment forecast accuracy tells authorizers whether or not the school is meeting its enrollment projections, thereby generating sufficient revenue to fund ongoing operations.

Overview: The enrollment forecast accuracy depicts actual versus projected enrollment. A school budgets based on projected enrollment but is funded based on actual enrollment; therefore, a school that fails to meet its enrollment targets may not be able to meet its budgeted expenses.

Source of Data:

- Projected enrollment – Charter school board-approved enrollment budget for the year in question.
- Actual enrollment.

Near Term
Actual Enrollment divided by Enrollment Projection in Board-Approved Budget
<p><i>Meets Standard:</i></p> <p><input type="checkbox"/> Enrollment Forecast Accuracy equals or exceeds 95% in the most recent year <i>and</i> equals or exceeds 95% each of the last three years</p> <p>Note: For schools in their first or second year of operation, Enrollment Forecast Accuracy must be equal to or exceed 95% for each year of operation.</p>
<p><i>Does Not Meet Standard:</i></p> <p><input type="checkbox"/> Enrollment Forecast Accuracy is between 85% and 94% in the most recent year</p> <p>or</p> <p><input type="checkbox"/> Enrollment Forecast Accuracy is 95% or greater in the most recent year <i>but does not</i> equal or exceed 95% or greater each of the last three years</p>
<p><i>Falls Far Below Standard:</i></p> <p><input type="checkbox"/> Enrollment Forecast Accuracy is less than 85% in the most recent year</p>

4) Debt default indicates if a school is not meeting debt obligations or covenants.

Overview: This metric addresses whether or not a school is meeting its loan covenants and/or is delinquent with its debt service payments.

Source of Data: Notes to the audited financial statements.

Near Term
<i>Meets Standard:</i> <input type="checkbox"/> School is not in default of loan covenant(s) and is not delinquent with debt service payments
<i>Does Not Meet Standard:</i> <input type="checkbox"/> Not Applicable
<i>Falls Far Below Standard:</i> <input type="checkbox"/> School is in default of loan covenant(s) or is delinquent with debt service payments

Sustainability Measures

1) Total margin measures the deficit or surplus a school yields out of its total revenues; in other words, whether or not the school is living within its available resources

Overview: The total margin measures if a school operates at a surplus (more total revenues than expenses) or a deficit (more total expenses than revenues) in a given time period. The aggregated three-year total margin is helpful for measuring the long-term financial stability of the school by smoothing the impact of single-year fluctuations on the single year total margin indicator.

Source of Data: 3 years of audited income statements

Sustainability
Net Surplus divided by Total Revenue
Aggregated Total Margin:
Total 3 Year Net Surplus divided by Total 3 Year Revenues
<p><i>Meets Standard:</i></p> <p><input type="checkbox"/> Aggregated Three-Year Total Margin is positive <i>and</i> the most recent year Total Margin is positive or</p> <p><input type="checkbox"/> Aggregated Three-Year Total Margin is greater than -1.5%, the trend is positive for the last two years, <i>and</i> the most recent year Total Margin is positive</p> <p>Note: For schools in their first or second year of operation, the aggregate Total Margin must be positive.</p>
<p><i>Does Not Meet Standard:</i></p> <p><input type="checkbox"/> Aggregated Three-Year Total Margin is greater than -1.5%, but the trend is negative.</p>
<p><i>Falls Far Below Standard:</i></p> <p><input type="checkbox"/> Aggregated Three-Year Total Margin is less than -1.5% or</p> <p><input type="checkbox"/> Current year Total Margin is less than -10%</p>

2) The debt to asset ratio measures the amount of liabilities a school owes versus the assets they own; the extent to which the school relies on borrowed funds to finance its operations.

Overview: The debt to asset ratio compares the school’s liabilities to its assets. Simply put, the ratio demonstrates what a school owes against what it owns. A lower debt to asset ratio generally indicates stronger financial health.

Source of Data: Audited balance sheet

Sustainability
Total Liabilities divided by Total Assets
<p><i>Meets Standard:</i></p> <p><input type="checkbox"/> Debt to Asset Ratio is less than 0.90</p>
<p><i>Does Not Meet Standard:</i></p> <p><input type="checkbox"/> Debt to Asset Ratio is between 0.90 and 1.0</p>
<p><i>Falls Far Below Standard:</i></p> <p><input type="checkbox"/> Debt to Asset Ratio is greater than 1.0</p>

3) The cash flow measure indicates a school's change in cash balance from one period to another.

Overview: Cash flow indicates the trend in the school's cash balance over a period of time. This measure is similar to days cash on hand, but indicates long-term stability versus near-term. Since cash flow fluctuations from year-to-year can have a long-term impact on a school's financial health, this metric assesses both three year cumulative cash flow and annual cash flow.

Source of Data: 4 years of audited balance sheets

Sustainability
<p>Three-Year Cash Flow = (Prior Year 3 Total Cash) – (Year 0 Total Cash) One-Year Cash Flow = (Prior Year 1 Total Cash) – (Year 0 Total Cash)</p>
<p><i>Meets Standard:</i></p> <p><input type="checkbox"/> Three-year cumulative cash flow is positive <i>and</i> cash flow is positive each year. or <input type="checkbox"/> Three-year cumulative cash flow is positive, cash flow is positive in two of three years, <i>and</i> cash flow in the most recent year is positive.</p> <p>Note: For schools in their first or second year of operation, they must have positive cash flow.</p>
<p><i>Does Not Meet Standard:</i></p> <p><input type="checkbox"/> Three-year cumulative cash flow is positive, but the trend is negative.</p>
<p><i>Falls Far Below Standard:</i></p> <p><input type="checkbox"/> Three year cumulative cash flow is negative.</p>

4) The debt service coverage ratio indicates a school's ability to cover its current year debt obligations.

Overview: This ratio measures whether or not a school can pay the principal and interest due on its debt based on the current year's net income. Depreciation expense is added back to the net income because it is a non-cash transaction and does not actually cost the school money. The interest expense is added back to the net income because it is one of the expenses an entity is trying to pay, which is why it is included in the denominator.

Source of Data:

- Net income: audited income statement
- Depreciation expense: audited cash flow statement
- Interest expense: audited cash flow statement
- Principal and interest obligations: provided from the school

Sustainability
<p>(Net Income + Depreciation + Interest Expense)/(Principal and Interest Payments)</p>
<p><i>Meets Standard:</i></p> <p><input type="checkbox"/> Debt Service Coverage Ratio is equal to or exceeds 1.10</p>
<p><i>Does Not Meet Standard:</i></p> <p><input type="checkbox"/> Debt Service Coverage Ratio is less than 1.10</p>
<p><i>Falls Far Below Standard:</i></p> <p><input type="checkbox"/> Blank</p>