

STATE PUBLIC CHARTER SCHOOL AUTHORITY



2018 CHARTER SCHOOL LOAN REQUEST

Nevada State Public Charter School Authority 2018 Application for a Charter School Revolving Loan
(Pursuant to Nevada Revised Statute 388A.432) Submission Window is January 1, 2018 - March 15,
2018

*Released February 5, 2018
Applications Due by March 15, 2018*

LOAN APPLICATION INSTRUCTIONS

An application for a loan from the Account must be submitted by the governing body of a charter school to the State Public Charter School Authority on or after January 1 and on or before March 15 of the calendar year in which the loan will be made. The revolving loan application is separated into 3 tracks. Please choose which track best suits your loan application:

- Existing Charter Schools wishing to expand campuses.
- Existing Charter Schools wishing to use loan funds on current campuses
- New Start Charter Schools

Using the corresponding numbered list below, all applications must:

Section 1

Exhibit 1.1 Complete the Revolving Loan Application Cover Page.

Exhibit 1.2 If the charter school is sponsored by a local school district, college or university within the Nevada System of Higher Education or the Achievement School District:

- a) Provide a letter of endorsement from the sponsor of the charter school.
- b) For a school that is already in operation this letter shall include supporting documentation and evidence of the school's academic performance for up to the preceding three years and a statement describing any findings based on the annual performance audit pursuant to NRS 388A.405 and any findings under the performance framework for the charter school pursuant to NRS 388A.270. Additionally, the letter shall provide a history of the school's most recent three years' Nevada School Performance Framework Star Ratings including supporting documentation and evidence demonstrating the areas of weakness which lead to the ratings.
 - i. For any findings and for any 2-star or lower ratings referenced in the letter above, the school shall provide a detailed discussion of the strategies the school will employ to address the underlying issues.

OR

If the charter school is sponsored by the State Public Charter School Authority and is already in operation:

- a) Provide a summary of any findings under the State Public Charter School Authority Charter School Performance Framework for up to the preceding three years, including supporting documentation and evidence outlining the specific areas in need of improvement. Additionally, the school shall provide a history of the school's most recent three years' Nevada School Performance Framework Star Ratings including supporting documentation and evidence demonstrating the areas of weakness which led to the

ratings. Reports prepared by the State Public Charter School Authority for the charter school containing this information may be incorporated by reference.

- i. For any findings and for any 2-star or lower ratings referenced above, the school shall provide a detailed discussion of the strategies the school has or will employ to address the underlying issues.

Exhibit 1.3 Provide a resolution and copy of the minutes, draft or final, of the governing body authorizing submission of the loan application.

Exhibit 1.4 Provide the signatures of each member of the governing body on a statement acknowledging that the school is responsible for repayment of the loan even in the event of the closure of the charter school.

Exhibit 1.5 If the charter school is an operational charter school provide:

- a) A statement of the financial history of the applicant by completing and attaching the most recent three years of audited financial statements,
- b) Three credit references for the applicant,
- c) EIN Number, and
- d) DUNS Number (*if available*).

OR If the charter school is not yet operational:

- a) Provide a letter from a certified public accountant demonstrating the School has established and documented adequate internal financial controls and procedure controls relating to¹:
 - i. Preparation and maintenance of financial statements and records in accordance with generally accepted accounting procedures (GAAP),
 - ii. Payroll procedures,
 - iii. Accounting for contributions and grants,
 - iv. Procedures for the creation and review of interim and annual financial statements (should specify, the individual(s) that will be responsible for preparing and reviewing such financial statements and ensuring that they contain valid and reliable data),
 - v. Existence of appropriate internal financial controls and procedures,
 - vi. Safeguarding of assets including cash and equipment,
 - vii. Compliance with applicable laws and regulation,
 - viii. Ensuring that the purchasing process results in the acquisition of necessary goods and services at the best price, and
 - ix. In demonstrating status of aforementioned controls, the school should include:
 1. A description of the control,
 2. If the control is currently operational, and

¹ If a school received charter approval less than 60 days prior to the due date of this loan application, it may provide an assurance that the controls will be established and documented prior to the issuance of the loan.

3. Who at the Charter School is responsible for the control.

Exhibit 1.6 Using the standard state budget format ([http://www.doe.nv.gov/Charter Schools/](http://www.doe.nv.gov/Charter_Schools/)), provide a statement of the monthly cash flow for the operation of the charter school for each year of the proposed loan term, including, without limitation, an identification of the amount and timing of receipt of revenue relating to the amount and timing of expenditures. In excel, provide a budget for the charter school for the fiscal year in which the loan is received and for each fiscal year of the proposed period for repayment of the loan. The budget must:

- a) Include an identification of all sources of revenue and expenses,
- b) Include the cost for repayment of the loan, and
- c) Be accompanied by a written narrative explaining each of the assumptions made in developing the budget.

Section 2

Exhibit 2.1 Describe the proposal of the charter school to repay the loan, consistent with NAC 386.445.

Exhibit 2.2 Detail the financial needs of the charter school including a detailed enumeration and explanation of the costs to be covered by this loan.

Exhibit 2.3 Provide a list of the anticipated expenses for which the funds obtained from the loan will be used.

Exhibit 2.4 Explain the effect that receipt of the loan will have on the operation of the charter school. Specially, in the event that the school is unable to obtain this loan, identify which of the costs detailed above will be modified or eliminated.

Exhibit 2.5 Describe the effect, if any that receipt of the loan will have on the ability of the governing body or the charter school to obtain other financial assistance from public and private sources. If there are any other loans or grants which are contingent upon obtaining this loan, please describe those in detail and provide supporting documentation.

Exhibit 2.6 Provide a detailed plan for the use of the funds obtained from the loan. Describe how this loan will enhance the credit of the charter school.

Section 3

Exhibit 3.1 If a member of the governing body or a member of the school's leadership team with day-to-day responsibility in academics or business operations and finance has, or had, an association or affiliation with another charter school in this State or another state²:

²The provisions of this paragraph apply regardless of whether the member has terminated the association or affiliation.

- a) Provide a statement as to whether the school is still in operation. If the school is not in operation, please report the date and reason for the closure of the school. Please note whether the member of the governing body was a board member or staff member of the school at the time of the closure or in the three year period leading up to the closure. Provide current contact information for the most recent charter school authorizer and any past authorizer of the charter school.
- b) Provide a statement of the financial history of the charter school with which the member has or had such an association or affiliation.
- c) The most recent three years of audited financial statements for the period when the individual was associated with the charter school. If the audited financials were included as part of a charter application filed on or after July 1, 2015 that information may be incorporated by reference.

Exhibit 3.2 Provide detailed enrollment projections and a comprehensive marketing, and recruitment plan that demonstrate the school has sufficient capacity to exceed the enrollment projections and maintain a sufficient wait list to ensure repayment in the event some students withdraw from school. Please use the marketing plan template attached to this document and submit as **Attachment 1**. Applicants may wish to enhance the marketing plan with additional school-specific strategies including, but not limited to, social media and advertising in addition to the grassroots strategies identified for all applicants.

Exhibit 3.3 Attach the business plan for the charter school.

- a) For schools that are seeking to expand their enrollment, within the new or existing facility, please attach the expansion business plan documentation as **Attachment 2**. Applicants are welcome to use this business plan as the format for any amendment request to a sponsor which has not adopted a standard amendment request template.
- b) For schools that have already supplied the information in this business plan as part of their expansion amendment with the State Public Charter School Authority (November 2015 and after) the amendment application may be incorporated by reference.
- c) For New Charter Schools and Achievement Charter Schools, please provide a copy of your charter application. Schools that were approved by the State Public Charter School Authority may incorporate their charter application by reference.

OPERATOR APPLICANT INSTRUCTIONS

Specifications

- Please submit the loan application by creating a DropBox folder and inviting dpeltier@spsca.nv.gov. Due to limits of the State's email capacity, applications sent as an email attachment will not be considered.
- It is the responsibility of the applicant to ensure that the content is complete, detailed, and easily understood and followed by reviewers.
- All narrative elements of the application must be typed with 1-inch page margins and 11-point Cambria font, single-spaced.
- All headings must be in 11, 12, or 14 point Cambria font.
- Tables may be in either 11 or 10 point Cambria font.
- Each section (financial history, governing board member signatures, etc.) must begin on a separate page, as indicated in the numbered list.
- All pages must be consecutively numbered in the footer, including all attachments.
- The table of contents must identify the page number of each section of the required documents.
- Schools are encouraged to utilize Microsoft Word's cross-referencing features to allow for automatic updates to page numbers within the document for any element discussed in more than one section. Simply referring reviewers to content in another section or expecting reviewers to seek out and infer an answer from information which may or may not be found in an attachment is unacceptable and will be deemed unresponsive. Petitioners are expected to exercise appropriate judgement in balancing responsiveness with excessively duplicative content. It is highly advisable to answer the question posed and refer the reviewer to additional contextual information that will inform review with transitional and referential phrases such as "As discussed in greater detail in the Section ___ beginning on page __, the school will..." and "Reviewers seeking more information on ___ may wish to refer to the section labeled ___ beginning on page __. More specifically, the school will..."
- References and citations should be placed in the footer.
- The name of each section and attachment, e.g. "Attachment 1," etc. must be placed in the footer to facilitate easy review and navigation of the materials using the corresponding numbered list. Bookmarking of individual sections and attachments in Acrobat is strongly encouraged to enhance readability and facilitate a thorough review.
- Schools are encouraged to use Microsoft Word's styles features (<http://shaunakelly.com/word/styles/stylesms.html>) to manage formatting, provide for bookmarking and cross-referencing, and facilitate the generation of the table of contents and other features through the heading styles functionality.
- If a particular question does not apply to your team or application, simply respond with an explanatory sentence identifying the reason this question is not applicable to your school AND including the term "not applicable" within the sentence.

Guidance and Resources for Applicants

Schools are encouraged to familiarize themselves with **current** Nevada law and regulations relating to charter schools. As Nevada's statutes and regulations are continuing to evolve, it is advisable to monitor and evaluate all changes to ensure that any proposed changes to the charter meet current expectations. The Authority does not have the capacity or the statutory authority to provide individual guidance or legal advice. Charter schools are encouraged to consult the Charter School Association of Nevada and an attorney who is well versed in charter school law for guidance in interpreting those elements of statute and regulation for which the Authority has not incorporated its policy expectations in this document.

Nevada Revised Statutes: NRS 388A et seq. contains the vast majority of law pertaining to charter schools: <https://www.leg.state.nv.us/NRS/NRS-388A.html>.

The state adopted changes to the NRS applicable to charter schools during the 2017 Legislative session:

- S.B. 49: https://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB49_EN.pdf

Nevada Administrative Code: As a state with a biennial legislature, Nevada relies heavily on its regulatory framework to provide guidance on the interpretation and execution of its laws. The provisions of NAC 386.010 through 386.472 govern the administration of the state's charter school program:

<https://www.leg.state.nv.us/NAC/NAC-386.html>.

The state adopted several changes to the NAC regarding charter schools during the 2016 interim. Some of these changes have not yet been codified into the existing NAC:

- R031-16A: <https://www.leg.state.nv.us/Register/2016Register/R031-16A.pdf>
- R087-16A: <https://www.leg.state.nv.us/Register/2016Register/R087-16A.pdf>
- R088-16A: <https://www.leg.state.nv.us/Register/2016Register/R088-16A.pdf>
- R089-16A: <https://www.leg.state.nv.us/Register/2016Register/R089-16A.pdf>