

NEVADA STATE PUBLIC CHARTER SCHOOL AUTHORITY

TELECONFERENCED OPEN MEETING

FRIDAY, SEPTEMBER 23, 2016

CARSON CITY, NEVADA

THE BOARD:

ADAM JOHNSON, Chair
PATRICK GAVIN, Executive Director
MELISSA MACKEDON, Vice-President
NORA LUNA, Member
JACOB SNOW, Member
JASON GUINASSO, Member

FOR THE BOARD:

GREG OTT, Deputy Attorney General

ROBERT WHITNEY, Deputy Attorney
General

DANNY PELTIER, Management
Analyst I

REPORTED BY:

CAPITOL REPORTERS
BY: NICOLE HANSEN,
Nevada CCR #446

AGENDA/INDEX

AGENDA ITEM	PAGE
1. Public Comment #1	6
2. Approval of the August 26, 2016, SPCSA Board Meeting Action Minutes (Adam Johnson, Chair, SPCSA) (Information/Discussion)	140
3. Approval of Consent Agenda	121
A. Submission Timeline for Amendment Requests and other School Materials for Board Consideration (Adam Johnson, Board Chair, SPCSA) (Information/Discussion/For Possible Action)	
B. Approval of SPCSA Public Information Request Fee (Patrick Gavin, Executive Director, SPCSA) (Information/Discussion/For Possible Action)	
C. Approval of revisions to provisions of SPCSA Board and Staff Policies (Patrick Gavin, Executive Director, SPCSA) (Information/Discussion/For Possible Action)	
4. 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. (Patrick Gavin, Executive Director, SPCSA) (Information/Discussion/For Possible Action.)	24

AGENDA/INDEX

AGENDA ITEM	PAGE
5. 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 its charter contract due to violation of NRS 388A(e) and issuance of direction to staff to issue Notice of Intent to Terminate the Charter Contract. (Patrick Gavin, Executive Director, SPCSA) (Information/Discussion/For Possible Action.)	14
6. Update, discussion and possible action regarding Nevada Virtual Academy Performance improvement contract negotiations. (Patrick Gavin, Executive Director, SPCSA) (Information/Discussion/For Possible Action)	18
7. Consideration and possible action of the American Preparatory Academy charter amendment request to move facilities. (Patrick Gavin, Executive Director, SPCSA) (Information/Discussion/For Possible Action)	119
8. Executive Director's Report (Patrick Gavin, Executive Director, SPCSA) (Information/Discussion/For Possible Action)	38
9. Quest Academy and Silver State Charter School receiver update (Josh Kern, The Ten Square Group) (Information/Discussion)	35
10. Update, discussion and possible action regarding the State Public Charter School Authority's Strategic Plan (Patrick Gavin, Executive Director, SPCSA) (Information/Discussion/For Possible Action)	131

AGENDA/INDEX

AGENDA ITEM	PAGE
11. Financial Framework Report (Duffy Chagoya, Accountant, SPCSA) (Information/Discussion)	140
12. Public Comment #2	162
16. Adjournment (Action)	164

1 **CARSON CITY, NEVADA; FRIDAY, SEPTEMBER 23, 2016**

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3
4 CHAIR JOHNSON: I will call the meeting to
5 order at 9:02. Before we get started, just wanted to ask
6 Deputy Attorney General Whitney, have you reviewed the
7 agenda?

8 DEPUTY AG WHITNEY: Yes.

9 CHAIR JOHNSON: And does it fall in line with
10 the open meeting law?

11 DEPUTY AG WHITNEY: Yes.

12 CHAIR JOHNSON: Wonderful. We will get
13 started with roll call then. Member Snow?

14 MEMBER SNOW: Here, Mr. Chair.

15 CHAIR JOHNSON: As always. Member Luna?

16 MEMBER LUNA: Here.

17 CHAIR JOHNSON: Member Guinasso?

18 MEMBER GUINASSO: Present.

19 CHAIR JOHNSON: Vice-Chair Mackedon?

20 MS. MACKEDON: Here.

21 CHAIR JOHNSON: And then Member Corbett and
22 Member Conaboy will be absent today. Can we all rise for
23 the Pledge of Allegiance?

24 (Recitation of the Pledge of Allegiance.)

25 CHAIR JOHNSON: Before we get started, I will

1 take a motion for a flexible agenda.

2 MEMBER LUNA: Nora Luna. So moved.

3 VICE-CHAIR MACKEDON: Melissa Mackedon.

4 Second.

5 CHAIR JOHNSON: All in favor of approving the
6 flexible agenda?

7 THE BOARD: Aye.

8 CHAIR JOHNSON: All right. We will start
9 with Agenda Item No. 1, which is public comment. Please
10 note that your public comment will be limited to three
11 minutes. Is there any public comment in the north,
12 Danny?

13 MR. PELTIER: Yes, we do have one.

14 CHAIR JOHNSON: All right. If you could send
15 them to the podium, please.

16 MR. PELTIER: We have two. I'm sorry.
17 Dr. Kotler, you can go first, and then --

18 DR. KOTLER: Thanks.

19 MR. PELTIER: -- Ms. Granier can go second.

20 CHAIR JOHNSON: Wonderful. Thank you.

21 DR. KOTLER: Good morning.

22 CHAIR JOHNSON: Good morning, Dr. Kotler.

23 DR. KOTLER: How are you?

24 CHAIR JOHNSON: I'm well. Thank you.

25 DR. KOTLER: Okay. There are a few bullet

1 points I'd like you to consider, and I would like this
2 entire document and all of the attachments, five pages,
3 read into the minutes of the Board meeting today. As the
4 executive director of Silver State Charter Schools, some
5 of what I was able to accomplish prior to being placed on
6 administrative leave includes the following: Moved from
7 an open to a closed campus to increase security for our
8 students, began serving lunch on school site, sometimes
9 their only meal of the day, initiated regular family
10 workshop events, wrote the financial internal controls
11 for the school, since our auditor informed me there were
12 none, wrote the student progressive discipline policy
13 since there was none, wrote and received three grants to
14 provide resources and support to our students and
15 teachers, added a chapter of the National Honor Society
16 to promote high expectations for students, began a Jump
17 Start program with WNC so eligible students could earn
18 their college associates degree also along with their
19 high school diploma, cleaned up the disarray and
20 noncompliance issues in special education, cleaned up the
21 finances at SSCS, cleaned up the databases and reported
22 compliance issues, required lesson plans of teachers,
23 provided teachers with regular intensive professional
24 development, et cetera.

25 The school was lacking educational leadership

1 as well as a functioning school system and
2 accountability. I believe I have the skills, but after
3 years of marginal operation, it takes some time and an
4 engaged parent and community board to set a new
5 direction. The receiver you approved, Joshua Kern, was
6 brought on primarily to select seven new governing board
7 members, a task that should take a couple of months at
8 most. Presumably authored by Deputy Attorney Greg Ott
9 and the SPCSA director, the settlement agreement gave
10 Mr. Kern three years to accomplish a two-month job.
11 Recently, for one month's work, Mr. Kern was paid \$83,000
12 of public funds that were earmarked for Nevada school
13 children. Joshua kern is the owner of a private
14 for-profit organization out of Washington D.C. I'm not
15 sure why our public funds are going to a private
16 for-profit organization. Mr. Kern may have violated
17 several laws at SSCS, some of which include federal civil
18 rights law, employee's constitutional rights to free
19 speech, Nevada's bullying law of one adult to another,
20 the Public Records Act, as has the director of SPCSA, by
21 refusing to turn over public records, and you'll see an
22 attachment, defamation laws and others. I would surmise
23 that the families of SSCS and all other charter schools
24 who are serving disadvantaged students and being
25 threatened with closure could claim that the State is

1 functionally excluding our students from Nevada's --

2 MR. PELTIER: Three minutes.

3 DR. KOTLER: -- statewide system of public
4 education. Thank you.

5 CHAIR JOHNSON: Thank you, Dr. Kotler.

6 MS. GRANIER: Good morning, Mr. Chair,
7 Members of the Board. For the record, Laura Granier on
8 behalf of Nevada Connections Academy. I'm speaking
9 during public comment because I've been informed by your
10 Deputy Attorney General, Greg Ott, that I would not be
11 allowed and the Nevada Connections Academy would not be
12 allowed to speak during the agenda item today that
13 involves Nevada Connections Academy, notwithstanding that
14 agenda item includes a possible action related to a
15 Notice of Revocation.

16 What we were told was unless we agreed to the
17 terms mandated by the Authority staff for a contract and
18 reached a contract agreement, we would not be allowed to
19 speak. If, on the other hand, we would agree to the
20 primary term that we dispute, which is it is staff's
21 position this Board directed staff that the school had to
22 waive fundamental constitutional statutory rights to
23 judicial review, if the school was not willing to do
24 that, we would not reach an agreement and we would not be
25 allowed to speak during the agenda item.

1 We do object to that restriction on our
2 speech, especially in light of Member Guinasso's comment
3 at the last Board meeting, that it was his understanding
4 when we were not allowed to speak at that Board meeting
5 it was just an update, and if we didn't reach a contract
6 and there was action taken, we would be heard at this
7 meeting. So we asked permission to be heard during that
8 agenda item. We believe that's fundamental good policy
9 and public process.

10 In the event we are not heard, I want to be
11 very clear that the primary reason we did not reach
12 mutually agreeable terms, which is what was in this
13 Board's motion that the school and the staff reach
14 mutually agreeable terms, is because it was staff's
15 position that this Authority directed them that the term
16 had to be included in the contract that waived the
17 school's rights to statutory review. This is a
18 fundamental violation of the school's constitutional
19 rights. It is fundamental that reliance on courts as the
20 ultimate guardian and assurance of limits set on
21 executive power is established by the Constitution and
22 the legislature. That is clearly the law here, and the
23 school has been placed in the position of facing a
24 threatened closure notice or waiving its statutory and
25 constitutional rights to have judicial review of this

1 agency's decision.

2 And the fundamental point is the Authority
3 staff deems appointment of a receiver and reconstitution
4 of a Board as a magic solution if the school does not
5 reach a benchmark with respect to the graduation rate.
6 And importantly, the four-year cohort graduation rate is
7 the only basis to seek closure of Nevada Connections
8 Academy, which is a K through 12 school. So it is also
9 unlawful. There is no legal basis to seek closure or a
10 Notice of Closure for an entire K through 12 school based
11 solely on the fact that there's below a 60 percent
12 four-year cohort graduation rate in the high school
13 grades. That is the only basis.

14 Nevada Connections Academy has been operating
15 as a four-star middle school. There are no academic
16 concerns with respect to their K through 8 grades; and,
17 in fact, there are no academic concerns that have been
18 identified by this Authority for the high school other
19 than the four-year cohort graduation rate.

20 MR. PELTIER: Three minutes.

21 MS. GRANIER: Thank you.

22 CHAIR JOHNSON: Thank you, Ms. Granier. Is
23 there any other public comment from the north?

24 MR. PELTIER: There is none.

25 CHAIR JOHNSON: All right. Thank you, Danny.

1 We have three public comments here. We have Sharon
2 Frederick, Chris Orme and Africa Sanchez. You all can
3 come up to the podium together, and if I could ask you to
4 please spell your name so that our court stenographer can
5 get your names properly.

6 MS. FREDERICK: Sharon Frederick:
7 S-H-A-R-O-N F-R-E-D-E-R-I-C-K. Good morning, Chairman
8 Johnson and Members of the Charter Authority Board. I am
9 currently the longest serving board member for Beacon
10 Academy of Nevada and will be termed out in spring of
11 2017. I am also currently serving as the board's
12 secretary.

13 During this time, I have seen a positive
14 turnover both in staffing and board organization. As
15 reflected in our current mission statement, the culture
16 of Beacon Academy of Nevada exists to, and I quote,
17 "Offer at-risk high school students the choice of an
18 innovative and relevant education which provides the
19 flexibility and support to graduate from high school with
20 concrete plans for the future." End quote.

21 Many of our students have been bullied, are
22 credit deficient, or are the parents of young children.
23 They deserve the opportunity to receive a quality
24 education and earn the distinction of a high school
25 diploma. The Beacon Board has discussed the alternative

1 framework and is very committed about the unique delivery
2 of this education model, but I must tell you that it is
3 very disturbing to learn that Beacon Academy of Nevada
4 has not in the past, and is not currently being afforded
5 a forum at your meetings, especially given the fact that
6 the Charter Authority has new board members who have not
7 been involved in the historical background of this
8 school.

9 As a past member of the State Board of
10 Education and a current commissioner on the Nevada
11 Commission on Postsecondary Education, I have never
12 attended a meeting where applicants were not allowed to
13 participate on their behalf no matter how many hours and
14 testimonies were involved and whether or not closure was
15 a consideration. The waiver of due process is also of
16 concern to the Beacon Academy of Nevada Board of
17 Directors. The Board is wondering why the Authority is
18 asking Beacon to waive their due process rights. Please
19 listen to our concerns by providing the opportunity for
20 schools to be heard during open meetings.

21 On a positive note, I'd like to congratulate
22 the staff at Beacon for their hard work and dedication to
23 their students. By August 2016, Beacon Academy issued
24 172 high school diplomas, three students from cohort
25 2013; seven students from cohort 2014; 22 students from

1 cohort 2015; 127 students from cohort 2016; 13 students
2 from cohort 2017. Thank you.

3 MR. PELTIER: Three minutes.

4 CHAIR JOHNSON: Thank you.

5 MS. SANCHEZ: Good morning, Chairman Johnson,
6 Members of the Board. I'm Africa Sanchez, attorney for
7 Beacon.

8 CHAIR JOHNSON: Please spell your name for
9 the stenographer.

10 MS. SANCHEZ: Of course. A-F-R-I-C-A
11 S-A-N-C-H-E-Z. I want to first continue my objection
12 from the August 26th, 2016, meeting where we were not
13 allowed to speak on that agenda item. As you know, we
14 are listed now on Agenda Item No. 5, which includes a
15 staff recommendation for Notice of Intent to Terminate
16 our charter contract. I have provided a letter on
17 September 21st, which was e-mailed to each and every one
18 of you, which I also provided a hard copy, and I would
19 like that to be included into the record fully.

20 Historically, for some of the new members,
21 this issue has been before the Board numerous times, none
22 of which times there has been a Notice of Closure to be
23 issued. Instead, this board directed us to provide a
24 school improvement plan, and that culminated in the
25 meeting of July 29th, 2016. But what we are requesting

1 today is for the Board -- what the Board intended on July
2 29th, 2016, and what we agreed to be incorporated into
3 our contract, that is our mere request. And what was the
4 intention of this board? This board wanted benchmarks.

5 It wanted benchmarks, and we agreed to 2016,
6 52; 2017, 55; and 2018, 60; and that Notice of Closure
7 would be taken off the table, but reconstitution and
8 receivership was still a possibility. During that
9 meeting, there was no discussions about waivers of
10 petition for judicial review. I did not have it. It was
11 not part of any -- it wasn't part of the discussions at
12 all, period.

13 And so we are committed to stand by what we
14 agreed to at that July 29th, 2016, meeting, and if that
15 was what the contract language provides, we would submit
16 that we were -- we are amenable to striking, if the
17 language as provided by Deputy Attorney General Gregory
18 Ott, if we strike the one sentence about waiving our
19 rights to petition for judicial review, we would be in
20 agreement and we would sign, and we would sign today.
21 And we believe that is an option for the Board, and that
22 is the action that should be taken today.

23 And why is this reasonable? This is
24 reasonable because we have been here before you on
25 various months for various presentations, and we have

1 shown you that Beacon is in good standing. They have
2 been fiscally and operationally productive, and we are in
3 good standing. The only issue is that 60 percent
4 graduation rate. The sense that Beacon has gotten is
5 that you recognize that this is not an issue that's going
6 to be cured in 30 days, that we need time. And we've
7 actually presented amendments to address these concerns.
8 We drafted amendments where we were now going to a
9 blended model. We actually requested that we reduce from
10 not going to a statewide program to just providing it to
11 the county. We've provided you amendment requests that
12 are clearly addressing the concerns of this Board that we
13 need to improve our graduation rate, and we what we
14 agreed to on July 29th, 2016, that will do that.

15 MR. PELTIER: Three minutes.

16 MS. SANCHEZ: We did not agree to waive
17 petition for judicial review, and that request, I would
18 agree with Ms. Granier. It's unconstitutional. Thank
19 you.

20 CHAIR JOHNSON: Thank you, Ms. Sanchez.

21 MR. ORME: Chris Orme: O-R-M-E.

22 CHAIR JOHNSON: Thank you, Mr. Orme.

23 MR. ORME: Start? Okay. My name is Chris
24 Orme. I represent Tower Distribution, and Tower
25 Distribution is the landlord of Quest Torrey Pines

1 campus. And I again ask that a written copy of my
2 remarks be included in the minutes.

3 This is now the third month in a row where I
4 have appeared before this board to report that Quest and
5 its receiver has not paid its rent. It has now been ten
6 months since Quest last paid rent although Quest
7 continues to occupy my client's buildings and property,
8 receiving full benefits and use of the facility. Tower
9 has fulfilled its obligations pursuant to the lease.
10 Tower provided a brand new school for Quest and fronted
11 100 percent of the improvement costs. Yet again, for ten
12 months, Mr. Kern has determined that Quest does not have
13 to fulfill its obligations under the lease.

14 It's imperative to remember that this lease
15 has been triple checked. Not only did Quest review it,
16 but Quest had its own attorney review it, and this Board
17 approved the lease. Based on the Board's decision to
18 approve the lease and its decision to keep Quest open,
19 Tower had a reasonable expectation that it would be paid,
20 as any landlord would, every month. Nothing in the
21 record indicates that this Board has approved Mr. Kern or
22 reached a decision to breach the lease and withhold rent.
23 This Board is a fiduciary year of taxpayer funds provided
24 to it under legislative authority under the State of
25 Nevada. The Board and Attorney General's Office have a

1 duty to account for Mr. Kern's actions and use of
2 taxpayer funds. Month after month, the State of Nevada
3 continues to fund Quest yet has missed its previous ten
4 months of rent payments to Tower and now owes hundreds of
5 thousands of dollars to the landlord. If Quest is not
6 paying its lease, then one must ask, where is the money
7 going? Some portion of it is likely being used for
8 Quest's private legal counsel to defend Quest's breach of
9 the lease, a lease which again, this Board approved.

10 Like everyone in the world, I too would like
11 to not pay my house mortgage every month, but that is not
12 how I do it. This is not the way the State of Nevada nor
13 the Board does business. Quest is your -- Mr. Kern is
14 your appointed agent. The Board and Attorney General's
15 Office cannot continue to condone these actions anymore.
16 There is a court hearing set for November 1st in which we
17 will try to resolve this again in front of a judiciary,
18 but Quest and the receiver should be focusing its efforts
19 on the classroom and not on the courtroom. And that is
20 all.

21 CHAIR JOHNSON: Thank you, Mr. Orme. All
22 right. As I see there is no additional public comment in
23 the south and none in the north, we will move on to
24 Agenda Item No. 6, which is update, discussion and
25 possible action regarding Nevada Virtual Academy

1 improvement contract negotiations. Director Gavin?

2 EXECUTIVE DIRECTOR GAVIN: My bad. Sorry.
3 Hitting the wrong button there. So thank you,
4 Mr. Chairman. At the August 26th, 2016, Authority
5 meeting, the Authority directed staff and school to
6 negotiate an amended charter contract by September 10th,
7 sorry, September 19th, 2016. I apologize for the
8 typographical error in the memo. I thought we had
9 addressed that.

10 To be clear, this is one of what will likely
11 be multiple contractual amendments for Nevada Virtual
12 Academy. The issues that are being addressed in this
13 particular contract relate to the execution of a final
14 agreement to put in place the amendment that was approved
15 by this body in the summer of last year to permit the
16 school to acquire and then subsequently occupy a new
17 facility at Sandhill Road.

18 The school was requested by Authority to
19 relocate from its Eastern Parkway offices, which were in
20 a location that was not conducive to bringing children on
21 site for a number of reasons, including some of the law
22 enforcement neighbors that are in that building, and
23 relocate to a more appropriate facility a short distance
24 away. The school has entered into the lease agreement
25 and made the appropriate tenant improvements to make that

1 happen. For a variety of reasons, the contract was not
2 finalized and executed in a timely manner by either
3 party.

4 When staff came before the Board about two
5 months ago and mentioned -- and noted that the school was
6 requesting the actual authority to the occupy the
7 facility, we noted that this was an area where we needed
8 to get it cleaned up immediately, and the Board issued
9 the direction to staff and the school to ensure that that
10 happened by the 19th.

11 I am pleased to note that after extensive
12 discussions with the school and its counsel, staff and
13 counsel have agreed to mutually agreeable terms, and the
14 proposed charter contract should be uploaded on the site
15 at this point. If it is not, I can distribute it via
16 e-mail, and that's really due to technical issues from an
17 Intranet perspective today, so I apologize if it's not
18 online right now.

19 I want to again emphasize there are other
20 issues related to performance that we are continuing to
21 work on with the school and have productive conversations
22 about. We are continuing to work -- we are continuing to
23 work in parallel process on those items, but it is
24 important that we get this piece done. Nothing about
25 this contract in any way dilutes the Authority's ability

1 to deal with those additional performance issues or
2 convince the school to make it anything related to those
3 particular performance issues. That is a separate item
4 that will have to be dealt with at a later date.

5 Staff recommends approval of the amended
6 contract between Nevada Virtual Academy and the State
7 Charter Public School Authority. I would note that this
8 school took the rather extraordinary measure, at least
9 comparatively, to postagendize and schedule a special
10 telephonic board meeting for 8:30 this morning where they
11 have already approved this contract. So all that remains
12 is for this Authority to approve the contract that has
13 been negotiated between staff and this entity, and we can
14 move forward. We can even do a brief recess and have the
15 Chairman print it. We can get it out to you today.

16 CHAIR JOHNSON: Yes, Member Guinasso.

17 MEMBER GUINASSO: I apologize for
18 interrupting, but I would like to review the contract
19 before I vote to approve it.

20 CHAIR JOHNSON: Agreed. So can we take a
21 small break so we can get members of the Board a copy of
22 the contract so we can review it before we are --

23 MEMBER GUINASSO: I think it's required by
24 the open meeting law that if it's provided to us, it has
25 to be provided to public at the same time.

1 EXECUTIVE DIRECTOR GAVIN: That is my
2 understanding as well. We can certainly ensure that it
3 is distributed to anyone who wishes it at this point.
4 Again, the State website has not posted a copy. It
5 hasn't synched yet.

6 CHAIR JOHNSON: So what is a resolution?

7 VICE-CHAIR MACKEDON: He hasn't had access to
8 his e-mail, but is his e-mail working?

9 EXECUTIVE DIRECTOR GAVIN: It's sometimes
10 working. We can try and get it out, and I will be happy
11 to give -- to provide it to Ms. Sanchez. Go ahead.

12 MR. PELTIER: The e-mail has been
13 intermittent. I will work to try to send it to the
14 Board. Also, the contract will be available online after
15 10:30 when the morning website comes from the Department
16 of Information Technology. When that's done, then it
17 will be readily available for anybody online at our
18 website.

19 CHAIR JOHNSON: Just really quick,
20 Mr. Whitney, are we allowed to move forward looking at
21 this contract if the public can't see it until 10:30
22 a.m.?

23 DEPUTY AG WHITNEY: No. The public needs to
24 be --

25 CHAIR JOHNSON: Simultaneously.

1 DEPUTY AG WHITNEY: -- at the same time. So
2 we'll have to move forward. And we'll need copies for
3 the public here, too.

4 CHAIR JOHNSON: Is there a way that we can
5 make copies here on premises and then still do the item,
6 or do we have to have it for all of the public meeting on
7 the website and here at the meeting?

8 DEPUTY AG WHITNEY: Well, leave it for both.

9 CHAIR JOHNSON: So we can't continue to move
10 forward until we actually have -- until it can go onto
11 the website.

12 DEPUTY AG WHITNEY: Correct. It sounds like
13 it will be in another hour.

14 CHAIR JOHNSON: Member Guinasso?

15 MEMBER GUINASSO: Mr. Chair, I'd like to move
16 to table this agenda item until later in the day when we
17 and the public both have a copy of the contract.

18 CHAIR JOHNSON: Do we have a second?

19 MEMBER SNOW: I'd second that. Member Snow.

20 CHAIR JOHNSON: All in favor of tabling it
21 until we can get this contract up onto the website and
22 distribute it to the public?

23 THE BOARD: Aye.

24 CHAIR JOHNSON: All right.

25 A VOICE: Mr. Chairman, if I may, I have a

1 hard copy. If there's a place we can make copies, we can
2 at least get it to the people in the room.

3 CHAIR JOHNSON: That's fine. It has to go on
4 the website as well simultaneously. So I appreciate your
5 generosity. So if you want to go make copies and
6 distribute it to those sitting here, I'm happy to have
7 you do that, but we still can't take the item until we
8 can put it on the website and have people in the public
9 see it.

10 A VOICE: Understood. I just wanted to make
11 it available if it would help.

12 CHAIR JOHNSON: Thank you so much. Then we
13 will move to Agenda Item No. 4, which is update,
14 discussion, possible action regarding Nevada Connections
15 Academy improvement plan, including but not limited to
16 approval of proposed charter contract with terms
17 previously approved by the Authority, discussion and
18 possible action regarding staff recommendation on
19 alternative terms proposed by the school, or issuance of
20 finding that the school is eligible for revocation of its
21 written charter due to violation of NRS 388A.330(e) and
22 issuance of direction of staff to issue Notice of Intent
23 to Revoke the Written Charter. Director Gavin?

24 EXECUTIVE DIRECTOR GAVIN: Thank you,
25 Mr. Chairman. At the August 26th, 2016, Authority

1 meeting, the Authority directed staff and Nevada
2 Connections Academy to negotiate an amended charter
3 contract by September 19th, 2016. After extensive
4 discussions with the school and its counsel, staff and
5 counsel have not agreed to mutually agreeable terms.

6 While the school has raised a number of
7 objections related to standard terms in the charter
8 contract and staff has proposed language to accommodate a
9 number of their concerns, a variety of sticking points
10 remain. Most notably, the school disagrees with staff's
11 interpretation that the Authority directive included the
12 expectation that in exchange for approval of the
13 improvement plan targets, any prohibition on termination
14 of the charter contract for failure to achieve those
15 specific goals. The school would be required to agree
16 that any judicial review of such a decision be limited to
17 a determination of whether the school did or did not
18 achieve the annual graduation rate target specified in
19 the document.

20 So I wish to be very clear here. There is
21 still a provision for judicial review. It is limited to
22 the facts that may or may not be in dispute, which are
23 quite binary. Did the school achieve the 60 percent
24 graduation rate target or did it not? It is intended to
25 limit the offering of extraneous information which is not

1 germane to the agreement.

2 CHAIR JOHNSON: Can I just ask a question to
3 counsel?

4 EXECUTIVE DIRECTOR GAVIN: Yes. Go ahead.

5 CHAIR JOHNSON: Now, you just said it is only
6 on the graduation rate. I thought it was whether the
7 benchmark was actually achieved or not. Not whether
8 the --

9 EXECUTIVE DIRECTOR GAVIN: You're correct. I
10 misspoke. Thank you, Mr. Chairman. Yes. Whether the
11 actual benchmark was met. So if it was 60 percent year
12 three, that. It's whatever the lower number was in the
13 prior year. Thank you for the clarifying question. I
14 apologize for my misstatement. Counsel is prepared to
15 answer any questions the Authority may have regarding
16 negotiations between the school and staff.

17 CHAIR JOHNSON: Questions and discussion from
18 the Board? Member Guinasso?

19 MEMBER GUINASSO: Yes. Thank you,
20 Mr. Chairman. It's my understanding that we gave staff
21 authority to negotiate a contract; is that right?

22 DEPUTY AG OTT: Yes, that is correct.

23 MEMBER GUINASSO: And is it typical for this
24 Board to tell staff all of the particulars of the
25 provisions that need to be in the contract in order for

1 you to negotiate that contract?

2 DEPUTY AG OTT: Certainly not all of the
3 particulars.

4 MEMBER GUINASSO: And so with the issue of
5 waiver of judicial review, can you explain why that was
6 included into the negotiations and why that protects the
7 interests of the Authority relative to accountability and
8 consequences?

9 DEPUTY AG OTT: Certainly. First, I think it
10 was clear from the language that's in the recommendation
11 and also from Director Gavin's remarks, but the
12 limitation only applies to Section 8.5 of .1. So there's
13 a number of reasons that the Authority can take action
14 against the school, if there are financial issues, if
15 there's other problems with the school. This doesn't
16 limit any of those actions. This is simply a limitation
17 on what gets reviewed if they fail to meet the
18 benchmarks.

19 So to go back into the larger picture, the
20 school failed to meet its 60 percent graduation rate and
21 was directed to come up with an improvement plan where
22 there would be benchmarks to show that the improvement
23 plan was working and the school was making progress. The
24 limitation of judicial review, I think, serves two
25 functions. One, it prevents the school from making

1 procedural objections when they haven't -- when the
2 graduation plan is not in fact working. And in my mind,
3 it's also a measure, an indication of the school's
4 confidence that it will in fact meet the targets because
5 if the targets are met, the waiver of judicial review has
6 no effect. The only way it comes into effect is if the
7 targets are not met. So you could say that the
8 insistence on judicial review shows a lack of confidence
9 in the ability to meet the targets.

10 MEMBER GUINASSO: Now, with regard to due
11 process, due process has two elements, as I understand
12 it: notice and opportunity to be heard. Is that right?

13 DEPUTY AG OTT: Correct, generally.

14 MEMBER GUINASSO: And those are -- and that
15 due process would be guaranteed by the Constitution as
16 well as the statutory framework in place, right?

17 DEPUTY AG OTT: Correct.

18 MEMBER GUINASSO: And parties to a contract
19 can negotiate constitutional rights as valuable
20 consideration for the contract; is that right?

21 DEPUTY AG OTT: Correct.

22 MEMBER GUINASSO: And so in the course of
23 this negotiation, what we were asking for was
24 consideration. In lieu of termination or closure, we
25 would like you to agree to these benchmarks and give up

1 your right to due process as consideration for that
2 agreement. Is that right?

3 DEPUTY AG OTT: Correct. I think that the
4 school was also getting, in addition to not closure this
5 year, they were getting lowered benchmarks for the next
6 three years and also the limitation of no closure
7 available for the failure to meet that graduation rate.
8 So correct in principle. I think that the school is
9 getting additional consideration.

10 MEMBER GUINASSO: Now, there's no requirement
11 that every agenda item that mentions or where we take
12 action on those particular agenda items relative to any
13 charter, that we have to hear from them at that meeting,
14 is there?

15 DEPUTY AG OTT: Not in my understanding.

16 MEMBER GUINASSO: Okay. And so but the
17 opportunity to be heard, as I understand it, is codified
18 in the NRS in 388A.330. And my understanding is that due
19 process is you get notice. So we started out this
20 discussion by saying due process is notice and
21 opportunity to be heard. So they get a Notice of
22 Revocation or Termination, as I understand it, and then
23 there's a cure period of at least 30 days, and
24 ostensibly, that cure period would allow for continued
25 negotiations, especially as we clarify our intentions

1 insomuch as they may not have been clear, I imagine, and
2 by then, if there's no contract negotiated at the end of
3 that period, then there's an opportunity for a full
4 hearing, as I understand the way that the -- so the
5 statutory frame work provides both that notice,
6 opportunity to cure, and then a hearing where all of the
7 arguments that these articulate attorneys have come
8 before us in public comment can make full throatedly at
9 that hearing. Is that right?

10 DEPUTY AG OTT: That's correct.

11 CHAIR JOHNSON: I also just had a question.
12 I want to make sure really clear on how we actually
13 arrive at those benchmarks. Those benchmarks were not --
14 they were mutually agreed upon; is that correct?

15 EXECUTIVE DIRECTOR GAVIN: I would actually
16 state that they were proposed by the school.

17 CHAIR JOHNSON: I wanted to make sure I was
18 clear on --

19 EXECUTIVE DIRECTOR GAVIN: We did not --

20 THE COURT REPORTER: One at a time, please.

21 MR. PELTIER: Make sure we do one at a time
22 and identify yourselves for the record.

23 CHAIR JOHNSON: This is Chairman Johnson.
24 Just asking the question of how we actually arrived at
25 the agreed upon benchmarks for the school.

1 EXECUTIVE DIRECTOR GAVIN: And this is
2 Patrick Gavin, Executive director, for the record. So to
3 restate my earlier statement, the school proposed these
4 benchmarks in the case of Connections. They put them in
5 writing prior to the board meeting, there was discussion,
6 but I don't believe there was any real material revision
7 in the benchmarks once they proposed them.

8 CHAIR JOHNSON: Perfect. Thank you. Member
9 Snow?

10 MEMBER SNOW: Just looking at the statute
11 right now. And I'd just like to ask the question of
12 staff, Mr. Chairman, has there been any concerns with
13 fiscal management with this school?

14 EXECUTIVE DIRECTOR GAVIN: Not during the
15 period of this charter contract.

16 MEMBER SNOW: Have there been other -- at
17 other times, have there been concerns about fiscal
18 management?

19 EXECUTIVE DIRECTOR GAVIN: There have been
20 historic issues under a previous administration and with
21 significantly different members of the governing body.

22 MEMBER SNOW: And what is the trajectory of
23 this school with regard to, over the past few years,
24 meeting the benchmarks that they've agreed to comply
25 with?

1 EXECUTIVE DIRECTOR GAVIN: If you'll give me
2 a moment, Member Snow, I actually can pull up the exact
3 data. So if you could just give me a minute to pull that
4 up, I can give you the exact data.

5 MEMBER SNOW: Certainly. And I will yield
6 the floor to other questions or discussion by the Board
7 while we wait for that information.

8 CHAIR JOHNSON: Member Guinasso?

9 MEMBER GUINASSO: Thank you, Mr. Chair.
10 Member Guinasso, for the record. At the conclusion of
11 the hearing that we just spoke about, that is the hearing
12 after the cure period, if findings and conclusions are
13 made that the school doesn't agree with, then they would
14 have a right to go to district court; is that right?

15 DEPUTY AG OTT: That is the process that is
16 called for. Under 233 B, there's a right of judicial
17 review.

18 MEMBER GUINASSO: And so I just want to be
19 clear because I think due process is an important
20 consideration, but it appears to me that there is a
21 process in place that includes the most important
22 components of due process, that is notice of whatever the
23 issue is or the infraction and then an opportunity to be
24 heard on those, and so I want to be clear on that.

25 And then with regard to this meeting and

1 other meetings where there are agenda items that, just
2 because we have them on our agenda to take an action that
3 would put them on notice of that we might be revoking
4 their charter contract, doesn't mean this is the
5 appropriate forum to argue whether that notice should
6 issue or not.

7 DEPUTY AG OTT: Deputy Attorney General Greg
8 Ott. So this is the issuance of the first notice, which
9 is not the final hearing where there is the opportunity
10 to be heard. This is the notice which is the
11 commencement of the action.

12 MEMBER GUINASSO: Okay. And then with regard
13 to the negotiations, I had an opportunity to review these
14 contract provisions, as they were percolating through,
15 and I also had an opportunity to talk to the folks at
16 Nevada Connections, and one of the things that I offered
17 to them is that if a Notice of Revocation or Termination
18 were to issue as a result of our action today, during
19 that cure period, I offered to be a part of that final or
20 that next attempt to negotiate so that at least that they
21 could be assured that they had one board member's ear
22 during that process. And so I'd like to make that as a
23 part of the record that whatever action we take, and if
24 it's the action that has been proposed by staff, I'd like
25 to just let my fellow board members know and staff that

1 that commitment I made to Nevada Connections stands
2 because ultimately, I want to see them succeed. And I
3 think every person on this board wants to see this school
4 succeed, but I also take seriously our responsibility to
5 ensure that benchmarks are being met because that
6 ultimately is what benefits students. It doesn't benefit
7 students to only graduate 45 percent of them. It's just
8 not what we're here for. We're here to graduate not even
9 just 60 percent. We want 100 percent of graduation
10 eventually, and we understand that they're dealing with
11 an at-risk population, and I think more than most, I
12 understand what it means to be a part of an at-risk
13 population.

14 And so I guess what I would say is that, you
15 know, we have a responsibility, you know, to make sure
16 there's accountability and to make sure there are
17 consequences when benchmarks aren't met. And if we don't
18 do that, then we're not really doing or performing our
19 role as a board. And so as much as I want to see them
20 succeed, I think it's equally important to have
21 accountability and consequences. And so I offer myself
22 to be a part of the cure process as a good-faith gesture
23 that we want this to work, but we're not going to allow
24 for an interminable process where the school won't accept
25 the parameters of the accountability and consequences

1 that flow from not meeting certain benchmarks. Thank
2 you.

3 CHAIR JOHNSON: Director Gavin, were you able
4 to find that data?

5 EXECUTIVE DIRECTOR GAVIN: I have, and I just
6 want to make sure that I'm not inadvertently talking
7 about the wrong thing. I will confess I started to pull
8 up Beacon's data and then realized we were talking about
9 Connections, so my apologies.

10 MEMBER SNOW: Mr. Chairman, Member Snow. I
11 just want to let our director know I'll probably be
12 asking the same question when we get to Agenda Item No.5,
13 so don't --

14 EXECUTIVE DIRECTOR GAVIN: So my hard work
15 was not for naught?

16 MEMBER SNOW: That's correct. Thank you.

17 EXECUTIVE DIRECTOR GAVIN: So I will refer
18 you, Member Snow, to Agenda Item No. 9 from the previous
19 board meeting where we actually had extensive -- there's
20 a much more extensive memo on this, but I will provide
21 the relevant information to you directly verbally as
22 well. And for the sake of the court reporter, this is
23 Patrick Gavin, Executive Director, for the record.

24 For each of the past five years, Nevada
25 Connections Academy's graduation rate has been below 60

1 percent, and I'm going to describe this information sort
2 of in three separate ways. Four separate ways. The
3 graduation rate in 2011 was at 26.5 percent. In 2012, it
4 went up to 36.08 percent. In 2013, it went down to 33.91
5 percent. In 2014, it went up to 37.19 percent. And in
6 2015, the most recent year which has been reported, it
7 was at 35.63 percent.

8 Let me frame that in a different way. There
9 are a large number of high schools in the state for which
10 graduation rates are reported. And in size, that number
11 of schools has changed over time as we have added new
12 high schools statewide. So in terms of ranking the
13 school relative to its peers across the state, in 2011,
14 it was at -- it was number 99 out of 106, which means it
15 was the eighth lowest school in the state and was ranked
16 at the 7th percentile. In 2012, it was 98 out of 110 ten
17 schools in the state, which means it was the 13th lowest
18 ranked school in the state and was at the 12th
19 percentile. In 2013, it was ranked 100 out of 111 high
20 schools in the state, which means it was the 11th lowest
21 school in the state and at the 10th percentile. And in
22 2014, and in 2015, it was ranked 110 out of 117, meaning
23 it was again, as it was in 2011, the eighth lowest
24 performing school in the state and at the 7th percentile
25 of all schools statewide, which is to say that while

1 there has been some change, most notably the jump from
2 the mid 20s to the mid 30s between 2011 and 2012, the
3 school has effectively hovered somewhere within a 3 to 4
4 percent window since then. And relative to its peers
5 statewide, it is actually going down.

6 CHAIR JOHNSON: Member Guinasso?

7 MEMBER GUINASSO: Member Guinasso, for the
8 record. Mr. Gavin, how would you respond to the concern
9 that I've heard Nevada Connections raise, and that is,
10 hey, we're getting credit deficient kids. We're getting
11 kids with a lot of different extenuating circumstances
12 which put them in an at-risk population. We're put at a
13 disadvantage relative to accomplishing the benchmarks
14 that have been established. How would you respond to
15 that?

16 I mean, I think we all can concede that
17 they're dealing with an at-risk population, but I would
18 assume that when they were -- and this is before my time.
19 I'm assuming when they asked to be chartered that they
20 said that they could deliver a certain set of services
21 that would meet the needs of this population and help
22 them succeed at graduating, I would imagine.

23 EXECUTIVE DIRECTOR GAVIN: Thank you for the
24 question, Member Guinasso. The school did indeed, in its
25 initial charter application, which was approved by the

1 State Board of Education, I believe in 2007, make a case
2 that it was in a position to provide a high level of
3 academic services to the students it proposed to serve.

4 I will note that this was a school that was
5 initially denied by the State Board of Education because
6 of concerns related to the, among other things, whether
7 it was actually in a position to deliver on that. And
8 the school engaged in significant negotiations with NDE
9 staff and counsel, and ultimately the State Board did
10 determine that they were in fact able to deliver on that.

11 But let's talk about the facts about who the
12 school is serving. And for the record, I am recalling
13 for the Board the data that was shared with you on Agenda
14 Item No. 8 of the May board meeting, and I am looking at
15 the second page of that report. In the 2015 legislative
16 session, in response to concerns raised by both
17 traditional public and public charter schools related to
18 a number of issues, not the least of which was, for
19 public charter schools, the Provision of Assembly Bill
20 from the 2015 -- 2013 session which provides for
21 automatic closure for a school which performs at the
22 one-star level for a certain number of years. There were
23 schools that said, "Hey. We serve an at-risk population,
24 and our kids are going to be unfairly targeted for this."

25 The legislature, in response to those

1 concerns, both Senator Harris and Assemblywoman Woodbury,
2 put together legislation which resulted in SB 460, which
3 provided for a statutorily mandated alternative framework
4 which is to be developed by the State Board of Education.
5 They also established very clear criteria for how a
6 school could enter into that alternative framework, which
7 is to say, how a school could -- what the high need
8 populations needed to be and what percentage of students
9 needed to be in those populations in order for the school
10 to be considered as something other than a regular public
11 school for the purposes of accountability.

12 I would note Nevada is -- and if we look at
13 just about every national statistic, if we look at the
14 Kids Count data put forth by the Annie E. Casey
15 Foundation on an annual basis, on just about every input
16 indicator related to child poverty, health,
17 circumstances, family instability, transiency, Nevada
18 ranks just about at the bottom. The challenges of
19 charter schools with serving traditionally -- with
20 serving underserved populations are mirrored in our
21 traditional public, whether Chaparral High School here in
22 Las Vegas or Reed High School up in Reno or Sparks High
23 School, we have really, really challenged kids everywhere
24 in this state. And frankly, we collectively, all of our
25 schools are not doing enough to serve them.

1 But let me be very clear about what we're
2 talking about here. In 2015, the legislature set a
3 minimum standard. Seventy percent of kids need to meet
4 one of these particular high-need categories in order for
5 a school to be eligible for the alternative framework. I
6 would note that 70 percent is, to my knowledge, one of
7 the lowest levels in the country. Our peer state of
8 Colorado, up until very recently, had a 95 percent
9 cutoff, and they've only just lowered it to 90. We went
10 way down in an attempt to recognize that there were --
11 that the circumstances of this state are challenging and
12 that schools are serving very challenged populations of
13 kids.

14 Let's just talk about where the school is at
15 though. There are a couple of categories of students
16 that are eligible for inclusion in the alternative
17 framework. Students who have previously been suspended
18 or expelled, students for whom there is a documented
19 record that they are habitual discipline problems.
20 Students who are academically disadvantaged, which is
21 defined as having repeated two or more grades, and
22 students who are credit deficient by original year of
23 graduation, and the State Board of Education has set a
24 cutoff on how many credits behind you are. It's not one
25 or two credits. It's got to be a material number, a year

1 and a half behind, keeping in mind that you can graduate
2 high school taking less than a full load in four years.
3 There are plenty of opportunities to make up credits
4 along the way for kids who are only marginally behind.
5 And then adjudicated students, students who are judged --
6 and this is the legal term -- in need of supervision, and
7 then students who have individualized education plans,
8 students with disabilities. So a school that has 70
9 percent of any of those categories, either singly or in
10 aggregate, is eligible for inclusion by the State Board
11 of Education into the alternative framework.

12 We asked all of our schools, or certainly all
13 of our high schools, we actually pushed them, but we
14 asked everybody last year as part of the initial review
15 to see who might be eligible for us to sort of nudge them
16 to apply to the State Board of Ed for this designation.
17 We asked all of our schools to provide their total counts
18 of students in each of these areas.

19 For Beacon Academy, the nonduplicated
20 population, that is to say the number of kids who met one
21 or more of those numbers, you don't get double points
22 because the kid is behind and have an IEP. The
23 unduplicated population for that number -- and again,
24 this is for Connections. If I said Beacon, I apologize
25 -- was 1,137 students out of a total population of 3.802

1 that the language that's been summarized in the memo be
2 included as an essential term of any agreement that we
3 would reach with Nevada Connections.

4 CHAIR JOHNSON: Do we have a second?

5 VICE-CHAIR MACKEDON: Melissa Mackedon,
6 second.

7 CHAIR JOHNSON: All in favor?

8 THE BOARD: Aye.

9 CHAIR JOHNSON: All right. And your second
10 motion, Member Guinasso?

11 MEMBER GUINASSO: My second motion is that
12 pursuant to NRS 388A.330 and NAC 386.330, that the
13 Authority direct staff to issue a Notice of Intent to
14 revoke the written charter, Nevada Connections Academy,
15 based on having a graduation rate for the preceding
16 school year that is less than 60 percent.

17 CHAIR JOHNSON: Do I have a second?

18 VICE-CHAIR MACKEDON: Melissa Mackedon.
19 Second.

20 CHAIR JOHNSON: All in favor?

21 THE BOARD: Aye.

22 CHAIR JOHNSON: Any opposed?

23 MEMBER LUNA: Nora Luna. Opposed.

24 CHAIR JOHNSON: And then Member Johnson is an
25 aye. And then obviously, Member Corbett and Member

1 Conaboy are not present. All right. We will move on to,
2 Danny, is the State website up now and able to load that
3 contract or no?

4 MR. PELTIER: Let's go to Beacon. It's
5 weird. So basically, what it is is it says that the
6 synch starts at 10:30. Every single website gets
7 synched, so if we get on early, it may be available
8 closer to 10:30, so there's a window there. So if we go
9 to Beacon, I think we would be good after.

10 CHAIR JOHNSON: All right.

11 EXECUTIVE DIRECTOR GAVIN: May I ask one
12 clarifying question of Mr. Ott and Mr. Whitney? If we
13 are able to post it to the Internet and ensure that folks
14 here are able to get it and we make clear what the link
15 is, would that be sufficient to comply with the intent
16 since we can't control when the Internet or when our
17 State Internet will work, but I can certainly post it to
18 a Google site immediately and put out -- and share via
19 social media and verbally what the link is for it? Would
20 that be sufficient, Mr. Whitney, for the purposes of
21 providing public clarity or public access?

22 DEPUTY AG WHITNEY: If you can provide -- I
23 mean, over the Internet, you can actually direct access
24 to it? I'm concerned that people accessing it on the
25 Internet need to be able to see it also.

1 EXECUTIVE DIRECTOR GAVIN: They would also be
2 able to see it, so I would send out essentially a Bitly
3 link or share it via social media and also, we could
4 write it on a piece of paper and hold it up here so if
5 anyone wants to write down what the site link is who is
6 looking online could certainly do it.

7 MEMBER GUINASSO: Excuse me, Mr. Chairman.

8 CHAIR JOHNSON: Member Guinasso?

9 MEMBER GUINASSO: Member Guinasso, for the
10 record. I'm a little bit concerned about taking that
11 approach. I think the law is pretty clear when we have
12 -- when something is provided to the Board, it has to be
13 provided to the public at the same time. And if we use
14 alternative methods to getting it out to them that
15 they're not accustomed to, I just think that opens us up
16 to risks that we don't need to take. And waiting an
17 extra hour, I don't think, prejudices the school or our
18 process.

19 EXECUTIVE DIRECTOR GAVIN: Understood. I
20 would just note that the synch can take a very long time.
21 So I just --

22 MR. PELTIER: An hour is good. I think
23 Member Guinasso is right. An hour, I think, will be
24 okay.

25 CHAIR JOHNSON: All right. Then that will be

1 the last we'll ask of it until we -- so Danny, you can
2 just notify us when it's ready, and we'll move on to it
3 at that point in time. Sound good?

4 MR. PELTIER: That sounds good.

5 CHAIR JOHNSON: All right. Thank you. We
6 will then move to Agenda Item No. 5: Update, discussion
7 and possible action regarding Beacon Academy improvement
8 plan including but not limited to approval of proposed
9 charter contract with terms previously approved by the
10 Authority, discussion and possible action regarding staff
11 recommendations on alternative terms proposed by the
12 school or issuance of finding that school is eligible for
13 termination of its charter contract due to violation of
14 NRS 388A.330(e) and issuance of direction to staff to
15 issue Notice of Intent to terminate the charter contract.
16 Director Gavin?

17 EXECUTIVE DIRECTOR GAVIN: Thank you,
18 Mr. Chairman. At the August 26th, 2016, Authority
19 meeting -- this is Patrick Gavin, for the record -- the
20 Authority directed staff and Beacon Academy to negotiate
21 an amended charter contract by September 19th, 2016. I
22 regret to inform the Authority that staff and the school
23 have not agreed to mutually agreeable terms, and counsel
24 is prepared to answer -- and staff are prepared to answer
25 any questions the Authority may have regarding

1 negotiations or any data points that Authority members
2 wish to be reminded of.

3 Staff's recommendation is that pursuant to
4 NRS 388A.330 and NAC 386.330, the Authority directs staff
5 to issue a Notice of Intent to terminate the charter
6 contract for Beacon Academy based on the graduation rate
7 for the preceding school year that is less than 60
8 percent.

9 CHAIR JOHNSON: Member Snow?

10 MEMBER SNOW: Thank you, Mr. Chairman.

11 Member Snow, for the record. Same questions as the last
12 agenda item. With this particular school, has there been
13 any record of fiscal malfeasance, mismanagement?

14 EXECUTIVE DIRECTOR GAVIN: So, Member Snow, I
15 want to be very, very clear about something, and I think
16 that both you and I mis -- I want to the enter something
17 for the record to be very explicit. I misunderstood the
18 question or you used the wrong name of the school when
19 you were asking about fiscal mismanagement related to
20 Nevada Connections Academy, there is no record of that.
21 I want to be very clear about that. So from the previous
22 -- because somehow I think I thought you were asking
23 about Beacon. My brain stopped working. I apologize. I
24 want to be very, very clear, and if that means you want
25 to think about it, I just want to be explicit because I

1 -- the simple answer is the answer I gave for Connections
2 was actually the one for Beacon.

3 Yes, there is a history of that previously.
4 There is none with this administration, and there is none
5 with the current members of this governing body. All but
6 one, I believe, of the members have turned over since
7 then, and the individual who came up and spoke during
8 public comment, I believe, is the sole remaining member
9 who came on towards the tail end of those issues, and as
10 she mentioned, she is actually termed out at the end of
11 this year. So there has been essentially a hundred
12 percent change in leadership and administration due to
13 school-imposed housecleaning. And so I do want to be
14 very clear about that. There is no history of that here.

15 CHAIR JOHNSON: And just for the record, I'm
16 going to ask Mr. Whitney, is it okay if -- there was new
17 information just provided to Mr. Snow. Is he now allowed
18 to determine whether he'd like to change his stance based
19 on the last motion? I don't know how that would work.

20 EXECUTIVE DIRECTOR GAVIN: Yeah, I feel sick.
21 I just realized that I think there was a
22 miscommunication. I just want to make sure I'm very
23 clear about the Connections issue.

24 CHAIR JOHNSON: So he received information
25 that was incorrect. He now received the proper

1 information. How can we -- if he'd like to -- first we
2 should probably ask him if he wants to change his stance
3 on how he voted based on the information that he's
4 received previously. So I'll ask Member Snow, and then
5 you can let us know what we can do procedurally.

6 MEMBER SNOW: Certainly. Sounds very
7 logical. For the record, this is Member Snow. I don't
8 feel any need to change my decision on the previous item.

9 CHAIR JOHNSON: Okay. Thank you. No
10 problem.

11 MEMBER SNOW: Member Snow again, for the
12 record. Looking at the source you gave me to look for
13 this data, I can see that there was a significant
14 improvement in Beacon Academy in the last few years going
15 from third in the state to 14th and coming very close to
16 meeting a 60 percent graduation rate when the previous
17 graduation rate was 13 percent. It seems like we have a
18 very positive trajectory. Am I reading that correctly?

19 EXECUTIVE DIRECTOR GAVIN: Member Snow, you
20 are correct that the school has made improvements. Let
21 me share a couple of contextual items here. The first is
22 that with regard to that particular item, and I'm just
23 looking to actually pull up the data myself, I think it's
24 very useful again to look at the overall sort of
25 percentage of improvement.

1 I would note that the statewide graduation
2 rate has also gone up dramatically in the last three to
3 four years for a number of reasons. The most notable of
4 this is the phaseout over time of the end of course
5 examinations -- sorry, the phaseout of the HSP, the High
6 School Proficiency Examination, which will eventually be
7 replaced by End of Course, and that's kicking in really
8 right now for most folks.

9 The other piece is that there was -- and I
10 think this is a -- I think any of our schools will note
11 this, and certainly this has been the experience of
12 school districts. Up until 2011, grad rates were
13 somewhat self-reported data. There wasn't anywhere near
14 as much rigor to the process of figuring out what a grad
15 rate was. In 2011, the State shifted to the National
16 Governor's Association's recommended mechanisms for
17 calculating a graduation rate. That was also included
18 into the State's improvement -- its NCLB waiver with the
19 federal government that we would use a specific method
20 for calculating grad rate.

21 In the first couple of years, there was
22 really shoddy recordkeeping. Schools did not know where
23 lots of kids went, so a kid was no longer there, and they
24 had no clue where he or she had gone. I think each of
25 our schools has at different points talked about how much

1 more work they're doing now to figure out where did this
2 kiddo go and tracking them down the minute they leave or
3 necessarily hiring a PI to go and find kids and figure
4 out, okay, did they move out of state, or is there an
5 issue because they enrolled under Bobby Smith instead of
6 Robert Smith at another school and a new record was
7 created? Those kinds of things. So there's --
8 statewide, there's been a dramatic spike in graduation
9 rates, particularly between 2011 and 2014. Since then,
10 in the last year, it kind of flat-lined, actually went
11 down a little bit statewide. But I think it's important
12 to note that there's context to this overall increase in
13 grad rate, and that's why it's critically important to
14 look at this position relative to everyone else as well,
15 because we're not just in a race to get to 60 percent.
16 We're in a race to move from being the second-lowest
17 performing state in the country with regard to graduation
18 rate to at least the midpoint by the next decade. And we
19 can't do that if we keep having -- if 60 -- if we have
20 these low rates.

21 So I will note again, yes, in 2011, the rate
22 was 16.3 percent. It actually went down in 2012 to 14.3.
23 Then in '13, it went to 37.61. In 2014, it went to
24 56.52. And this last year, it declined slightly to
25 52.63.

1 Let's talk about that in terms of rank in
2 class. In 2011, it was 104th out of 106 in the state,
3 which meant it was the third-lowest from the bottom
4 which meant it was the third percentile rank. In 2012,
5 it was 108 out of 112, which again, third lowest in the
6 state, third percentile rank. In 2013, it was ranked 100
7 out of 111, meaning it was the 12th lowest in the state
8 and at the 11th percentile. And then in both 2014 and
9 2015, it was 104 out of 117, 14th lowest in the state,
10 12th percentile.

11 This is a very -- this remains relative to
12 all other schools, a low-performing school. I would also
13 note that this school has testified on the record that
14 they believe it will take them some time to move from 52
15 percent up to 60 percent. It's going to take them three
16 years, and that's -- and they view those targets as
17 ambitious. This is not something where I think we --
18 where anyone who has testified from the school has said,
19 "We're really close to 60." They're talking about
20 hovering, and it's going to take extraordinary
21 intervention to get them up to over 60 over a number of
22 years. So we're just not there, and this is not
23 something where it's a momentary aberration.

24 MEMBER SNOW: Thank you. Mr. Chairman, I
25 have another question. What are the options for these

1 students should say, for example -- and hopefully, this
2 is not the case -- that this Authority votes to close the
3 school based on not achieving 60 percent graduation rate.
4 What are the options for these kids that have already
5 been kicked out by the school district? Where do they
6 go?

7 EXECUTIVE DIRECTOR GAVIN: So just to be
8 clear, let's actually go into the data related to
9 students who have been expelled from school at Beacon
10 Academy. And this is based on what -- did that go away?
11 So the number of kids who have actually been kicked out
12 of the school, which is to say suspended or expelled and
13 can't come back, is extraordinarily low, and I can give
14 you the exact number in just a moment because I just
15 accidentally closed my browser window.

16 Again, this is going back to the May Board
17 meeting, and to Agenda Item 8 for the alternative
18 performance framework update. You will note that I
19 believe one of the categories is suspended and expelled
20 previously. So for Beacon Academy for that category of
21 eligible students, there were zero percent enrolled in
22 the last school year. Out of 825 total students who were
23 counted as having been in school at one point or another
24 that year, there were zero percent of schools who were
25 suspended or expelled. Zero percent of kids were judged

1 to be a habitual discipline problem, which is to say they
2 were misbehaving at school and maybe they were told, "You
3 should go somewhere else."

4 There were zero percent of students listed as
5 academically disadvantaged, as having repeated two or
6 more grades prior to high school. And again, this is the
7 school's own reported data. And then with regard to
8 credit deficiency, which is, I think, the area where the
9 school has made some reasonable points, their percentage
10 is high, but it is not that high. It is 40.36 percent,
11 which is to say well below that 70 percent cutoff. In
12 terms of adjudicated students, so kids who have been in
13 trouble with the law, 3.36 percent. In need of
14 supervision: zero. Zero students, zero percent of
15 students judged by a court or someone or whoever the
16 appropriate authority is, to be in need of supervision.

17 And then with regard to students with
18 disabilities, 64 kids, which translates to 7.76 percent,
19 which is well below the state average and actually below
20 the Authority average at this point for students with
21 disabilities.

22 So I wish to make it very clear there are a
23 material number of students who are credit deficient in
24 this school. There are many, many other options for kids
25 who are credit deficient including but not limited to

1 other online schools that are operated by districts or
2 operated by organizations that some of which also serve
3 our schools which take in credit deficient kids. There
4 are other options. I'm not saying they're great, but
5 this one isn't particularly good either. And I think
6 that if we are going to be in a position -- if you are
7 going to be in a position as an authority where you say,
8 "We want to be able to serve underserved students well,"
9 we don't do it or you don't do it by saying the schools
10 that exist that aren't doing a good job get to stay open
11 until someone magically figures this out. We close the
12 ones that aren't working. We create market demand for
13 people to come in with much better tools to serve the
14 kids we've got.

15 CHAIR JOHNSON: Thank you, Director Gavin.
16 Vice-Chair Mackedon?

17 VICE-CHAIR MACKEDON: Can I just ask a
18 clarifying question? Because I think I had a
19 misunderstanding. So I realize that a lot of districts
20 offer online options. I mean, I know Churchill County
21 School District does, I believe White Pine does this
22 year. I was under the impression that you had to live
23 within that school district to attend those, you know,
24 online options which we have seen, you know, legitimate
25 people come before this Board with medical issues and

1 really significant reasons to justify their decision to
2 educate their student in an online environment. So have
3 I misunderstood that? Can anyone attend any of those
4 online schools that are provided by any district out
5 there?

6 EXECUTIVE DIRECTOR GAVIN: I can tell you
7 that I'm aware of multiple cases right now where we have,
8 for example, rural districts who are directly serving
9 students who are enrolled who are residents of, for
10 example, our two largest district, Washoe and Clark, via
11 distance education. So, for example, for several years,
12 Elko County has had an online offering which enrolls kids
13 all across the state, including a significant number of
14 kids here in Clark County.

15 There are three new online schools that have
16 come online in just the last six months that provide
17 services to students that are in contract with the White
18 Pine County School District, but actively recruit and
19 actually have their place of business here in Clark
20 County. So there are lots of options.

21 VICE-CHAIR MACKEDON: They can go to an
22 online -- because again, that's been a real hardship as a
23 Board member seeing some of these kids --

24 EXECUTIVE DIRECTOR GAVIN: The Legislature
25 provided that online schools can serve kids anywhere in

1 the state. We have put things in contract with some
2 schools including Beacon to say, "Okay. You're not going
3 to do that because it's a problem" because it's
4 problematic and they've identified it as an issue. But
5 there are lots of other issues.

6 VICE-CHAIR MACKEDON: Thank you.

7 CHAIR JOHNSON: Member Guinasso?

8 MEMBER GUINASSO: Thank you, Mr. Chairman.
9 Member Guinasso, for the record. This discussion both in
10 the last agenda item and this one, I think, brings into
11 relief what we'll be talking about later with regard to
12 our strategic plan, and I would just note that under our
13 goals that are listed in the Item 10, one of them is an
14 unwavering commitment to high quality schools, that is,
15 four- and five-star schools.

16 And one of the provisions in there is to, you
17 know, approve only the highest quality applicants, to
18 reward high quality schools and disseminate best
19 practices and to sanction low performing schools, align
20 assessment to standards and that sort of thing. And so I
21 find this discussion particularly illuminating because it
22 draws into relief what we've been talking about as a
23 Board with regard to what our goals are and what we want
24 to see in terms of charter schools that are performing at
25 a high level delivering high quality. But you don't get

1 that without accountability, and you don't get that
2 without consequences.

3 And so I'd like to revisit just briefly what
4 we talked about under Agenda Item No. 4, and that is the
5 issue of due process. And I think we were clear in the
6 last agenda item, but I believe that Beacon has been
7 provided due process. They've, you know, earlier this
8 year, they were provided a notice that precipitated, as I
9 understand it --

10 EXECUTIVE DIRECTOR GAVIN: May I just
11 clarify, Member Guinasso? We did not issue a notice at
12 that point. What we did is we discussed -- this body
13 discussed whether issuing a notice was appropriate at
14 that juncture. You elected to take no action, so you
15 neither denied or approved the staff recommendation to
16 issue a notice. And staff has then engaged in extensive
17 negotiations since then, which now we're the point where
18 there are sticking points, and we're not where we want to
19 be.

20 MEMBER GUINASSO: Okay. So no formal notice
21 relative to the statute. But with regard to the concerns
22 of the Authority, they've been put on notice with regard
23 to those concerns as has been reflected in previous
24 agendas and those minutes, and then the actions of the
25 Authority staff with Beacon to try to negotiate some sort

1 of a contract. Is that right?

2 EXECUTIVE DIRECTOR GAVIN: I think that is
3 quite accurate.

4 MEMBER GUINASSO: Okay. And during that
5 process, they've had an opportunity to air their
6 grievances and talk about things that they disagree with,
7 and they've come back to the Board, and several times
8 I've heard from counsel about her concerns, and she's put
9 those in a letter to us, which is helpful to understand
10 the perspective.

11 But as we noted earlier, the appropriate
12 process for resolving those disputes doesn't take place
13 until after the 338A notice is put in place and then the
14 opportunity to cure takes place, and then after that
15 point, there's a hearing where evidence is considered,
16 arguments are considered, and then we would make certain
17 findings and conclusions. Is that right?

18 EXECUTIVE DIRECTOR GAVIN: That is my
19 understanding of the statute, but not being an attorney,
20 I will defer to -- I would suggest you confirm that with
21 your counsel.

22 CHAIR JOHNSON: Mr. Whitney?

23 DEPUTY AG WHITNEY: Robert Whitney, for the
24 record. Member Guinasso, yes, that is correct. There is
25 the statute 338A338 --

1 EXECUTIVE DIRECTOR GAVIN: Just to -- we've
2 twice done this, and I just want to be very clear. The
3 statute is 338A, not 330A. Jason did it too. I just
4 want to be really clear so there's no issue on the
5 record. Patrick Gavin, for the record.

6 DEPUTY AG WHITNEY: Sorry. Those numbers
7 were reversed in my head. 388A330. The due process
8 procedure is actually set out in that statute, and you
9 are correct in what you outlined as far as procedure of
10 notice and opportunity to be heard. Thank you.

11 MEMBER GUINASSO: I think it's important to
12 note, because I think it's important to be fair to these
13 charters who are making what appears to be a good-faith
14 effort to try to meet benchmarks, but they're just not
15 meeting those benchmarks, and they appear to be engaging
16 in negotiations with staff and counsel, which is good,
17 but where I disagree with them is that there hasn't been
18 provided to them due process.

19 And what I think I want to make clear on the
20 record is that there is a process that's afforded to them
21 going forward if we take the same action that we did with
22 Nevada Connections. And in that regard, like I mentioned
23 earlier, I offered to make myself available for the
24 Connections negotiations. I would certainly do the same
25 thing for Beacon if the idea is that they want to make

1 sure that they have the ear of at least one board member
2 as they're going through this cure period to try to reach
3 some resolution before we get to a place where there has
4 to be a hearing and findings and conclusions that they
5 may or may not be happy with. So I want to make that
6 clear for the record.

7 A question I had. The staff recommendation
8 on this one is different than Nevada Connections, and it
9 doesn't have the contract language and the clarification
10 with regard to the waiver of that portion of petitions
11 for judicial review that only apply necessarily to the
12 benchmarking. Why is that?

13 DEPUTY AG OTT: Deputy Attorney General Greg
14 Ott. You heard some concerns from the attorneys for both
15 schools this morning. I think that the concerns were
16 slightly different. I think that the motion was more
17 clear in the Beacon case that that was to be a part of
18 the contract. The concern -- and this is my
19 understanding -- was more that Beacon didn't have the
20 opportunity to participate. Their counsel was not
21 present at the July meeting. So I think that they
22 understood that that was incorporated into the motion,
23 just didn't really feel like the Board adequately talked
24 through it or that their counsel had the opportunity to
25 make those objections.

1 MEMBER GUINASSO: And then there's a charge
2 or there's a notion somehow that Beacon is being coerced
3 into giving up what they deem is an important right to
4 judicial review. How do you respond to the charge of
5 coercion?

6 EXECUTIVE DIRECTOR GAVIN: The statute
7 provides that the school can be closed now or at any
8 point in the -- until such time as it improves, as it
9 gets a 30 percent grad rate. Sorry. Sixty percent grad
10 rate. Good God. A 60 percent grad rate. Clearly need
11 more caffeine.

12 So absent some consideration from the
13 Authority, which I believe requires some consideration in
14 exchange from the school, there is nothing to stop us
15 from saying that these benchmarks are wonderful, and then
16 saying you're still under -- you're still not where you
17 need to be because the statute says that we can close at
18 any point under this.

19 If we are going to -- if you are going to
20 say, "We waive our right to close -- to terminate the
21 school's charter contract based on the chronic
22 underperformance and lack of improvement to 60 percent at
23 any given point in the next three years," you should get
24 something for that. And so I don't view that as
25 coercion. I view that as an exchange of consideration.

1 We're giving you -- you would be giving the school
2 consideration by saying, "We will not close you for this
3 reason." The flip side of that is, we want to ensure
4 that if we do make another accountability decision, that
5 the only thing that gets brought up in judicial review is
6 did we make a -- was our conclusion factually incorrect?
7 Did we not do the math right? Did we not actually look
8 at the -- did we do what I just did and say 30 percent
9 instead of 60 percent? And that was not intended to be
10 theater. It just happened.

11 People make mistakes. There has to be some
12 mechanism if we actually make a mistake for this school
13 to be able to make sure that it has appropriate due
14 process. What we want to ensure is that that does not
15 become a set of kitchen sink arguments that get on other
16 issues that are extraneous to the question at hand, which
17 is, did this school or did it not meet either the
18 benchmark that is set forth in the contract for that
19 particular year, or at the end of the term, the 60
20 percent. That's it.

21 CHAIR JOHNSON: Thank you, Director Gavin.

22 MEMBER GUINASSO: Thank you.

23 CHAIR JOHNSON: Member Snow?

24 MEMBER SNOW: Mr. Chairman, a question for
25 the staff. I understand and I am sympathetic to the

1 previous agenda item proponent's view and Beacon's view
2 about their inability to address the Board. And I'm
3 sympathetic particularly because I was not part of what's
4 happened for most of the previous year. And based upon
5 the testimony that's been given by a Beacon Academy board
6 member and what I have read through from their attorney,
7 Africa Sanchez, it seems to me that they are expressing a
8 willingness to meet what the Authority has asked them to
9 do. And I don't have the opportunity to hear from them
10 about what that is other than what I heard in three
11 minutes. And I do respect what's in the statute about 60
12 percent. It seems to me that they're quite close. They
13 also are talking about, in this letter, about meeting the
14 alt ed standard, which would -- which is an option I know
15 that they're pursuing based on what I see in here and
16 what conversations we've had.

17 I actually have been trying to go around and
18 visit the schools. I haven't visited all of them. Not
19 yet. But what I saw at Beacon I thought was rather
20 impressive and encouraging. And at this point, based
21 upon the miniscule amount of information I've had -- and
22 I don't disrespect the wisdom or experience of the Board
23 members in having heard these arguments, many of these
24 arguments will be made before, I feel that I can't
25 support the staff recommendation at this point in time

1 because I don't have all of the information. I feel like
2 I don't have hardly any information. I come to these
3 meetings, and I'm supposed to vote on a contract. I
4 haven't even seen the contract. And we have to take some
5 time so I can actually read and understand the contract.

6 I've been involved in public boards for
7 almost 30 years now, and I understand that it's important
8 to -- especially if you're anticipating legal action, to
9 follow the letter of the law. I think Member Guinasso
10 has done an excellent job of going through that. But in
11 actual practice, I've never seen a Board limit comment
12 from someone who has an interest in the action that the
13 Board is going to be taking. So I'm uncomfortable
14 supporting the staff recommendation at this point in time
15 until I have -- especially for someone who seems to be
16 really working hard to make the standard and is close and
17 has come up with a number of options for the Authority to
18 make that, and so I can't support the staff
19 recommendation as we have it from what limited knowledge
20 that I have. And I'm just going to make a motion that I
21 think it's important for the Board, and I know Stavan is
22 not here. I think he has to -- we have to have the
23 respect of the other Board members who haven't -- who
24 won't be able to vote on this. I think they need to be
25 afforded the opportunity to take a look at these issues

1 and to hear from Beacon.

2 I think there's a big case distinction
3 between Connections Academy and Beacon Academy. Clearly,
4 you can see that in the numbers. One is not close and
5 clearly is not making any progress, any significant
6 progress, in my opinion. One has made a tremendous
7 amount of progress and I think is filling an important
8 niche in the educational needs of the students that we
9 have here. So I would like to make a motion that we
10 table this item and bring it back at a subsequent
11 meeting. And I also think that from my standpoint, I
12 think it would be important to spend more time and to
13 hear from the folks at Beacon Academy. I think we should
14 give them an opportunity to say, "This is where we're at.
15 This is where we're going. This is how we'll get there."
16 And if I that can't do that, then the Board should take
17 the action that they take, but that's my motion.

18 EXECUTIVE DIRECTOR GAVIN: May I ask a
19 clarifying question about the motion, sir?

20 MEMBER SNOW: You may.

21 EXECUTIVE DIRECTOR GAVIN: So the previous
22 direction to staff was that there was a deadline by which
23 a contract should be agreed upon. Am I correct in my
24 understanding that you would prefer that you wish for us
25 to continue discussions with the school subsequent to

1 this deadline, or are you saying that we leave it -- we
2 leave this frozen in amber in terms of what the sticking
3 points are and then we come back and have a larger
4 conversation next month? I just want to make sure I'm
5 understanding what you want us to do in the interim.

6 MEMBER SNOW: This is Member Snow. It would
7 be the latter of what you said. I think we can just
8 leave it frozen. I'd like to hear what the issues are,
9 and I'd like to see if we're close. That would be my
10 motion.

11 CHAIR JOHNSON: I was going to say,
12 Vice-Chair Mackedon, are you planning on seconding that
13 motion?

14 MEMBER LUNA: This is Nora Luna. I second.

15 CHAIR JOHNSON: I was going to ask if there
16 was any discussion. Member Mackedon?

17 VICE-CHAIR MACKEDON: Well, I would just say
18 respectfully, I completely agree with what you're saying,
19 like you haven't been party to that information, but it
20 is available. You can go online and watch. I think you
21 can actually watch a video recording of the whole thing.
22 And so I would suggest that rather than open it back up
23 to hear it all again that the Board members who, of
24 course, should know everything, the historical context,
25 take the opportunity to go get it in the -- we've heard

1 this data like multiple, multiple times, so there's a lot
2 of places that they could go. You could go get it and
3 hear it, see it and digest it. Because I agree, you
4 know, I understand your perspective of you don't have
5 that information and it's putting you in a difficult
6 spot, but I would just suggest that maybe you get that
7 data.

8 CHAIR JOHNSON: And I'd like to add too, I
9 think you bring up a valid point, Member Snow, and I'll
10 let you speak in just a second. I want to affirm Counsel
11 Sanchez's comments earlier in saying that the school is
12 making great progress. They want to work with us. And I
13 don't think that they've been disingenuous in their
14 desire to work with us.

15 But in agreement with Member Guinasso, there
16 is a balance between understanding yes, we do want to see
17 the progress and we do want to see schools achieve, but
18 there is also accountability attached with, A, not having
19 to meet a minimum threshold, you know, and they've set
20 these benchmarks that they think can be reached over the
21 next three years, but those are below the minimum
22 threshold of what our State deemed as acceptable and I
23 think what any of us as parents would believe to be
24 acceptable of a school who says they're going to be
25 graduating students.

1 Now again, I know they are trying very hard,
2 and I don't think Principal Tondryk will tell you
3 anything different or any of our staff will tell you
4 anything different, that they are trying incredibly hard
5 to get to a place where they are graduating 85 and 95
6 percent of their students. However, right there, there
7 has to be some direct accountability to not having done
8 that for the previous five years and not being able to
9 hold themselves accountable to doing that in the next
10 three years. And so I just think it's very, very
11 important for us to make sure we're upholding both the
12 accountability of the schools and ensuring that our kids
13 are getting what they need and yes, ensuring that our
14 schools have a voice and that they are providing all
15 members with information. And I want to make sure that
16 you have the information that you need to make a solid
17 decision. I don't want you to feel like you can't make a
18 good decision, but at the present, here we are. We're
19 asking for a school to again agree to put themselves in a
20 place where they're going to say, "We're going to
21 graduate less than 60 percent of students for three more
22 years." We are accepting that they're going to graduate
23 fewer than 60 percent of the students for three more
24 years, and we've said we will not take any action if you
25 don't meet that benchmark except if you don't meet the

1 benchmark or graduating what you've said is acceptable,
2 we're going to reconstitute the Board because we think
3 that that will be the positive change necessary in order
4 to ensure that you can meet the next year's benchmark.

5 So I don't want to take any school's voice
6 away. I don't want to have the schools not have an
7 opportunity to tell us what they think, but I think
8 that's been afforded to them. And I think we are at a
9 place now where we don't want to negotiate the terms of a
10 contract in public. We do want to have the contract
11 negotiated by the time we set it and there are
12 consequences to not being able to say we will be held
13 accountable to the things that we put out as benchmarks.

14 So, Member Snow, I know I've gone on for a
15 while, so I apologize. Go ahead.

16 MEMBER SNOW: Member Snow, for the record.
17 And well said to you, Mr. Chairman, and you, Madame
18 Vice-Chair. And I will certainly avail myself of what is
19 out there online. I do find it -- my primary opposition
20 though is that I'm not used to sitting in a public
21 meeting and trying to have a dialogue and make a decision
22 that impacts a particular party and not being able to ask
23 questions of the party and not being able to hear from
24 them. That's my position.

25 CHAIR JOHNSON: And I wanted to make sure

1 this is on the record. If you have questions of the
2 party and they are here, I would welcome you to ask those
3 questions that we couldn't answer, right? Vice-Chair
4 Mackedon and myself, Member Luna can't answer that,
5 Director Gavin can't answer. So if that is your
6 prerogative, I welcome you to ask the questions that are
7 on your mind about -- of the school that only the school
8 can answer. And that -- I would have no objection to
9 that being your next course of action, if necessary.

10 MEMBER SNOW: And may I do that now, then,
11 Mr. Chairman?

12 CHAIR JOHNSON: Yes, you may. And then I'm
13 going to get to Member Guinasso.

14 MEMBER GUINASSO: Yes. Thank you,
15 Mr. Chairman. With respect to the motion that's before
16 you now to table this matter, there are a couple of
17 important points I think that members should understand.
18 First, when this Board votes unanimously to set a
19 deadline for a contract to be negotiated and that
20 deadline is not met, there has to be a consequence to
21 that. There has to be something that follows through
22 because otherwise, we have an open-ended process that
23 never comes to conclusion.

24 And ultimately, I think what was communicated
25 last meeting is that the negotiations, relative to this

1 contract, had drug on for several months preceding my
2 joining this board, I know, but that there was no
3 resolution to ultimately getting to an agreement where
4 these benchmarks could be codified and where we could
5 give Beacon continued opportunity to meet those standards
6 and to do the good work that they're attempting to do.

7 And so I think that by approving this motion,
8 we undermine our own authority relative to deadlines we
9 set because in the minds of the folks that hear us take
10 action, they'll say, "Well, maybe they didn't really mean
11 September 19th was the deadline. Maybe we can appeal to
12 the Board and say that there's more information somehow
13 that they didn't get and that staff has somehow treated
14 them unfair," and that leads me to my second point.

15 When we give direction to staff to negotiate
16 a contract and all of its terms, I think it's our
17 obligation as members to support staff in that regard
18 fully and completely. They've been hired to do a job.
19 We expect them to do that job well. And I haven't heard,
20 you know, any accusations that somehow they've done
21 something unethical or inappropriate. And those
22 accusations, if they were to surface, wouldn't be
23 appropriate until after the 388A process had completed.

24 And so my third and final point in this
25 regard is that the action that we would take to put them

1 -- put the school on notice of termination or revocation
2 would be simply that a notice that there are deficiencies
3 that could lead to termination, but it's not a final
4 decision. That is, they have the period of time to cure
5 it, a period of time to continue to negotiate with our
6 staff. And I'm certainly willing to participate or be an
7 ear in that process, as I mentioned before. And so I
8 think it's important that the decision we make today
9 ultimately leads to some conclusion. If we delay this,
10 then there's just this open door without any end in
11 sight.

12 And so by taking the action that staff is
13 recommending, as I understand it, we would ultimately be
14 sunsetting the period of time for which Beacon and their
15 board can consider the terms that we're asking them to
16 agree to and ultimately either decide yes, these are
17 acceptable terms, or no, these aren't, and we want to
18 exercise our due process rights to a hearing, you know,
19 sometime in the coming months. Thank you.

20 CHAIR JOHNSON: Member Snow?

21 MEMBER SNOW: I would hope that we could have
22 some brief replies from Beacon Academy, if they have a
23 representative that would like to come to the table. I
24 just have a few questions. Would that be all right?

25 MEMBER GUINASSO: Mr. Chairman, I think we

1 have to vote on this motion before.

2 CHAIR JOHNSON: Is that correct, Mr. Whitney?

3 DEPUTY AG WHITNEY: Either that or, Mr. Snow,
4 maybe it is a little bit procedurally awkward to do
5 what's being proposed at this point. Maybe if Mr. Snow
6 could ask at this time to maybe withdraw his motion and
7 if Ms. Luna is okay with withdrawing her second because
8 we are really at the point where the motion should be
9 either that or the motion as, Mr. Guinasso said, Member
10 Guinasso said the motion should be voted on. Or if there
11 is a feeling on the Board to hear from -- to answer
12 Mr. Snow's questions, then I think procedurally, it would
13 be best if you were to ask to -- if you could ask for
14 consent to withdraw his motion, and Ms. Luna would also
15 have to withdraw her second and then we could hear the
16 questions, and hopefully they would answer Mr. Snow's
17 questions. And then he could -- if he doesn't feel
18 they're answered, he could bring his motion again and it
19 could be seconded again or it would need a second.

20 CHAIR JOHNSON: Perfect. Thank you,
21 Mr. Whitney. So, Mr. Snow, Member Luna?

22 MEMBER SNOW: For the record, Member Snow.
23 I'm willing to withdraw my motion for the time being so I
24 can ask a few questions if it's -- if that meets with the
25 will of the Board and Member Luna.

1 CHAIR JOHNSON: Member Luna?

2 MEMBER LUNA: Yes, I also withdraw my second.

3 CHAIR JOHNSON: All right. Okay. Member
4 Snow, we can proceed.

5 MEMBER SNOW: Thank you, Mr. Chairman. For
6 the representatives of Beacon Academy, it's been stated
7 by Director Gavin that you've stated on the record
8 previously that getting to 60 percent is never going to
9 happen. Is that correct from your standpoint?

10 CHAIR JOHNSON: Would you mind stating your
11 name, please? Spell it. Thank you.

12 MS. TONDRYK: This is Tambre: T-A-M-B-R-E.
13 Last name: T-O-N-D-R-Y-K. Beacon Academy serves -- 80
14 percent of our students enrolled junior and senior year.
15 A large percentage of our students are two years' credit
16 deficient, and so it does make it difficult when we don't
17 have a steady population from 9 through 12th grade to
18 have a clear picture, indication of where our students
19 will be because we enroll so many students in their
20 junior and senior year.

21 We are working. We've shown improvement.
22 We've built a program for credit deficient students in
23 that they're earning credits at a faster rate due to some
24 unique programming that we do. We offer -- I'll stick to
25 the question. We used to offer eight credits or ten

1 credits a year. Our students go to school year round.
2 We never stop, and we do afford those opportunities for
3 students.

4 This year, based on who is enrolled today,
5 yeah, we'd hit 60 percent this year. However, our
6 population is transient, so I can't predict who is going
7 to enroll between now and the end of the year. But if we
8 just looked at the students that returned from our junior
9 year, absolutely, you know. I'm going to graduate them
10 because they've already earned -- made up a year and a
11 half of school. So we'll get them through next year. So
12 it is a fluid school where we have students coming in and
13 out, graduating, graduating early. And that's what we're
14 here for.

15 And I understand. I understand what Director
16 Gavin has been saying. Beacon has been trying to
17 straddle a line between serving a population that can
18 graduate on time and serving a population that cannot
19 because of their credit deficiency, which we are -- now
20 that the alternative framework has been built, it's still
21 not approved, but it's being built, and at least there's
22 some guidelines for it. You know, that is something
23 we're entertaining so that we can continue to serve the
24 credit-deficient alternative students. It wasn't really
25 an option until this year to start looking at that. I

1 don't know if I answered.

2 MEMBER SNOW: Thank you, Principal Tondryk.
3 Based upon your previous answer and what I've heard
4 today, there are things under your control and there are
5 things that are not under your control. Is there some
6 magic silver bullet that would be achieved with
7 reconstitution of your board that would change that
8 formula to where -- or if it went into receivership where
9 -- or some change, say, in the administration that you're
10 missing or that we're missing to tell you, "Well, you
11 really need to be doing this: X, Y and Z." Or is this,
12 just the way it's set up, it's just not going to work, in
13 your opinion?

14 MS. TONDRYK: Organizationally, we do not
15 have any organizational or financial problems. Our
16 school is -- we have clean audits every year. The
17 receiver, it seems, has been focusing on the -- I'm not
18 involved in those, but it seems to be more involved with
19 the business side of the house, so I don't know that, you
20 know, that would be a benefit.

21 Reconstitution, we have a very strong board
22 right now, and they ask difficult questions, and staff is
23 expected to perform. So I don't think that that would
24 impact our performance. I do believe we push our
25 students and get as much as we can out of them.

1 CHAIR JOHNSON: I have a question really
2 quickly. And this can be for you, Principal Tondryk, or
3 you, Director Gavin. Number one, a receiver's sole job
4 doesn't have to be operational. They could be a receiver
5 that is more academically focused, right? So if a
6 receiver replaced -- so Mr. Kern, for example, went to
7 take care of other schools that were -- that had
8 operational and governance issues, and that was his
9 focus. And I don't know if that is his specialty, but
10 that is his focus in those particular cases.
11 Alternatively, we could find a receiver that has a strong
12 academic focus; is that correct? Yes or no?

13 EXECUTIVE DIRECTOR GAVIN: That is absolutely
14 correct. May I make one or two other points or do you
15 want --

16 CHAIR JOHNSON: Yeah. And then the second
17 point is -- or question is, nationally, do we have
18 examples of schools with transient populations that are
19 serving students very well?

20 EXECUTIVE DIRECTOR GAVIN: There are examples
21 of that for schools that are explicit -- that meet the
22 criteria for inclusion into their state's alternative
23 framework, as I noted before. At this point, the school
24 does not do that. I can get more background on that if
25 you'd like.

1 CHAIR JOHNSON: Are there schools that have
2 students who are not in an alternative framework who
3 serve transient populations of students well? Are there
4 examples of that nationally?

5 EXECUTIVE DIRECTOR GAVIN: Yes. Absolutely.
6 There absolutely are.

7 CHAIR JOHNSON: And so theoretically then, we
8 could use models from elsewhere, either A, if we had a
9 combination of the same administration, different
10 governance or different administration, same governance,
11 any of those combinations, we have a blueprint somewhere
12 where we could figure out a way to ensure that we move
13 from where we are today to our desired state?

14 EXECUTIVE DIRECTOR GAVIN: Yes. There is
15 ample precedent from other states for either a governance
16 change or a leadership change resulting in the desired
17 improvement.

18 CHAIR JOHNSON: Okay. And I know that you
19 have other points you wanted to make or, Principal
20 Tondryk, did you have something you wanted to add to
21 that?

22 MS. TONDRYK: Yeah. We have worked with
23 other schools. We call other schools in other states to
24 find out. That's how we developed our enrollment process
25 to identify the students' social/emotional needs so that

1 we can incorporate the social services need upon entry to
2 the school. We've also looked at how other schools help
3 students earn credits at a faster rate, which led us to
4 changing our programs so that we are offering three,
5 four, sometimes five, depending on the student. Classes
6 are two and a half credits every nine weeks.

7 So to put in perspective, you know, we don't
8 -- every student that comes in, we get them to do as much
9 as we can. Our students do earn -- 91 percent of my
10 seniors earned the credits they should have earned or
11 more to graduate. So only 8 percent of -- it's a little
12 over 8 percent of our students did not earn the desired
13 number of credits, which is six, at the senior level.
14 So, I mean, our students are working, and they're earning
15 credits. It's just it's not fast. What you're talking
16 about by bringing in a receiver, you're asking students
17 to turn out more than 10 credits a year. That's 20
18 classes. How much faster -- these are 60-hour classes.
19 It's really not feasible.

20 CHAIR JOHNSON: Director Gavin?

21 EXECUTIVE DIRECTOR GAVIN: So let me be 100
22 percent crystal clear. We are not, at this point,
23 discussing placing the school into receivership. We are
24 not discussing the decision to place this -- to
25 reconstitute this school's governing body. Those are

1 merely options that are available to this body should the
2 school not make the desired improvement based on what has
3 been proposed at this point.

4 But I want to provide a couple of contextual
5 pieces of information. The discussion of this school
6 moving into the alternative framework and the charter
7 amendments that would need to happen for that to happen,
8 which are specifically the school would need to change --
9 would need to tweak its mission statement, although I
10 think it's pretty closely aligned already. But more
11 materially, the school would need to change its admission
12 policy because right now, the school is an
13 open-enrollment school, so a kiddo can show up that is
14 two credits behind and does not qualify for alternative
15 framework even if they do need help and support, even if
16 they have all of the other external issues, you know,
17 pregnant/parenting teen, what have you, that can generate
18 those kinds of symptomatic performance issues with
19 underperforming or over age/under credit. They don't
20 need that designation.

21 If the school modifies its enrollment policy,
22 then that would help it to get on the way to being in the
23 alt framework because it would mean over a period of one
24 to two years, the school's population would change to
25 mimic the criteria set forth in the statute. It isn't

1 there yet. And I really have to note this. And I think
2 Principal Tondryk will agree with this. This staff,
3 since we started these conversations in February and
4 March and even before that, was saying, "You need to
5 change your admissions policy so that you can get
6 yourself geared up to be eligible to go into the alt
7 framework at some point." And there was uncertainty. I
8 think the school has been -- the school and this board
9 have said, "Well, we don't know if we want to do that or
10 not." There has been indecision. This school -- so that
11 is something we've been talking about since March or
12 February.

13 Following the Board's meeting at the end of
14 July, Mr. Ott went on a well-deserved vacation with his
15 wife, so he did not get the draft contracts with these
16 terms out to the schools until shortly -- until right
17 after he returned. The last e-mail I have from him, and
18 this is August 9th of 2016 where he sent me and said,
19 "Hey. Is this consistent with what you want?" And I
20 said, "Yeah, looks good to me." "Okay. Thanks. I will
21 send it off to Africa so she can start reviewing and
22 start a draft for the school." This was again on August
23 9th, 2016, 3:06 p.m. I don't know if it went out that
24 day or if it went out some minor time thereafter, but
25 this school had had this contract in hand since sometime

1 that week.

2 Two weeks later, we came before you and said,
3 "Here's what we need," and you guys said you wanted to
4 set a deadline. You set that. The first actual
5 opportunity we had where this school came to the table
6 with us to discuss this contract versus just saying "We
7 don't agree to this" was on the 16th of this month, that
8 is to say, the Friday before the deadline. That was the
9 first conference call we had with Principal Tondryk and
10 Ms. Sanchez. It is entirely possible -- and,
11 Ms. Sanchez, you of course have the opportunity -- I just
12 want to be very clear about my understanding of the
13 timeline. At that point --

14 MEMBER GUINASSO: Mr. Chairman?

15 CHAIR JOHNSON: Member Guinasso?

16 MEMBER GUINASSO: I apologize. I just need
17 to interrupt because I want to understand -- because
18 Member Snow asked a specific question, and if I
19 understood it right, it was basically, you know, in this
20 contract, one of the remedies we would have if benchmarks
21 weren't met were to push to appoint a receiver or to
22 reconstitute the board. And I think Member Snow's
23 question was: Would that even help?

24 I mean, because the answer to his first
25 question, whether 60 percent is obtainable, I don't even

1 know. I heard the right answer, but I think I heard no,
2 60 percent really isn't attainable. And so if that's the
3 case and we're going through this process of entering
4 into a contract where our remedy is a receivership or
5 Board retention or Board reconstitution, then I guess if
6 I understood Member Snow's question, I haven't really
7 heard an answer to that, would these mechanisms be
8 effective at getting them to the 60 percent benchmark?

9 EXECUTIVE DIRECTOR GAVIN: And I apologize
10 for my longwinded response. I was just about to get to
11 that.

12 CHAIR JOHNSON: It sounds like the remedy
13 then, which we -- I heard from Principal Tondryk and
14 Director Gavin a little bit -- maybe I'm piecing these
15 two things together -- is the school would need to be in
16 the alternative framework in order for them to get to the
17 60 percent. The school would have to make a decision on
18 that. But since March or February, the administration
19 and the Board have wavered on whether they'd like to do
20 that.

21 So to answer Member Snow's question, would a
22 receiver or an additional Board help? Then yes. We know
23 the solution, and if there's been indecision on the
24 current board and a receiver is put in place -- again,
25 this is all hypothetical, right -- but then we know how

1 we could actually get to our end destination. New board,
2 alternative framework, we then start down the track to 60
3 percent.

4 EXECUTIVE DIRECTOR GAVIN: And that is what I
5 was getting at, is there is a history of indecision here,
6 both in terms of you got a contract on the 9th and the
7 conversation I have one business day before the Board
8 meeting is, "We really want to go into the alt framework.
9 We want to bring that back on the table, and we don't
10 agree to this stuff."

11 CHAIR JOHNSON: Member Snow?

12 EXECUTIVE DIRECTOR GAVIN: That's indecision,
13 and I feel like it's kicking the can down the road.

14 MEMBER SNOW: I appreciate -- for the record,
15 this is Member Snow. Thank you for all of your comments
16 and your patience for dealing with this. I guess I'm
17 going to ask you the question. If the Board goes ahead
18 and approves a staff recommendation today, will that
19 place you in a situation where your board will have to
20 decide one way or the other what they're going to do with
21 regard to changing your enrollment policy or etcetera?

22 CHAIR JOHNSON: Member Snow, who is that
23 directed towards?

24 MEMBER SNOW: That's directed to whoever from
25 Beacon Academy wants to answer the question.

1 MS. SANCHEZ: The Board has already started
2 those discussions, but I do think it's important -- two
3 things. One is to clarify that we received the language
4 on August 9th and that we were prepared to speak on that
5 on August 26th because we were prepared to say we were
6 not in agreement with that language. And I had
7 discussions with Mr. Ott regarding that prior to
8 September to our Friday counsel's meeting. So I don't
9 think -- I don't believe that that is representative of
10 what had actually occurred. I had had communication via
11 e-mail and telephonically with Mr. Ott, and he knew
12 specifically where the school stood, even on August 26th.
13 And we knew that we were going to disagree, and that was
14 my stance. That's why I wanted to be able to speak to
15 the Board on August 26, which we were denied the ability
16 to do so.

17 So nothing has changed from August 26th, what
18 we had been prepared to speak, to today. And it's
19 important to note that, you know, the alternative
20 framework, everything is new so there's nothing -- it was
21 really difficult for the school to commit to a framework
22 that didn't exist. And so the Board has -- they've been
23 addressing that. And you heard from the board member,
24 this was addressed at the last board meeting, and they're
25 ready to move towards that direction.

1 But one of the things that we have been
2 discussing with Director Gavin is while our students, as
3 we -- right now, I believe Director Gavin would agree
4 that we're at 48 percent, 48 percent of students that
5 would fit into that alternative framework. And the way
6 that Tambre, Principal Tondryk explained it to me is
7 already, 48 percent of our students will not graduate
8 because they're two years behind. They already found
9 that they're not going to be -- you know, they're so
10 credit deficient that they're not going to be able to do
11 that last year, based on last year. So already, you
12 know, 52 percent -- if we get over 52 percent, we've
13 already made gains.

14 But my point is, the point is that in order
15 to get -- as we take more of those students and now we're
16 at 60 percent, now you are going to see our graduation
17 rate actually decrease. So as we transition, now we're
18 saying, too, we're going to be held to these benchmarks,
19 but we're still not allowed in the alternative framework
20 because we're not at 75 percent, so we're actually going
21 to be getting away from that. So we brought that to
22 Director Gavin's attention. He's just like, "We can't
23 accept that right now. You're going to have to commit to
24 some benchmarks."

25 So it's really difficult. We're in a pickle

1 because we are ready to say -- I believe the Board is
2 ready to say we're ready to transition into an
3 alternative framework, but it's going to take us -- as we
4 go towards that, our graduation rate is actually going to
5 decrease not increase for the reasons that you stated
6 earlier, that it's really hard for a two-year -- a senior
7 that's already two years behind --

8 CHAIR JOHNSON: Excuse me, Counsel Sanchez.
9 I just want to add. So then if that was the case and you
10 knew that the benchmarks weren't going to be accurate,
11 why not go back to discussing actually, okay, we need to
12 actually revisit the benchmarks with this new -- and
13 again, I'm not -- we're not here to discuss the
14 negotiation of the contract here, but I think that would
15 have been a reasonable solution as opposed to bringing it
16 here.

17 And so I just again, I think our place is to
18 evaluate contracts that have been executed upon not to
19 determine the terms of said contract in public. And so
20 that's what I would like for us to -- which is why I
21 wanted the contract to be administered by the 19th, which
22 would have allowed for us as a Board to review it in
23 time, or if it got uploaded, theoretically, review it in
24 time for us to then have this open discussion as opposed
25 to trying to discuss these terms in the present.

1 So, Member Snow, do you have questions?

2 MEMBER SNOW: No, I have no further
3 questions, Mr. Chairman.

4 MEMBER GUINASSO: Mr. Chair?

5 CHAIR JOHNSON: Member Guinasso?

6 MEMBER GUINASSO: I think the thing that
7 disturbs me is not the efforts or the considerations, but
8 we've given direction to our staff to negotiate a
9 contract because we want accountability and we want
10 consequences. We don't doubt the sincerity of Beacon,
11 but what we want to be able to do is put Beacon on a road
12 to where there's accountability for the things that they
13 say that they're going to be able to do. And negotiating
14 with our staff is -- was an essential component of that,
15 that is, coming to terms that will get you to that end.
16 And we put a deadline with that, and that deadline wasn't
17 met.

18 The considerations that you're bringing up
19 are really considerations that we need to hash out with
20 our counsel and our director so that something, as
21 Chairman Johnson pointed out, so something would be
22 before us that we could look at, evaluate and determine
23 whether we're comfortable with those terms or whether
24 we're not comfortable with those terms. But you really
25 tie our hands by coming and talking about a theoretical

1 contract that we have no terms to really look at and
2 where you haven't fully negotiated those things with our
3 staff. You tie our hands relative to those issues, and
4 it just sends the message, especially for a new person,
5 it sends the message that you're really not interested in
6 accountability and you're really not interesting in
7 consequences. And to me, that's troubling because one of
8 our primary roles is to make sure that there is
9 accountability and consequences if standards,
10 expectations and benchmarks aren't met.

11 MS. SANCHEZ: Exhibit 5 in the paperwork that
12 you were submitted, that is Beacon's response to the
13 redline. It's our redline to what Deputy Attorney
14 General Greg Ott provided. And so that is our proposal
15 as to what this Board, you know, what should proceed.
16 And that includes the alternative framework, and we do
17 want to be held accountable. That has never been
18 Beacon's position. And I know, Member Guinasso, that you
19 haven't been privy to these prior meetings, but Exhibit
20 No. 5 would be what Beacon would request and what we feel
21 is a reasonable resolution to what is before the Board,
22 and --

23 MEMBER GUINASSO: I would just --

24 CHAIR JOHNSON: Member Guinasso?

25 MEMBER GUINASSO: Thank you, Chair Johnson.

1 I would just suggest that we empower our staff and our
2 attorney to negotiate those terms and, you know, and I
3 think our attorney has expressed concerns about the terms
4 as they were presented and articulated the reasons for
5 that.

6 And so I don't know that we want to be in a
7 position, as Chair Johnson said, of negotiating a
8 contract with five members of a board in an open meeting
9 that could ostensibly take the entirety of the day where
10 there's a lot of back and forth. We leave those sorts of
11 negotiations to the professionals that have been hired to
12 do that particular job. And when the Board votes
13 unanimously and says this is the deadline, we want a
14 contract by that date that we can review and then there's
15 no contract, then I think the next step for us is what's
16 been articulated by staff with regard to where we go from
17 here.

18 It doesn't mean that discussions can't
19 continue during this cure period that would occur after a
20 notice, but it does give me assurance that there's going
21 to be a conclusion to this process, and that's what we've
22 been after since we voted last month for a deadline.
23 Thank you.

24 CHAIR JOHNSON: Thank you, Member Guinasso.
25 Member Snow, do you have any additional questions?

1 MEMBER SNOW: No, Mr. Chairman, I do not.

2 CHAIR JOHNSON: Director Gavin?

3 EXECUTIVE DIRECTOR GAVIN: I wish to make one
4 thing clear in terms of the spirit in which I'm thinking
5 about this admittedly very contentious issue. We have a
6 contract, a proposed contract, and language that reflects
7 the school as it is now. There are no guarantees that we
8 will come to an agreement with regard to these other
9 issues, which -- and I actually want to -- I would concur
10 with Ms. Sanchez's assessment. She clearly was very
11 clear in many points. Mr. Ott, we don't agree to any of
12 this stuff. That was very -- that was always very clear.

13 The first conversation we had about this that
14 I was privy to was on the 16th where the issue of "Hey,
15 let's do the alt framework" came back up. I have been, I
16 think, the most ardent proponent of this school changing
17 its policy and making a transition into the alt
18 framework. The benchmarks we got and the plans that we
19 got from this school assumed that it was staying as is.

20 And my concern is that -- and maybe it's not
21 the delaying tactic or just indecision. Maybe it's just
22 people wanting to be extraordinarily deliberative. But
23 from my perspective, we are sitting here with a scant
24 number of weeks until the next graduation rate is
25 released. I think we have -- I have a sense of urgency

1 to get something that reflects where this school is right
2 now on paper that says what the consequences are or are
3 not. I would submit if this school, following execution
4 of this contract, says, "We would like to now do this and
5 this and this. Hey, you know, this has some material
6 changes," we can then negotiate based on that new
7 structure for the school. I just think it is really
8 dangerous to negotiate based on a castle in the air that
9 does not exist yet.

10 CHAIR JOHNSON: Thank you, Director Gavin.
11 Member Snow?

12 MEMBER SNOW: Thank you. I appreciate that.
13 What I'm really looking for is a path, the path forward
14 for Beacon, because I sense they're close, and I think
15 I'm hearing that. And I don't know if -- I'm not going
16 to ask any further questions of Beacon, but I see there
17 is a possibility, and I am comfortable with withdrawing
18 my -- I've already withdrawn my previous motion, but I'm
19 comfortable at this point in time making a different
20 motion, and that is to support the staff recommendation
21 with the caveat that we continue to work with Beacon to
22 find a pathway forward for them to continue operation
23 regardless of that -- with the full universe of
24 opportunities out there within the spectrum of the code
25 and the Nevada Revised Statutes so that they can continue

1 to do the good work that they're doing. That's my
2 motion.

3 CHAIR JOHNSON: Is there a second? Would you
4 like to revise your motion so that you could possibly get
5 a second?

6 MEMBER SNOW: No, I won't.

7 MEMBER GUINASSO: Maybe I could take a crack
8 at this motion here. I would move that pursuant to NRS
9 388A.330 and NAC 386.330, that the Authority -- or that
10 we direct staff to issue a Notice of Intent to Terminate
11 the charter of Beacon Academy based on having a graduate
12 rate for the preceding year of less than 60 percent with
13 the proviso that, during the statutory cure period, that
14 our staff negotiate in good faith on alternatives to
15 reaching the benchmarks that have been established by
16 statute and expressed here in this meeting.

17 CHAIR JOHNSON: Is there a second to that
18 motion? Vice-Chair Mackedon?

19 VICE-CHAIR MACKEDON: I don't know -- the
20 only reason I'm not seconding that motion is because I
21 agree with what Director Gavin said a minute ago. And in
22 your motion, I understood it to be, you know, the
23 benchmarks that have been established, and I think it is
24 important that if they do decide that they want to go
25 into the alt framework that those negotiations are back

1 on.

2 The alt framework is a whole different beast,
3 and those will more than likely not be appropriate should
4 they choose to go into the alt framework, and so that
5 would be the only issue I see with that is it kind of
6 locks those benchmarks in, and we want to basically give
7 them a path where if they say we want to go on the alt
8 framework, we can applaud that effort to work with the
9 most challenging populations out there and, you know, I
10 want the wiggle room to change that and work with what
11 that means.

12 CHAIR JOHNSON: Member Guinasso, are you
13 willing to --

14 MEMBER GUINASSO: That's a very good point.
15 So I will withdraw that motion, and I'll restate it that
16 I move that pursuant to NRS 388A.330 and NAC 386.330 that
17 we direct staff to issue a Notice of Intent to Terminate
18 the Charter Contract of Beacon Academy based on having a
19 graduate rate for the preceding school year that is less
20 than 60 percent.

21 VICE-CHAIR MACKEDON: Member Mackedon,
22 second.

23 CHAIR JOHNSON: All in favor?

24 THE BOARD: Aye.

25 CHAIR JOHNSON: Member Snow?

1 MEMBER SNOW: I'm not in favor.

2 CHAIR JOHNSON: Okay. Member Luna? Member
3 Johnson is in favor. All opposed?

4 MEMBER SNOW: I'm opposed. For the record,
5 Member Snow is opposed.

6 MEMBER LUNA: Nora Luna. Opposed.

7 EXECUTIVE DIRECTOR GAVIN: May I suggest a
8 path that might permit us to move forward?

9 CHAIR JOHNSON: It's a three-two vote. All
10 right. Danny, I'll check back with you again.

11 MR. PELTIER: It's ready. It's up online.
12 You guys can access it via e-mail. It was e-mailed to
13 you -- or through the attachments page at our website
14 under Agenda Item 6, there is a PDF, two PDFs. One is
15 the memo, one is the contract, and one is amended.
16 That's the Word document.

17 CHAIR JOHNSON: Thank you, Danny. So none of
18 us have actually had time to review said contract, and
19 we're going to need a few minutes to be able to review
20 that. Can we take a recess so that independently, we can
21 review this? And then we can return to discuss this item
22 or --

23 EXECUTIVE DIRECTOR GAVIN: Forget what I
24 said. I was just double-checking something.

25 CHAIR JOHNSON: Is there anyone opposed to

1 taking a recess so that we can review this contract and
2 then come back and discuss this agenda item?

3 MEMBER GUINASSO: I have no opposition. I'd
4 really appreciate that opportunity.

5 CHAIR JOHNSON: All right. So is a 15-minute
6 break enough, or should we -- do you need longer than
7 that?

8 MEMBER GUINASSO: It looks to be 36-page
9 contract. Maybe 30 minutes.

10 CHAIR JOHNSON: All right. We'll take a
11 30-minute break. We'll resume at 11:40, and we will be
12 back.

13 MR. PELTIER: Chair Johnson, is this just the
14 recess, or is this lunch, just for clarification?

15 CHAIR JOHNSON: I guess it would be 11:40.
16 Yeah, we can do this before noon, I would imagine, after
17 we have 30 minutes to review, and then I don't imagine it
18 will take 20 minutes after that.

19 MR. PELTIER: Thank you.

20 (Recess was taken.)

21 CHAIR JOHNSON: It is 11:40. I think our
22 team had a chance to independently review the contract,
23 so we will move on to Agenda Item No. 6. Sorry about
24 that. Update, discussion and possible action regarding
25 Nevada Virtual Academy improvement contract negotiations.

1 Director Gavin?

2 EXECUTIVE DIRECTOR GAVIN: Mr. Chairman,
3 would you like me to repeat the full report, or is it
4 sufficient to just say we found mutually agreeable terms
5 with relation to this particular contract and amendment?
6 There are clearly other things we need to work through on
7 other fronts, and I think the school has, as you've seen,
8 and those of you who have been with the Board for a
9 while, you have seen, there has also been movement on
10 those fronts. But we really just need to get this piece
11 done because there's a building with kiddos that need to
12 have the special magical approval.

13 CHAIR JOHNSON: Thank you. Discussion from
14 the Board? I know some of you had some highlighted
15 areas. Member Guinasso?

16 MEMBER GUINASSO: Yes. Thank you, Chair
17 Johnson. Member Guinasso, for the record. I asked this
18 question offline, but I feel obligated. I should
19 probably ask it in the public forum, and that is with
20 regard to location, it just lists one location. I know
21 you're a virtual school, and this is more of a question
22 for counsel. Is there any requirement that we
23 acknowledge that, or do we just need to acknowledge the
24 address where their principal place of business is?

25 DEPUTY AG OTT: Deputy Attorney General Greg

1 Ott. I don't think there's any obligation to treat the
2 virtual school differently. To the extent that they
3 would make a request, I mean, we could talk about that in
4 a future revision to more accurately reflect the way that
5 services are delivered in this school, but I don't think
6 it's an obligation.

7 MEMBER GUINASSO: Okay. And then with regard
8 to 2.3.2, it says: "The charter school may make
9 modifications as to the number of students in any
10 particular grade and number of students within a class to
11 accommodate staffing contingencies, attrition patterns,
12 provided such modifications are consistent with this
13 charter contract."

14 Is that provision getting to a point that was
15 made in another context earlier about controlling
16 enrollment so that you can meet benchmarks? Is that
17 right?

18 MS. HENDRICKS: For the record, Karen
19 Hendricks on behalf of Nevada Virtual Academy. That
20 provision is from the prior contract that has not been
21 amended or changed in any way. That was the original
22 language from 2013 relating to the grade change. The
23 changes that were made in this section were requested by
24 Nevada Virtual Academy in July of 2015 just to update
25 their numbers so that the Authority had an accurate

1 record of how many students are enrolled in the schools.

2 EXECUTIVE DIRECTOR GAVIN: Okay. One
3 additional piece of information, Member Guinasso. This
4 is Patrick Gavin for the Authority, for the record.
5 There is pending NAC language to clarify the process --
6 how backfilling should work in grades so that if you have
7 an upper grade where there is attrition, what the
8 expectations are there that attempt to balance these
9 things out and clarify what is and isn't permissible
10 under the NAC, which would ultimately be something that
11 applies to all schools and would override any particular
12 peculiar interpretation to say we don't have to serve
13 kids in X grade anymore, just to be clear.

14 MEMBER GUINASSO: Okay. Did you want me to
15 pause? I have several other questions.

16 CHAIR JOHNSON: I actually had a question on
17 Section 2.3.3. Just to make sure I understand properly,
18 the last sentence reads, "Authorization to expand or
19 require the charter school to demonstrate satisfactory
20 academic and financial performance and organizational
21 compliance."

22 That would be on the frameworks that we
23 already have established; is that correct?

24 EXECUTIVE DIRECTOR GAVIN: It would be on the
25 -- the framework we already have established and any

1 other benchmark which may be agreed to at a later date.
2 Yes.

3 CHAIR JOHNSON: Okay. Thank you.

4 MEMBER GUINASSO: Chairman Johnson?

5 CHAIR JOHNSON: Yes, Member Guinasso.

6 MEMBER GUINASSO: Can I continue?

7 CHAIR JOHNSON: Yes, please.

8 MEMBER GUINASSO: Member Guinasso, for the
9 record. The 2.4.1 is your nondiscrimination policy, and
10 I noticed, as I was just looking at the 613 NRS, 613.330,
11 that there are two categories of protection under Nevada
12 law that aren't in there: gender identity and expression
13 as well as sexual orientation. Is this because it's an
14 older version of the contract before the amendments? I
15 know this is relatively new amendment to the statute.

16 MS. HENDRICKS: Yes. For the record, Karen
17 Hendricks. That is again a section that did not change
18 with the amendments. The amendments that were requested
19 but were specific to enrollment and a blended learning
20 program in 2015, and then the school also requested to
21 update its address just last month.

22 With those requests, there were several
23 requests from staff to make changes to the contract to
24 reflect revisions, and that was specifically to NRS
25 Chapter 388. But there are a number of issues in this

1 contract that may be outdated or not specifically
2 accurate based on the new statutory provisions. This was
3 not a wholesale revision of those, and that specific
4 provision you've pointed to is an old provision.

5 EXECUTIVE DIRECTOR GAVIN: Member Guinasso, I
6 really want to say thank you for identifying that
7 discrepancy, and I do think it's something we should
8 probably ask schools to request an amendment to address.
9 My understanding, though, would be that the law governs,
10 regardless of whether it's in the contract on those
11 particular issues anyway, so it's really just a cleanup
12 issue in contracts. So I think that's something to
13 discuss at a later date how we do that operationally, and
14 on your level, but brilliant point, and I'm really glad
15 you brought it up.

16 MEMBER GUINASSO: Yeah, if you present a
17 contract to me, I'm going to assume that it complies with
18 Nevada law. But if it doesn't, I'm going to point it out
19 so that we can get that fixed.

20 Oh, this is more an academic question. I
21 apologize because I'm still trying to learn some of the
22 things that we decide upon, but last two meetings, we've
23 had a lot of discussion about EMOs, and I was wondering
24 if Section 2.9.1 and Section 10 in any way contradicted
25 each other with regard to what we discussed about what an

1 EMO is in the last two meetings.

2 EXECUTIVE DIRECTOR GAVIN: Member Guinasso,
3 on 2.10.2 -- and admittedly, this aligns to the older
4 codification, but there's still a crosswalk again in
5 what's online. 36.562 is the section of statute which
6 has the definition we've discussed previously.

7 MEMBER GUINASSO: So nothing in approving
8 this contract would contradict our previous determination
9 from our last meeting with regard to what is an EMO?

10 EXECUTIVE DIRECTOR GAVIN: K12 is clearly an
11 EMO, and I believe Mr. Dos Santos is actually an employee
12 of K12, and so if he wishes to clarify they are one, I
13 invite him to do so.

14 MS. HENDRICKS: For the record, that again
15 was not an issue that was addressed in these amendments,
16 and I think the school intends in 2017, when we get a new
17 charter, that we can go through and work through these
18 issues. Nevada Virtual Academy does have an EMO, and
19 that's never been disputed, but I'm hesitant to comment
20 more on that when that wasn't something that was before
21 us or negotiated at this time.

22 MEMBER GUINASSO: I appreciate that. Again,
23 you're asking us to review a contract when these things
24 come up, and I just want to make sure nothing that I'm
25 deciding today undermines what we decided last month.

1 MS. HENDRICKS: And for the record, we were
2 not -- Nevada Virtual Academy wasn't a part of those
3 other discussions, so I don't want to jump in and make an
4 assumption since I don't know the context of what was
5 there previously.

6 MEMBER GUINASSO: Sure. Thank you. 3.2.1,
7 it says, "The charter school's education program shall
8 meet or exceed Nevada's content standards."

9 Counsel, I was just wondering, what content
10 standards are we referring to there? Should we just know
11 that intuitively, or is there a specific section that I
12 would know where to find those content standards?

13 DEPUTY AG OTT: Content standards are not in
14 statute. They're approved by the Council for Academic
15 Standards, which I think their next meeting is Thursday
16 of next week. But they periodically approve academic
17 content standards throughout the state.

18 MEMBER GUINASSO: And so we understand what
19 that means, and I just want to make sure the other
20 signing party understands because I didn't know what
21 Nevada content standards are or where to find them.

22 MS. HENDRICKS: And again, Karen Hendricks,
23 for the record. This was not a provision that we looked
24 at this particular month and these particular revisions,
25 but Nevada Virtual Academy does work with the State and

1 the Authority to make sure its curriculum is in line with
2 those standards.

3 MEMBER GUINASSO: On Section 8.1.1.1,
4 Counsel, this provision says that a termination can occur
5 if there's been a breach of terms and conditions.

6 Is that term "material breach" as we would
7 normally understand it at law under current case law, or
8 is there -- how -- I guess my question is how do we
9 determine what material breach is under this contract?

10 DEPUTY AG OTT: So there's a -- material
11 breach is in a separate section. 12.13 is the definition
12 of "material breach" under the contract.

13 CHAIR JOHNSON: And just for clarification, I
14 had a question. Would that be the same definition for a
15 material misrepresentation or omission? That definition
16 of material breach, would it be -- would it also cover a
17 material misrepresentation or omission? That is in
18 8.1.4.

19 DEPUTY AG OTT: Well, a misrepresentation or
20 an omission, I think, is different than a breach, but I
21 think that the materiality definition is certainly
22 something that would be deemed similar.

23 CHAIR JOHNSON: That's what I was asking, not
24 those words, but the materiality of it.

25 DEPUTY AG OTT: Yes.

1 MEMBER GUINASSO: Which section did you say
2 material breach is defined in?

3 EXECUTIVE DIRECTOR GAVIN: 12.13, not 1.3.

4 CHAIR JOHNSON: Thank you, Director Gavin.

5 MEMBER GUINASSO: So material breach would be
6 what is substantial and significant as determined by the
7 Authority. Okay. That makes sense.

8 MS. HENDRICKS: And if I may add, Karen
9 Hendricks for the record, as far as Chairman Johnson's
10 comment regarding Section 8.1.4, that is the language
11 that is directly from NRS 338A.330, so it would be our
12 position that the terms would be defined by the statute.

13 MEMBER GUINASSO: Okay. And then in 8.2.1,
14 it says, "The Authority shall terminate the charter
15 contract if..." I just want my fellow members to
16 understand that in this particular provision, this would
17 be giving away our discretion. That is, if these things
18 occurred, I think it says in the charter contract that if
19 the school receives three consecutive annual ratings
20 establishing the lowest rating possible indicating
21 underperformance of a public school.

22 Well, if those things occur, then this
23 language is imperative. That means we shall terminate,
24 that we don't have discretion not to. So I just want to
25 make sure everybody understood that as a part of this

1 contract. Is that right, Counsel?

2 DEPUTY AG OTT: It is. Deputy Attorney
3 General Greg Ott. And there's a provision in state law
4 that is parallel to it. I'm just trying to find the
5 citation for you.

6 MEMBER GUINASSO: Chair Johnson, those are
7 all of the questions and comments I have. Thank you.

8 CHAIR JOHNSON: The other question I have --
9 it's more just a clarification for me -- 8.1.7, the final
10 part, the sentence reads, I guess, "Termination can
11 happen" or rather the Authority -- "If the pupil
12 achievement and school performance at the charter school
13 is unsatisfactory as determined by the Department
14 pursuant to criteria described by regulation by the
15 Department to measure the performance of any public
16 school"? Just help me unpack that it a little bit,
17 please.

18 EXECUTIVE DIRECTOR GAVIN: It is again taken
19 directly from SB 509 and also, it originally mirrored
20 language that was in the turnaround statutes that was
21 proposed during the last session as well. Essentially,
22 the Department has the authority to determine what is and
23 is not unsatisfactory performance. So among other
24 things, there is already a provision that says an
25 unsatisfactory performance for a charter school is three

1 consecutive years at two stars or below.

2 MS. HENDRICKS: For the record, again, Karen
3 Hendricks. I just want to make sure that with the items
4 that have just been discussed that we state for the
5 record we do have some concerns regarding the use of old
6 data, especially with the freeze that has been input by
7 the State for the last couple of years, and so we reserve
8 our right to argue that at a different time. I don't
9 think it's appropriate to do so here, but I think it's
10 important for us to make a record that there has not been
11 data available. So I think there are some limitations
12 within this language within the statute itself.

13 CHAIR JOHNSON: Thank you. Any other
14 questions or discussion points?

15 MEMBER GUINASSO: Counsel, do we have any
16 ability to modify the contract just here with regard to
17 the antidiscrimination piece of it? Because it's clearly
18 something that's not supported by Nevada law? I would
19 feel uncomfortable saying I approve this contract when I
20 know it doesn't comply with the law.

21 DEPUTY AG OTT: Given that that contract in
22 its form has been approved by the school, if the
23 Authority were to want different language or want an
24 inclusion like the one you just spoke of, the school
25 would have to reapprove the contract. So I think that if

1 that is the will of the Board, you could deny the
2 contract with specific direction to update it in
3 conformance with law. I could work with counsel, and we
4 could do that. I don't know if there would be any issues
5 depending on the scope, but I think that's the way it
6 would go because it would have to be approved by their
7 board again, and their board is not present now.

8 MS. HENDRICKS: Karen Hendricks, for the
9 record. I think that is something we could certainly
10 take back to the board at a later date. But I did want
11 to make just a couple of comments that the Nevada Virtual
12 Academy Board had a special meeting this morning at 8:30
13 to approve this particular contract, and they did do so.

14 The vice-president of the board, Mr. Richard
15 Gordon, was here earlier today, but unfortunately due to
16 scheduling issues could not stay, but the Board has
17 approved the contract that's before you. I think
18 certainly they are willing to and intend to comply with
19 Nevada law, and if at a later date we wanted to update
20 that, that is certainly something we'd be willing to look
21 at.

22 EXECUTIVE DIRECTOR GAVIN: May I ask a
23 question?

24 CHAIR JOHNSON: Yes, Director Gavin.

25 EXECUTIVE DIRECTOR GAVIN: Ms. Hendricks or

1 Mr. Dos Santos, can you clarify? Does the NVEA board
2 currently have a policy which prohibits discrimination
3 either on gender identity or sexual orientation?

4 MS. HENDRICKS: I don't have a policy in
5 front of me, but we have a very robust policy of
6 antidiscrimination, and I assume that's included, and I
7 will make the commitment to this Authority that I will go
8 back and check and make sure it's updated if that's not
9 included already.

10 CHAIR JOHNSON: Vice-Chair Mackedon?

11 VICE-CHAIR MACKEDON: I was just going to say
12 I think there's -- I can't find it, of course, but I
13 mean, it clearly states in here if there's anything
14 unlawful in this that that supercedes it, so I'm
15 comfortable to make a motion to approve the charter
16 school contract between the State Public Charter School
17 and Nevada Virtual Academy.

18 MEMBER SNOW: This is Member Snow. I'd
19 second.

20 CHAIR JOHNSON: All in favor?

21 THE BOARD: Aye.

22 CHAIR JOHNSON: The motion passes. All
23 right. We will move on to Agenda Item No. 9, which is
24 Quest Academy and Silver State Charter School receiver
25 update. Mr. Kern, who I see walking up to the front.

1 MR. KERN: Good morning, or almost good
2 afternoon.

3 CHAIR JOHNSON: Two minutes to spare.

4 MR. KERN: My name is Joshua Kern, and as you
5 know, I'm the receiver for both Quest Preparatory Academy
6 and Silver State Charter School. I am here today to
7 provide a brief update on both schools.

8 When I appeared before you last month, I was
9 asked an important question about whether Quest should
10 continue to operate given its recent struggles and its
11 decision to withhold rent payments to the landlords at
12 Torrey Pines and at Bridger. At its core, this question
13 relates to the meaning of "accountability" in the charter
14 school movement, an issue that lies at the heart of the
15 movement in general and serves as the reason for my
16 appointment. It's something that's been talked about a
17 lot already this morning, and I'd like to take this
18 opportunity to address it directly.

19 Accountability was front and center this past
20 Tuesday when John Stump, the CEO of Wells Fargo,
21 testified before the Senate Banking Committee concerning
22 the bank's fraudulent opening of millions of customer
23 accounts. There's much to learn about accountability
24 from this hearing that's relevant to the work at Quest
25 and at Silver State. Bipartisan agreement is rare these

1 days, but senators from both parties were equally
2 unimpressed with Stump's interpretation of
3 accountability, which included the firing of some line
4 employees and vague promises to do better.

5 In contrast, the Committee's understanding of
6 accountability had four main tenants. First, those
7 responsible for the wrongdoing must return the money that
8 they received as a result of the scam. Second, those who
9 engaged in criminal misconduct must be brought to
10 justice. Third: the truth of what happened at the bank,
11 the what, when, where, how and why, must be brought to
12 light. And fourth: customers damaged by the scam must
13 be made whole. These four prongs, the Senator suggested,
14 are what is required for genuine accountability. And
15 equally important to the senators was the clear
16 understanding that only genuine accountability can change
17 the culture of the industry and help prevent this type of
18 misconduct in the future.

19 For far too long, the charter school movement
20 has accepted and promoted the John Stump version of
21 accountability by simply closing the school when there is
22 wrongdoing. The movement has failed to halt the
23 fraudsters accountable or make any effort to get to the
24 bottom of the misconduct. The problem for a movement
25 whose foundation rests on the exchange of accountability

1 for autonomy is that simply closing a school doesn't
2 satisfy any of the prongs of genuine accountability.
3 Most importantly, not only are the customers, in this
4 case the students and parents, not made whole, they are
5 harmed further by being involuntarily displaced, losing
6 their school, teachers and peers.

7 I want to be very clear that I take the
8 school's financial obligations very, very seriously.
9 Since my appointment, every faculty and staff member
10 working at the school has been paid in full according to
11 their agreements. Additionally, every vendor with a
12 legitimate contract or agreement has been paid in full.
13 The organizations and individuals that are not being paid
14 by the school, specifically the landlords, are the very
15 same ones who perpetrated the abuse against the school.
16 I hope to reach voluntary agreements with these parties,
17 but if not, I am willing to let the courts resolve these
18 issues. Quest will pay any amount which the court
19 determines it owes.

20 While negotiations and litigation are
21 ongoing, I am now shifting my focus to the quality of
22 instruction at both schools, and I want to talk a little
23 bit about that now. This week, three members of Ten
24 Square's audit team conducted the on-site portion of the
25 performance audit of all three Quest campuses. The team

1 will complete its final report within a month, and I will
2 submit a final copy to this Board as soon as it is
3 completed. In the meantime, I wanted to mention a couple
4 of findings now.

5 Quest has many strengths. Chief among them
6 is its school culture. The campuses have a strong sense
7 of community, and students seem happy to be there. Many
8 day-to-day operational elements that many schools
9 struggle with such as lunch, transitions, and arrival and
10 dismissal procedures, run very smoothly at all three
11 campuses, and this culture is achieved with a wonderfully
12 diverse student body. Quest does have areas requiring
13 improvement. Chief among them is the need for greater
14 academic rigor and supports to promote and ensure high
15 quality teaching and learning. The final report will
16 detail what is currently missing in these areas and
17 provide specifics on what should be done to improve them.
18 The performance audit will lay the groundwork for
19 improving the school along with concrete recommendations
20 for immediate next steps.

21 I want to reiterate that as we begin the
22 process of meaningful school improvement at Quest, we
23 still seek stability at both the Torrey Pines and the
24 Bridger campuses. Such stability requires either a
25 long-term lease arrangement or a negotiated purchase

1 price. I remain hopeful that Quest can remain at both
2 campuses for the long-term. Unfortunately, the
3 landlords, despite fair offers by Quest, are not making
4 it easy. We continue to litigate with the landlords of
5 both the Torrey Pines and Bridger campuses. And as you
6 heard from public testimony this morning regarding Torrey
7 Pines, we are now before a state district judge, and that
8 litigation is in its early stages.

9 Regarding Bridger, the landlord has served a
10 five-day notice on the Foundation. You may remember that
11 the Foundation is the tenant and Quest is the subtenant,
12 and that the foundation charged nearly \$14,000 more per
13 month in rent than the landlord charged the foundation.
14 We defended eviction efforts by the Foundation, obtained
15 an injunction against the Foundation, and obtained
16 default against the Foundation when we discovered that
17 the Foundation ceased business operations this past
18 April. We also intend to challenge the eviction effort
19 by the landlord.

20 And now, Silver State. Next week, the audit
21 team visits Silver State. In addition to reviewing all
22 of the regular items, the audit team will also address
23 the overall program model. The good news is that Silver
24 State has a small group of committed faculty and staff
25 who are eager to work with other professional educators

1 to address these questions and design a program that best
2 meets the needs of students seeking a primarily online
3 distance education. The teachers and administrators at
4 Silver State are frustrated because the school could be
5 doing much more to provide a quality education. That
6 frustration frankly is a very good sign, as it is a
7 prerequisite for school improvement.

8 On a more mundane level, student enrollment
9 has edged up to 175 students from the 168 that I reported
10 to you when I appeared before you on August 26th. As for
11 the refinancing, Bank of America is willing to extend its
12 note while we seek a takeout partner. I've been in
13 contact with many prospective lenders and hope to find an
14 interested party soon.

15 In summary, there is a lot of work to do at
16 Silver State, but it's manageable. After the performance
17 audit is complete, we can begin redesigning the program
18 to better serve the educational needs of students who
19 would benefit from a primarily online distance education
20 model. With that, I'll take any questions you might
21 have.

22 CHAIR JOHNSON: Member Guinasso?

23 MEMBER GUINASSO: Yes. Thank you, Chairman
24 Johnson. Member Guinasso, for the record. I just wanted
25 to understand the lease issue. I read the pleadings and

1 the things that were provided last month, and I was just
2 listening to public comment, and I wanted to understand.
3 We as an Authority, if I understand the history, approved
4 the lease, and Quest approved the lease that's now the
5 subject of litigation. And so we agreed to the terms.

6 MR. KERN: I heard that this morning from
7 public comment, and this body, of course, knows better
8 than I do, but I don't believe that you approved the
9 lease, that you read and approved the lease. I don't
10 think that's what this body did. I think the lease may
11 have been submitted to this body, but I think that's
12 different than this body approving the lease.

13 MEMBER GUINASSO: Oh, sure.

14 EXECUTIVE DIRECTOR GAVIN: May I contribute?
15 Nothing in the statute or the regulation empowers this
16 body to approve or disapprove a lease for a school. What
17 is required in the NAC is that as part of a school's --
18 as part of authorizing a school to occupy a new or
19 additional facility, one of the supporting documents that
20 must be submitted is the lease.

21 We do a very basic review to ensure that
22 there are no obvious violations of statute or regulation,
23 the most notable one being there have been a number of
24 cases where landlords have attempted to transfer their
25 obligation to pay taxes onto a public body when there is

1 in fact a mechanism for exemption for that. And if they
2 don't do it, that's the landlord's problem not the
3 school's. We do not have attorneys on staff who do this
4 work, nor -- although we may have one now -- nor did this
5 Board typically have an attorney on it who vets leases.
6 We are simply authorizing based on the criteria set forth
7 in statute whether the school may or may not move or add
8 a new building.

9 MR. KERN: It's been odd, frankly, from our
10 perspective, that one of their main arguments is just
11 kind of in some way, shape or form kind of places blame
12 on this body for having reviewed and approved the lease
13 when that clearly never happened.

14 MEMBER GUINASSO: Thank you for that
15 clarification.

16 CHAIR JOHNSON: Member Luna?

17 MEMBER LUNA: Thank you. I just want -- any
18 updates on the parental involvement or communication?

19 MR. KERN: At which school?

20 MEMBER LUNA: At Quest or at Silver State.

21 MR. KERN: Nothing in particular. In large
22 part because of the direction of this body, I've made it
23 a priority at both Quest and Silver State to make sure
24 that there's regular communication with the parents. We
25 have receiver e-mail accounts that parents can and do

1 e-mail frequently, and I have a parent liaison at both
2 Quest and Silver State who manages those accounts who
3 reads them, forwards them to me and helps me respond when
4 appropriate.

5 MEMBER LUNA: Thank you.

6 CHAIR JOHNSON: Are there any further
7 questions for Mr. Kern? All right. Thank you so much
8 for the update. See you next month.

9 MR. KERN: Thank you. I appreciate it. Yes.

10 CHAIR JOHNSON: We'll move on to Agenda Item
11 No. 7, consideration and possible action of the American
12 Preparatory Academy charter amendment request to move
13 facilities. Director Gavin?

14 EXECUTIVE DIRECTOR GAVIN: Thank you,
15 Mr. Chairman. You are in receipt of a letter that is
16 included in the -- and this was actually uploaded somehow
17 in our network at that time, super fun -- where the
18 president or the governing body requested additional time
19 to ensure that he was able to -- the school was able to
20 provide a fully responsive and appropriate request for
21 authorization to relocate and consolidate the facility
22 and ensure that you received it within an appropriate
23 amount of time for review.

24 We received a draft very late in the day on
25 Friday and expressed some concerns regarding its

1 completeness when we communicated with the school on
2 Monday, and I think the board chair recognized those
3 issues and wants to make sure that what they give you
4 represents the quality of work product that they believe
5 that they're delivering at their school. So I would
6 request that the Board take no action on this item at
7 this time and that we have them come back.

8 MEMBER SNOW: Mr. Chairman, this is Member
9 Snow, for the record. I'll move that we follow the
10 Director's recommendation.

11 CHAIR JOHNSON: Do I have a second?

12 VICE-CHAIR MACKEDON: Member Mackedon. I'll
13 second.

14 MEMBER GUINASSO: Discussion?

15 CHAIR JOHNSON: Yes.

16 MEMBER GUINASSO: Thank you, Chairman
17 Johnson. This is Member Guinasso, for the record. One
18 thing we did ask for in addition to the completeness of
19 application was -- and I'm just looking at our action
20 minutes. We asked that they provide an explanation as to
21 why they submitted it after the fact, and I just wanted
22 to make sure that when we get the application, we also
23 get the explanation as to why they took the action before
24 they had actually submitted the application.

25 EXECUTIVE DIRECTOR GAVIN: I will ensure that

1 that is communicated to the school, that we reiterate
2 that expectation. Thank you, Member Guinasso.

3 CHAIR JOHNSON: So all in favor of Member
4 Snow's motion?

5 THE BOARD: Aye.

6 CHAIR JOHNSON: All right. The motion
7 passes. All right. I realize that we did this a little
8 out of order. Agenda Item No. 3 is the approval of the
9 Consent Agenda.

10 MEMBER SNOW: Mr. Chairman, this is Member
11 Snow. For the record, I'd like to move for approval of
12 the consent agenda and thank the staff especially for
13 their work on the submission timeline that's part of this
14 Consent Agenda.

15 CHAIR JOHNSON: Do I have a second?

16 MEMBER GUINASSO: I second.

17 CHAIR JOHNSON: Any discussion?

18 VICE-CHAIR MACKEDON: Can I just ask that --
19 I realize that it's the school's responsibility to stay
20 up on this, but as a school leader, I kind of had a heart
21 attack when I saw some of those timelines that were going
22 to go into place, so I'm just asking that we get this
23 communicated out to schools ASAP so they understand what
24 is forthcoming because it's a really big -- I understand
25 it's legit. I want to get Board materials in time to

1 review them. That means you have to get them in time to
2 review them, so I get it, but I just want to make sure
3 it's communicated to schools ASAP.

4 EXECUTIVE DIRECTOR GAVIN: If not this
5 evening, on Monday, we will send out to both the charter
6 school board chair and our charter school board executive
7 director slash school leader, Listservs.

8 CHAIR JOHNSON: All right. All in favor of
9 adopting or approving the Consent Agenda?

10 THE BOARD: Aye.

11 CHAIR JOHNSON: All right. Moving right
12 along, Agenda Item No. 8, Executive Director's Report.
13 Director Gavin?

14 EXECUTIVE DIRECTOR GAVIN: We're moving
15 through so quickly, I thought I was going to get to -- I
16 guess I'm not getting lunch.

17 CHAIR JOHNSON: I'm sorry. Actually, I
18 didn't make that known to everybody who is sitting here
19 who is not a part of the Board. We actually made a
20 decision that -- so I hope this doesn't violate any
21 laws -- that we're going to push forward and not take a
22 lunch today.

23 EXECUTIVE DIRECTOR GAVIN: You're violating
24 my rights by not giving me lunch.

25 CHAIR JOHNSON: So, Danny, I'm sorry if

1 you're going to be hungry in the north. We're just not
2 going to have -- we're going to go without lunch.

3 MEMBER GUINASSO: Member Guinasso, for the
4 record. Counsel, when we deliberate about our agenda,
5 that doesn't violate the open meeting law, does it?

6 DEPUTY AG WHITNEY: No, it won't. It
7 doesn't.

8 MEMBER GUINASSO: I believe there's a case on
9 point that says that we can deliberate about the -- I
10 just want to make it clear for the record that our
11 deliberation about lunch was a lawful deliberation.

12 CHAIR JOHNSON: And to be clear, lunch is
13 actually not on the agenda, so we actually aren't
14 obligated to take it.

15 DEPUTY AG WHITNEY: Yeah, that's what I
16 thought you meant. I'm sorry. This is Robert Whitney,
17 for the record. That is fine. That decision doesn't
18 violate any law.

19 CHAIR JOHNSON: Okay. So unfortunately,
20 Director Gavin, you won't be receiving lunch unless you
21 go elsewhere.

22 EXECUTIVE DIRECTOR GAVIN: Sadness. Okay.
23 So a couple of items that the Board should be aware of.
24 One is that our budget was submitted on time to the
25 Governor's Office of Finance. We are responding to an

1 initial request from the Governor's Office for additional
2 detail or to tweak certain minor documents. My
3 understanding from discussing with other executive branch
4 agency heads of finance or leadership, very few agency
5 budgets are fully -- are perfect when they go in. I'd
6 say ours was actually pretty darn good, and I want to
7 personally thank Jessica Hogan, Keith Higday (pho.) and
8 Gary Grouper (pho.) and Duffy Chagoza and Danny Peltier
9 as well as our program staff who all provided really
10 important information and supporting documentation for
11 that, and most of all you guys for your support in
12 helping us build the case for some of the items that we
13 added into that budget request.

14 We have a presentation that will be given to
15 the Governor's Office of Finance, the Governor's Chief of
16 Staff and possible other folks in his office and
17 representatives from the Legislative Council Bureau.
18 That will occur next Friday, September 30th. My
19 understanding is that those are essentially a briefing,
20 so they're not a public meeting, but I want to -- as all
21 parts of the Governor's budget request are
22 confidential -- but I wanted to make sure you're aware of
23 the timeline we were on. So don't call me at 9:00 a.m.
24 on Friday. I will be busy.

25 But regulations, the Legislative Council

1 Bureau has just concluded reviewing one of our three
2 regulations, the one regarding the loan account, and I
3 have a hard copy of that that I am in receipt of. I have
4 been told by representatives of the Council Bureau that
5 the two others should be returned shortly. I had hoped
6 they might even pop up in my inbox or show up via e-mail
7 today, but we are working through that.

8 I also wanted to make the Board aware that
9 there is -- that this presents some timeline
10 considerations. There is a requirement in 233B that
11 draft regulations be posted 30 days prior to public
12 hearing. We are less than 30 days out from our next
13 meeting, which means, effectively, the earliest that this
14 can be considered based on the current calendar is at the
15 November meeting when we would have to do a -- hold a
16 public hearing on each of those items. That also means
17 that we would have a very tight timeline for any
18 revisions you request and getting those to the Counsel
19 Bureau for their editing and review and vetting in time
20 for a December legislative commission.

21 CHAIR JOHNSON: Just a quick question. Could
22 we ask to hold a special work session? Is that
23 permissible? If the timeline is going to be condensed,
24 we need to make sure we have all information ahead of the
25 December conversation.

1 EXECUTIVE DIRECTOR GAVIN: As long as -- if
2 counsel disagrees with me, please chime in, but as long
3 as the school -- as long as we do -- as long as it is
4 posted with 30 days' notice, yes, that is permissible and
5 would be technically a public hearing not a work session.
6 I just want to be clear.

7 CHAIR JOHNSON: And so would it be prudent to
8 just go ahead and put some of those work sessions on the
9 calendar and then take them off if not needed as opposed
10 to not being able to have, you know, not being able to
11 schedule them ahead of time?

12 EXECUTIVE DIRECTOR GAVIN: We can certainly
13 do some polling of folks regarding -- I will individually
14 contact members, or we will do so via electronic means
15 just strictly on the issue of availability. For this, I
16 recognize that all of you have real jobs.

17 CHAIR JOHNSON: Yeah.

18 EXECUTIVE DIRECTOR GAVIN: And I also --

19 CHAIR JOHNSON: I'm just trying to mitigate
20 the scheduling conflict ahead of time. I wouldn't want
21 us to have to be able to do something, and then we don't
22 have the time or we couldn't find out if we have it on
23 the calendar. And yes, it may not be necessary. But if
24 we put it on the calendar as a work session, one for the
25 week of X, the week of Y, and then take it off if we

1 don't need it, if it comes down to November and we're
2 like "Oh, this is unnecessary," we can cancel those
3 meetings. But I prefer to have them on the calendar so
4 we can get the 30 days' notice out.

5 EXECUTIVE DIRECTOR GAVIN: We will work on
6 both your availability and the availability of meeting
7 space to do that.

8 CHAIR JOHNSON: And if necessary, we can
9 figure out what a good meeting space would be, but that's
10 what I would like to do just to make sure that we can
11 have the space necessary.

12 EXECUTIVE DIRECTOR GAVIN: Technically, if
13 you're willing to open up your house and we can broadcast
14 to the public, it will probably work. Any other
15 questions related to the regulations while we're going
16 through it?

17 NACSA attendees, Chair Johnson, Vice-Chair
18 Mackedon and Member Guinasso will be attending on behalf
19 of the Authority. For our new members -- and I realize
20 we only have one of the two here this time -- there is a
21 National Charter School Conference that will be in
22 Washington, D.C. this year in mid June, and typically,
23 the NACSA conference is the third week of October each
24 year. We will be able to confirm that date. Typically,
25 they tell us at the conference, so I would love for both

1 Member Snow and for Member Corbett to be in a position
2 where that if they're able to schedule and figure out if
3 they are able to take time away from work and family or
4 dovetail it to something fun where they take their
5 families -- that part of course on their own dime -- that
6 this is something that we can facilitate for them so they
7 have plenty of notice about this. Because I realize you
8 come on a board in July or August. "Oh, hey. Here's
9 something else you've got to do with your limited time."
10 So just want to make sure you folks have that
11 information.

12 Staffing update. Kathleen Robeson, who
13 oversaw the agency's federal programs, has taken a job
14 closer to home at her children's school out in Dayton in
15 Lyon County. We have conducted initial interviews for
16 her replacement, and there's at least one strong
17 candidate, and there will be some follow-up discussions
18 next week. In the interim, her duties have been divided
19 among other staff. As I think you've noticed, our staff
20 have a heck of a lot on their plates as well. So again,
21 I want to express my appreciation, particularly to our
22 program staff Nia, Angela and Joan, but also the fiscal
23 staff as well because federal programs have a lot of
24 money tied to it, for picking up things in the interim
25 with all of the other demands we place on them. And

1 thank you to Brian for his oversight of that team and
2 supporting them through that work. Speaking of Brian,
3 both he and Jessica Hogan, our administrative services
4 officer, are participating in the State-Certified Public
5 Manager program. I don't believe I mentioned this at a
6 previous meeting. Jessica is participating in the Carson
7 City class, and Brian is in the Las Vegas class. And so
8 hopefully, that professional development opportunity will
9 lead to an even more effective and well-run agency.
10 Someday maybe I'll get to go to it because I probably
11 need it much more than they do.

12 Summer cycle applications, two updates. One
13 of the initial applicants, Marzano Academy, has requested
14 that their application be withdrawn and receive no
15 further consideration. And then finally, due to
16 administrative oversight on our part, the school
17 submitted -- the applicant submitted everything on time.
18 We inadvertently left Vector Academy off the list of
19 schools that had applied. So I wanted to make sure that
20 the Board was aware of that.

21 And then finally -- and I think some of you
22 received an e-mail about this that was sent via BCC so
23 that there was no open meeting law violation -- we had
24 some very positive press in the Review Journal in the
25 last week or so with a charter school authorized by the

1 Authority that is implementing the federal pre-K program
2 being featured. And our schools get featured in the
3 press all the time, but it's relatively rare that the
4 Authority or member of its staff actually receives any
5 coverage, and so wanted to note that staff member Nia
6 Barry ably represented the Authority and provided helpful
7 context on the program that's being offered statewide in
8 this area, and I think it was kind of on the spot, and
9 the reporter asked her questions and she did quite well.
10 I would also note that the effectiveness of this program
11 is really certainly Nia's work in keeping all of the
12 program elements, but again our agency physical staff has
13 proven to be a critical part of moving this program
14 forward.

15 I would also note for those of you not here
16 for our June meeting, this is a unique program where we
17 actually also work with district-sponsored charter
18 schools, particularly several in Washoe County, including
19 Sierra Nevada Academy, and we have a couple of others
20 that have come online this year. So again, super excited
21 by the opportunity to continue to support the charter
22 sector across the state regardless of sponsor, which is
23 one of our overarching expectations for us as an agency
24 is to model best practices and certainly adding programs
25 that promote equity like this program does, because the

1 only kids who can be admitted into this program and
2 receive the federal funding are students who meet certain
3 -- whose family meets certain income criteria, so this is
4 yet another mechanism by which we are furthering your
5 strategic goals of having a more diverse sector not only
6 within our portfolio, but across charter schools
7 statewide.

8 CHAIR JOHNSON: Thank you, Director Gavin.
9 Are there any questions or discussion? All right. Your
10 last comment then is a perfect dovetail into Agenda Item
11 No. 10, update, discussion and possible action regarding
12 the State Public Charter School Authority's strategic
13 plan. So, Director Gavin, I will turn it over to you
14 once again.

15 EXECUTIVE DIRECTOR GAVIN: Thank you. I will
16 note that I'm going to ask you to amend the strategic
17 plan to add lunch, but -- just playing.

18 Anyway, so we've gone through much of this
19 before. Today we're focusing on Section 4 of the
20 strategic plan. I will note a couple of things. One, I
21 believe that both this memorandum -- or not the
22 memorandum. Certainly, the attached PowerPoint slides
23 reflect all of the feedback I received from you during
24 the last meeting. In the event that you uncover
25 something that isn't consistent with these, let me know.

1 But I believe there are some thoughtful comments from a
2 couple of members that I went back through the transcript
3 and made sure were included in.

4 So and just for the edification of our
5 stenographer, when I say "strat" plan, it's: S-T-R-A-T,
6 as in short for strategic. So just to make sure that's
7 reflected in the record. So we're looking at Item No. 4
8 today, which is facilitating a community of practice
9 among charter school operators and leaders to build a
10 culture of invasion and collaboration. This was actually
11 in some ways one of the most passionately discussed
12 topics during the strategic planning conversation at the
13 retreat back in May because it gets to the question of
14 what is our role? What is the role of this board and
15 this agency in making things better? Are we actively
16 intervening with schools and saying "Hey, you should be
17 better at this?" Or are we completely hands off? And
18 this really attempts to sort of thread the needle on
19 this, partly by leveraging our LEA role to encourage the
20 development and dissemination of best practices, so
21 particularly in areas of other importance within the
22 strategic plan, and then really thinking about our
23 position in the overall ecosystem of the State, and that
24 includes -- I think we discussed collaboration with the
25 Governor's Office, the Office of Economic Development,

1 and other key stakeholders to encourage the formation of
2 high quality schools to support the overarching workforce
3 and economic development goals of the state.

4 Based on your feedback, we have broken out to
5 review these metrics into several measures over a number
6 of meetings. The draft metrics that staff has proposed
7 related to goal 4 are first, the number and percentage of
8 four- and five-star schools that develop and disseminate
9 best practices in academics and equity. Secondly, the
10 number and percentage of one, two, and three-star schools
11 that increase by one level or more each year; and
12 finally, the number and percentage of targeted RFP school
13 applications received and approved. And I'm just going
14 to talk for a little bit about each of those things.

15 The first metric is really about aligning our
16 role with one of the key elements of the federal charter
17 school's program grants, which funds the sharing of best
18 practices by top-performing schools. As we look to
19 improve both academic achievement and increase diversity,
20 we think it's -- we should look at who is actually doing
21 this well within our current schools and encourage them
22 to model and share that information, whether it's by
23 sharing it in the Authority meeting or putting together a
24 training of some kind, or otherwise attempting to get
25 this information out to other folks, even if it's as

1 simple as just saying, "We expect schools to work
2 together to figure this stuff out. It is not our job to
3 figure out how to do this for you." So really, it's
4 about encouraging knowledge, sharing.

5 This is one of the few metrics in the
6 strategic plan which is really about an input or a
7 behavioral process. For the most part, we're focused on
8 outcomes. But there are times when a behavioral metric
9 is important enough that it -- because it is something
10 that we need to see in order to get to some of the other
11 things we want. And so the second metric really is about
12 quantifying the output or one of the outputs of that,
13 which is one of, if not the only way that we see schools
14 improving nationally is by them looking to see what their
15 peers are doing better. And I will note that this is
16 something that just even in my side conversation with
17 Beacon after their agenda item, we specifically talked
18 about some of the schools they're a looking to as they're
19 figuring out how to do some of their improvement work and
20 how they define their goals or may define future goals.
21 So I think that's really important.

22 Our focus ultimately is on performance
23 management, and we have tools like closure and
24 receivership and reconstitution. But it really is our
25 greatest resource for schools that need support is not

1 us, as a financially strapped State agency, but it's
2 their peers. It's the larger charter school community.
3 And there's ample evidence of this from around the
4 country both in terms of underperforming schools,
5 learning from the best and improving, and also high
6 achieving schools, learning how to get better at core
7 work.

8 One of the key critiques of the no excuses
9 movement in the last several years has been at least the
10 perception that their disciplinary expectations can
11 result in excessive exclusion of certain populations or
12 that the overly sort of rigid and prescriptive school
13 culture means when kids get into high school and college,
14 they're a little bit rudderless because they're used to
15 being told what to do. And one thing I think that's
16 really extraordinary that's happened across the nation --
17 and some of that is covered in that Richard Whitmire book
18 that I believe referenced a month from '74, the Founders,
19 looks at this community of practice nationally among
20 charters who are learning from each other how to get
21 better at so many important elements of this work.

22 So I don't think we can directly control
23 this, but we have some ability, if nothing else by the --
24 through closure and reconstitution and receivership to
25 push schools to look at solutions including knowledge

1 sharing.

2 And finally, this last metric reflects our
3 interest in ensuring that our sector continues to be a
4 force of invasion and accountable of moving our kids
5 towards college, career and success. Our state and the
6 Governor's Office, in particular, have done some really
7 extraordinary work in just the last year on workforce and
8 economic development, whether it's bringing in Tesla,
9 bringing in Faraday Future, potentially other things, and
10 I won't opine on what I think of what's going on right
11 now with special session stuff, but regardless of those
12 things, there are just an enormous number of companies
13 that are interested in coming to this state and that have
14 committed to come to this state in just the last several
15 years. We have, under the new federal WIOA, the
16 Workforce Innovation Act, the state has a really renewed
17 focus on ensuring that native Nevadans or people who live
18 here have the opportunity to access many of these
19 high-paying jobs, and I think we have a role to play in
20 that. And some of that is getting kids to -- sponsoring
21 schools to get kids to and through college, but some of
22 that is also making sure that we attract operators who
23 are willing to get kids industry-recognized certificates
24 that also can create good-paying jobs that don't
25 necessarily require a high school -- a college diploma.

1 There are just an enormous number of jobs in
2 this state that require specialized knowledge and skill
3 that is beyond -- that's typically beyond K through 12,
4 but that don't necessarily require a baccalaureate
5 degree, and I think there's a really important
6 opportunity for us, particularly for first-generation
7 folks whose parents did not attend college or may not
8 have finished high school, this can catapult them to the
9 middle class for many, many people.

10 CHAIR JOHNSON: Thank you, Director. I just
11 had a quick question on the third bullet point. I'm
12 always a little leery of having a goal or a metric around
13 the number approved because it feels like we might
14 sacrifice quality somehow. I know if it's targeted
15 right, then ultimately, it should be -- if the school has
16 been targeted, then subsequently approving it should be a
17 good thing, right?

18 I just want to -- I guess I'm just trying to
19 figure how do we balance between ensuring we're not just
20 approving schools to meet our goals, but we are approving
21 schools that are a great fit for our communities, even if
22 they are targeted, right? We might have targeted them
23 and we get through the application process and discover
24 you know what? We thought they might have been a good
25 fit, but we have a goal of X, and this last school helps

1 us meet our goal. I just want to make sure that we're
2 guarding against not just approving for goals, but
3 approving still for fit. Right fit for our communities,
4 fit for needs of students and families. I don't know. I
5 guess just when we have a goal like a goal on just
6 approval, it may seem like we could sacrifice quality.
7 But I want to make sure that we can guard against that.

8 EXECUTIVE DIRECTOR GAVIN: I think that's a
9 fair point. I mean similarly, one could argue that
10 there's the danger of saying well, we want to approve
11 schools that -- we want schools that serve diverse
12 communities, so there's the risk that sort of a myopic
13 focus on a single goal might mean okay, yes. We've
14 suddenly tripled the number of students in poverty that
15 we're serving in our schools, but the schools are doing a
16 lousy job. So I think all of these goals have to
17 compliment each other. It certainly can't be something
18 here "Oh, well, yeah. You're a CTE school that, you
19 know, that does something that's really -- that's aligned
20 to the Governor's priorities like, I don't know,
21 autonomous -- unmanned autonomous vehicle technicians."
22 I don't know. But if they're doing pretty lousy on other
23 things that somehow that trumps. So I think it would be
24 perfectly appropriate to say as sort of an overarching
25 statement that in the plan that we expect that any school

1 that does any of these things -- doing one of these
2 things well is not an excuse for doing the other stuff
3 poorly.

4 CHAIR JOHNSON: Perfect. Vice-Chair
5 Mackedon, you had a question?

6 VICE-CHAIR MACKEDON: I was just going to say
7 I think we counter that when we -- in number 2A when we
8 say "Approve only the highest quality charter." So I
9 think we have -- I agree with you. We don't want to be
10 like "Oh, we approved all of these schools where they
11 needed to be." We've countered that by saying, "Only
12 approve the highest quality schools."

13 CHAIR JOHNSON: Are there any other questions
14 or discussion around the strategic plans here? I'm
15 willing to entertain a motion.

16 EXECUTIVE DIRECTOR GAVIN: One thing. So
17 certainly if you have tweaks you want to make to this, I
18 would note that we've also updated the other pages of the
19 dec that reflect what I think were the consensus topics
20 under advise, mission, core beliefs, functions and theory
21 of action, both based on the overarching -- based
22 specifically on the discussion from back in May but also,
23 I think, reflective of the spirit of the discussions you
24 folks have had on the strategic plan to date.

25 That would be something we would want to put

1 on the October agenda to make sure that that language is
2 where you want it to be, but I want to call your
3 attention to it now because I don't anticipate making any
4 changes until we get to that, that will be the discussion
5 for the next meeting. But since it's done, I wanted to
6 make sure you know you have 25 days to read it.

7 CHAIR JOHNSON: Thank you so much.
8 Vice-Chair Mackedon?

9 VICE-CHAIR MACKEDON: I'd move to approve the
10 proposed metric for goal number 4 of the strategic plan.

11 MEMBER LUNA: Nora Luna. I second.

12 CHAIR JOHNSON: All in favor?

13 THE BOARD: Aye.

14 CHAIR JOHNSON: All right. We will move on
15 to Agenda Item No. 11, Financial Framework Report. Is
16 Duffy available?

17 MR. PELTIER: Yeah. Give us one second.
18 We're going to load up the PowerPoint we have on the
19 computer we have.

20 EXECUTIVE DIRECTOR GAVIN: Mr. Chairman,
21 while we're waiting to load the PowerPoint, I was
22 wondering if maybe you just want to move to Agenda Item
23 number 2 and approve the minutes.

24 CHAIR JOHNSON: So we will do Agenda Item No.
25 2: Approval of the August 26th Board meeting -- Board

1 action minutes. One thing I actually did note, on the
2 very first page it says that Member Guinasso's first name
3 is Jacob. Just making a correction that his name is
4 Jason. Are there any -- you're welcome. Any other
5 changes necessary?

6 MEMBER LUNA: This is Nora. I have a
7 question. Did we ask to change these to action minutes,
8 or I just went to read them from the last meeting because
9 I wasn't here, and they don't have any detail or
10 anything.

11 EXECUTIVE DIRECTOR GAVIN: The transcript
12 from the previous meeting -- and we can certainly make
13 sure there's a link to it here going forward. The
14 transcript from the last meeting summarizes or provides
15 the backup detail on this.

16 The reason for doing this was concern
17 regarding difficulty in figuring out what actually
18 happened and trying to make sure we were focusing on the
19 actual decisions made by the Board versus discussion.
20 And it was directly in response to a recommendation from
21 the head of the Governor's Office of Finance based on
22 their concerns regarding the clarity and complexity, the
23 lack of clarity and the excessive complexity of our
24 previous sort of very, very detailed minutes from the
25 previous -- that we used previously.

1 I think the intention is to make sure that
2 members and the public know what was decided when, and
3 then if they want to know more background, the transcript
4 allows for that as well. It's also something, frankly,
5 where we were really lucky for a long time to have
6 someone who has a bachelor's degree in journalism writing
7 our minutes for us, and he took days and days and days to
8 do it. It's just a lot of work to do that. He's had to
9 move on to other things. Tanya does an excellent job
10 with the action minutes, but I don't think it's an
11 appropriate way for a person to spend two to three weeks
12 of their time basically going through a recording and
13 figuring out what happened when and looking up how to
14 spell all of our acronyms and all of these other things.
15 It's a really heavy lift for people.

16 CHAIR JOHNSON: Do I have a motion to approve
17 the action minutes? Mr. Whitney? Oh, okay. A motion to
18 approve the action minutes from the 26th with the
19 adjustment noted.

20 VICE-CHAIR MACKEDON: Move to approve the
21 minutes. Member Mackedon. Sorry.

22 MEMBER GUINASSO: Member Guinasso. Second.

23 VICE-CHAIR MACKEDON: With the adjustments
24 noted, yes.

25 CHAIR JOHNSON: All right. All in favor of

1 approving the action minutes with the adjustments noted?

2 THE BOARD: Aye.

3 CHAIR JOHNSON: Thank you. Now we will move
4 on to Agenda Item No. 11. Duffy, I see you are at the
5 table.

6 MR. CHAGOYA: Yes. Let me introduce myself.
7 I'm Duffy Chagoya. I'm an Accountant II for the State
8 Public Charter School Authority, and I'm just giving a
9 general overview of the financial performance framework.

10 The purpose of the framework is to identify
11 expectations of accountability to use the performance-
12 based contract. These expectations should be
13 incorporated into the charter contract revisions. The
14 standards should be taken into consideration along with
15 revisions to other policies that may affect them.

16 Accountability. These standards should be
17 executed in the contract, and they should have annual
18 reviews to help the schools identify if they're staying
19 on course or not along with ongoing monitoring and
20 renewal reviews. The reporting mechanism for the
21 standards would be internal accountability of the schools
22 and public accountability reporting. That would be the
23 financial statements. All of the data for these measures
24 are taken from the financial statements which have been
25 audited.

1 The indicators that we have are general
2 categories of financial performance used to identify
3 information that best reflects the current financial
4 status of the school. These are near term indicators,
5 and they depict the future financial viability of
6 schools, which would be our sustainability indicators.
7 The measures are a general means to evaluate an aspect of
8 an indicator. There are eight measures that we use.
9 There are four near term indicators and four
10 sustainability indicators: current ratio, unrestricted
11 days of cash on hand, enrollment forecast accuracy, and
12 debt default are the near term indicators. Total margin,
13 debt-to-asset ratio, cash flow, debt service coverage
14 ratio are the sustainability indicators.

15 Metrics. The metrics for calculating the
16 measures. An example of a metric is a current ratio
17 equals current assets divided by current liabilities.
18 For that particular metric, a current ratio greater than
19 1.1 would be our benchmark -- would be the standard.

20 Now, when we look at these indicators, these
21 different measures, these are the ratings we use: Meets
22 standard. The school's performance on this component
23 does not signal a financial risk to the school and meets
24 the authorizer's standard. Meeting the standard requires
25 no follow-up action by the authorizer.

1 Does not meet standard. The school's
2 performance on this component signals a moderate
3 financial risk to the school and does not meet the
4 authorizer's expectation. This indicator may require
5 followup depending on the interplay with other
6 indicators. Schools may be eligible for notice of
7 unsatisfactory performance, probation or other forms of
8 intervention. Schools not meeting the standard
9 accessioning across more than one area may be eligible
10 for non-renewal.

11 Falls below standard. The school's
12 performance on this component signals a significant
13 financial risk to the school and does not meet the
14 authorizer's expectation. Followup is necessary to
15 determine probation, intervention, non-renewal or
16 revocation.

17 What I'm showing you now is the calculation
18 workbook we use that helps us identify where these
19 standards fall. So information from the financial
20 statements is used, it's plugged into a database, and
21 these formulas are built into this workbook to help us
22 identify whether the school meets standards, does not
23 meet standards or falls below standards. This particular
24 sheet is for the four near-term standards.

25 The first one, current ratio, helps us

1 measure whether or not a school has enough resources to
2 pay its debts over the next 12 months. Unrestricted days
3 of cash on hand indicates how many days a school can pay
4 its operating expenses without an inflow of cash.
5 Enrollment forecast accuracy tells sponsors whether or
6 not the school is meeting its enrollment projections,
7 thereby generating sufficient revenue to fund ongoing --
8 to fund ongoing operations. Debt default addresses
9 whether or not a school is meeting its loan obligations
10 and/or is delinquent with its debt service payments. In
11 the cases where -- this is not applicable in cases where
12 charter schools do not have the outstanding debt.

13 This portion of the calculation workbook
14 focuses on sustainability, which are long-term measures,
15 and you can see from these measures that they take into
16 consideration three years of data. For example, in the
17 total margin, we're looking back to 2013 and taking that
18 into consideration for the current year's total margin.

19 VICE-CHAIR MACKEDON: Duffy?

20 MR. CHAGOYA: Yes?

21 VICE-CHAIR MACKEDON: This is Melissa
22 Mackedon. Could I just ask a question? Because I see
23 that like you just said, this is going back three years,
24 the sustainability piece. I'm kind of wondering on the
25 first part, the schools turn in quarterly financial

1 statements. You're not doing -- you're not filling out
2 this form every quarter and giving it back to the school.
3 So where -- which -- where do you get the information?
4 Is it just based on the annual audit for this? Is that
5 where you get the numbers that you're plugging in? Is it
6 the conclusion of the financial audit?

7 MR. CHAGOYA: Yes.

8 VICE-CHAIR MACKEDON: Okay.

9 MR. CHAGOYA: Okay. The debt to asset ratio
10 -- I'm sorry. The total margin measures the deficit or
11 surplus of a school of its total revenue, which indicates
12 whether or not the school is operating within its
13 available resources. The debt-to-asset ratio measures
14 the amount of debt a school owes versus the assets they
15 own. The cash flow indicates a school's change in cash
16 balance from one period to another. This measure
17 includes restricted and unrestricted funds. And then the
18 debt service coverage ratio indicates a school's ability
19 to cover its debt obligation in the current year. Again,
20 if a school does not have long-term debt, this is not
21 applicable.

22 This chart is a summary of the near term
23 measures across all schools comparing school year ended
24 2015 versus school year ended 2014. And this is based on
25 a percentage basis because the number of schools have

1 changed from one year, being 18 schools to 22 schools.
2 So that way, the percentage puts it on an even keel. You
3 can see the number of schools that meet standards for
4 current ratio declines from 89 percent to 82 percent, but
5 you can also see that the majority of the schools for
6 current ratio met this criteria. Per days of cash on
7 hand, it improved from 2014 to 2015, and enrollment
8 forecast accuracy improved as well. As far as debt
9 default, there wasn't any debt default for either school
10 year.

11 VICE-CHAIR MACKEDON: Duffy, sorry. This is
12 Melissa Mackedon. Could I interrupt one more time?

13 MR. CHAGOYA: Sure.

14 VICE-CHAIR MACKEDON: This might be a
15 question for Director Gavin, but based on the definitions
16 up above for falls far below standard, does not meet
17 standard, does that mean that, you know, 14 percent of
18 our schools are going to be getting a notice of whatever
19 because if 22 or 18 percent for enrollment forecast
20 accuracy? I mean, what are we going to -- okay. Great.
21 What are we going to -- is there anything we're saying or
22 doing about this, or is it just FYI?

23 EXECUTIVE DIRECTOR GAVIN: This is FYI in
24 part because I want to spotlight that there are issues
25 that, up until Duffy came on board, we weren't tracking

1 very well. This is evidence for why we need specialized
2 positions that focus exclusively on this work. The fact
3 that it has taken Duffy this long to get -- and to be
4 fair, I actually had some of this stuff done earlier.
5 Even just getting this presentation together for you guys
6 with all of the other non-financial framework oversight
7 work that is on his plate means we're not sending things
8 out in the manner which -- the timeline that it would
9 take for people to actually be able to address this,
10 which is what my area of concern was.

11 So I gave people a notice of concern now.
12 "Dude. This is a year ago, and we're already in the
13 middle of our audit for the next year." And I think we
14 have, through other mechanisms, intervened with the two
15 schools that had some of the most serious issues in this
16 area where it was systematic across the board and where
17 there were missed audit deadlines and financial
18 mismanagement issues. But the fact of the matter is we
19 have other schools that do have this criteria in a number
20 of areas. There are some schools that are green across
21 the board.

22 But I also want to say, we very deliberately
23 did not highlight individual schools here because we
24 don't want -- I did not want to have this be a
25 conversation about, "Oh, look at all of these schools

1 that are doing badly." This is something we need to be
2 better at so that they actually have information. Now,
3 that said, none of these things are a mystery to anyone.
4 This information about how to calculate these things has
5 been out on our website since 2013. Schools absolutely
6 could have figured this out on their own, but it's on us
7 to actually have the resources in place to do this work
8 consistently and send out information and to intervene.

9 I want to make sure you're aware this is
10 information we now have which we didn't have in a
11 coherent and coordinated way before that I think impels
12 to act. You will see in the coming months, especially
13 after the 2016 audits are filed with us on December 1, we
14 will be having much more conversation about here are
15 issues we have, and these need to be dealt with and
16 schools -- and we will need to start having challenging
17 conversations with some schools.

18 I will note also for those folks who are not
19 -- or are new to the process, when we have done this
20 whenever school is up for renewal to ensure that there is
21 -- so that at the very least, we know when there are
22 issues at that point in time. But the ongoing monitoring
23 has not been where it needs to be. And certainly, I
24 believe the information that needs to come to the Board
25 about these issues so that you're aware of both the

1 overarching trends and particular schools of concern to
2 us has not been where it needs to be, and that's
3 something that I need to change and I need to make sure
4 you're aware that we are changing. So do you have any
5 other followups?

6 VICE-CHAIR MACKEDON: I guess, I don't think
7 it should be done in a -- this would be, you know, notice
8 of breach or anything like that. But are we going to at
9 least let these schools know, you know, hey, this is --
10 we have someone in this position now who is monitoring
11 this. We just wanted to give you a heads up this is
12 where you fall on the continuum? FYI. You know, this
13 part of this will be getting more robust now that we have
14 the manpower to do it. And then I would also just add
15 that since we are only doing this based on the annual
16 audit, that we stop asking our schools to submit their
17 quarterly financials.

18 EXECUTIVE DIRECTOR GAVIN: Could not disagree
19 more on that last point, Member Mackedon, Vice-Chair
20 Mackedon, because part of this is we should be doing
21 this --

22 VICE-CHAIR MACKEDON: Quarterly.

23 EXECUTIVE DIRECTOR GAVIN: -- quarterly.

24 VICE-CHAIR MACKEDON: Right. Let's start
25 then.

1 EXECUTIVE DIRECTOR GAVIN: We're catching up
2 with a whole bunch of backlog here. And Duffy is also
3 one of our three people who is dealing with the complete
4 reboot of Infinite Campus and doing -- I mean, he and
5 Jessica are bopping back and forth right now between the
6 mandatory meeting that our staff are required to attend
7 every week for the Department of education to get
8 dictated to about how we're running Infinite Campus. So
9 they have -- he has plenty of stuff on his plate, but
10 that's something we're absolutely going to be moving
11 towards, is figuring out how we use those quarterly, and
12 in some cases, schools are supposed to be doing it
13 monthly because of where they are from a corrective
14 action perspective. But the monthly stuff is -- the
15 quarterly stuff is supposed to be informing us as well,
16 particularly in areas like cash flow.

17 CHAIR JOHNSON: Member Guinasso?

18 MEMBER GUINASSO: Thank you, Chair Johnson.
19 Member Guinasso, for the record. So if we're regularly
20 monitoring this would also keep us from inadvertently
21 picking on one charter over the other. This would allow
22 us to treat all of the charters the same with regard to
23 financial management. Is that right?

24 EXECUTIVE DIRECTOR GAVIN: That is correct.

25 MEMBER GUINASSO: Thank you.

1 EXECUTIVE DIRECTOR GAVIN: Consistency
2 requires systems.

3 VICE-CHAIR MACKEDON: Sorry. I have to say,
4 though, as a school leader, I completely agree with you.
5 But it's super frustrating, and it's super not cost
6 effective for schools to be submitting information that
7 they never ever get any feedback on. So I'm all for it.
8 I would love to get this report quarterly, you know,
9 right on. Good job. But I do think it's a little unfair
10 that we've been asking schools to submit this for two,
11 three years now, and we've never gotten any feedback on
12 it.

13 So my point is just as soon as we're in a
14 position where we can start actually giving the
15 appropriate feedback quarterly, we should not have this
16 double standard where our schools need -- that's just my
17 -- I'll get off my soapbox, but I agree. We should be
18 judging all schools equally, and it's an equity issue,
19 but we need to be in a position where we can actually do
20 that, is my point.

21 MEMBER GUINASSO: Chair Johnson, Member
22 Guinasso, for the record. What does that feedback look
23 like exactly? I mean, I'm somewhat naive to this, but
24 what would that look like? Would that be like a letter
25 after we've reviewed this data, we send a letter saying,

1 "Hey, great job on your financials? Just a few points of
2 concern to correct the next time?" Is that what the
3 feedback would look like, or how does that go about --
4 how do we go about giving the feedback that Member
5 Mackedon described?

6 EXECUTIVE DIRECTOR GAVIN: So the performance
7 framework prescribes what's called an intervention
8 letter. Schools are generally presumed to be in good
9 standing on the -- so they're not subject to intervention
10 until such time as there is evidence of an issue.
11 Clearly, this is kind of the evidence we're looking for.

12 With regard to the first step, it's a notice
13 of concern. Hey, this is an issue you need to be aware
14 of. Your current ratio is this. Your cash on hand isn't
15 where it needs to be. And that would be an appropriate
16 thing especially to do during the course of a -- in one
17 of those quarterly pieces, things like cash flow
18 particularly or enrollment forecast, because that's
19 obviously something schools have some ability to then
20 deal with during the course of the year so their audit
21 doesn't come back looking like they've messed it up
22 because you have opportunities to fix things.

23 I would also note again, schools have the
24 ability to actually do this work. These are pretty basic
25 financial calculations. The spreadsheet is readily

1 available for folks who want to plug this information in.
2 And boards really are the primary folks who should be
3 performance managing their schools, not us. We are the
4 backstop on boards not performing appropriate oversight
5 of their own schools. But so it's Notice of Concern, if
6 it persists or is particularly serious initially, then it
7 can be a notice of breach, and then we'll determine
8 Notice of Closure, which is really the generic Notice of
9 Termination or Notice of Written Charter or Termination
10 of Charter Contract or revocation of written charter.
11 And then of course there's a cure just like there is for
12 anything else.

13 MEMBER GUINASSO: Mr. Gavin, I wonder if the
14 charters are, as Member Mackedon has described in the
15 dark, they turn these things in and don't get any
16 feedback. From your perspective, that's good news
17 because perhaps they haven't fallen below any standards
18 and they shouldn't have anything to worry about. But
19 perhaps just a form letter that goes out saying, you
20 know, "We've reviewed your financials, gone through our
21 process, I think everything looks great" just so schools
22 don't have to wonder --

23 EXECUTIVE DIRECTOR GAVIN: We do send a
24 Letter of Good Standing, and I should have mentioned
25 that. I apologize. And that would typically go out on

1 an annual basis. A Notice of Concern could go out on an
2 interim level as well.

3 MEMBER GUINASSO: Member Mackedon, is that
4 the kind of feedback that a school like yours would be
5 looking for? Just trying to understand what the feedback
6 would look like.

7 VICE-CHAIR MACKEDON: Yes. You get your
8 annual letter that says you're in good standing, but
9 every quarter, you're paying your staff to, you know, get
10 all of this stuff ready, get it submitted, and you get
11 nothing back on it quarterly. So and I think -- I mean,
12 I think it doesn't even have to be a letter. Like here
13 we plugged it into the framework, and here's where you
14 stand. I mean, they're smart people. We can look at it
15 and go, "We're in the red. We're right here in green
16 territory." It doesn't even have to accompany a letter.
17 It's just if we're going the require schools to do it,
18 plug it into the framework and push it back out to them.

19 MEMBER GUINASSO: That makes sense. Thank
20 you for the clarification.

21 EXECUTIVE DIRECTOR GAVIN: Duffy, do you want
22 to continue?

23 MR. CHAGOYA: Sure. This chart is a summary
24 of the sustainability measures across all schools. You
25 can look at some of the key ones on here, for example,

1 debt-to-asset ratio. That looked great for 2014. It
2 dropped from 94 percent to 73 percent in 2015. Cash flow
3 improved 61 percent to 68 percent, and it dropped for the
4 schools that fall below standards from 33 percent to 23
5 percent. And it looks like the debt-to-service coverage
6 ratio shows that more schools have taken long-term debt
7 from 2014 to 2015, as you can see in the not applicable
8 area, which is blue for those years. Do I have any other
9 questions on this chart?

10 CHAIR JOHNSON: Member Luna?

11 MEMBER LUNA: Do all of the measures weigh
12 the same, or are they weighted differently? Are there
13 some that are more important than others?

14 MR. CHAGOYA: I don't think so. I think they
15 all weigh equally. They all show a different aspect of
16 their financial stability.

17 EXECUTIVE DIRECTOR GAVIN: I would concur
18 with that. I think if a school has an issue in any one
19 of these areas, it's an area of concern. Issues in
20 multiple areas are the kind of thing that would typically
21 warrant more intervention and oversight. I would note
22 that audited financial statements are a snapshot in time,
23 looking at how a school and what their position is at the
24 end of a particular fiscal year. They don't provide
25 context about the why. And I think we have had -- and

1 when we have had conversations with schools where we have
2 gone through this data, and typically again that has been
3 at a renewal point in time, oftentimes there are
4 compelling justifications for why some of these things
5 happen. A school spends down its cash because it's going
6 to buy a new building, so it spends down a certain amount
7 for the down payment, which is what they were saving for.
8 And on the flip side, that also means their debt
9 increases because they also went out and financed the
10 rest of it.

11 So these things are not necessarily in and of
12 themselves bad things, it's just that they are things
13 people need to think about and be strategic about. And
14 what we have noticed is that there are some schools where
15 every school there's an emergency of some kind that
16 causes them to have to spend down their cash or where
17 there's something where it's well, since we have this
18 extra cash, it's a great idea. Let's go do this versus
19 what is our rainy day issue here and is this something
20 that's a mission-critical thing like the roof caved in,
21 or is this something that's a nice to have, but it's
22 going to result in potential financial instability
23 because if there's a delay in payment by the State or
24 something like that, or they're shorted because and
25 they're told, "Well, wait until the January true-up,"

1 which does happen. I mean, Melissa right now is 50 kids
2 short of where she needs to be financially because the
3 State is not going to give her credit for 50 new kids
4 until January -- until, I believe, the January true-up.
5 Or is it December?

6 VICE-CHAIR MACKEDON: The next quarter.

7 EXECUTIVE DIRECTOR GAVIN: The next quarter.
8 And so she'll be made whole at that point. But there are
9 these kinds of fluctuations that do happen, so it's
10 appropriate to keep appropriate cash on hand, for
11 example, and to make sure that you're thinking about your
12 current ratio and margins because there are external
13 things that you can't predict like whether the Department
14 of Ed will do math correctly. And then there are things
15 that are within your control like do I spend down my cash
16 on new rugs for every kindergarten classroom which was a
17 nice to have but maybe they could wait a year or six
18 months until we know where we are in a couple of areas.

19 So I think some of this is just about we as
20 schools, I think, that are growing really fast and kept a
21 big, you know, a somewhat of a war chest of cash and are
22 now growing. That has an impact on these things when
23 you're spending down moneys. But it also, I think, means
24 I think we need to be in a position where when we look at
25 these frameworks, particularly with regard to whether a

1 school should expand or not, well, how are you doing on
2 this? And do you recognize there will be a short-term
3 hit on your framework because you're going to spend
4 \$500,000 of your \$750,000 reserve on cap X to built out
5 this school in addition to whatever you're financing; to
6 make sure that there's just a very candid conversation
7 about the trade-offs of entering into new business.

8 CHAIR JOHNSON: Thank you, Director Gavin.
9 Vice-Chair Mackedon?

10 VICE-CHAIR MACKEDON: One more quick
11 question. So then is the goal -- I agree that we're not
12 trying to throw anyone under the bus here. We're just
13 trying to get a feel for what's going on. But is the
14 goal that after December 1 when the -- the fiscal year
15 '16 audits are uploaded, that we will get information
16 like on a person -- like we'll get the framework, a copy
17 of the framework for each school. Is that the goal?

18 EXECUTIVE DIRECTOR GAVIN: Yes, ma'am.

19 CHAIR JOHNSON: Perfect. Are there any other
20 questions? Member Guinasso?

21 MEMBER GUINASSO: I just want to clarify.
22 How often would we get that information? Would that be
23 reviewed every quarter?

24 EXECUTIVE DIRECTOR GAVIN: The annual stuff,
25 I think we'll start with annual and dig into the

1 quarterly stuff and figure out what makes sense to -- I
2 don't know that we necessarily want to just -- we may
3 want to talk about just the areas of concern versus --
4 because I think the danger of focusing on things that
5 look okay at the time is it can also create a false sense
6 of comfort. Oh, well, we're in good shape, so now we can
7 go and spend our money on whatever, and it results in a
8 negative end-of-the-year thing and they go "Well, wait.
9 For three quarters, you told us everything was fine."
10 "Yeah, but in quarter four, you went and spent all of
11 your money on candy."

12 Like I don't know. Like there's got to be
13 somewhere here where there is a -- there's a certain risk
14 to signalling positivity on what is essentially a leading
15 indicator because it can -- it can give the impression
16 that we're -- that things are -- a leading indicator is
17 just that. It tells you something about what the outcome
18 might be, but until you actually know what the outcome
19 is, I think there's real danger in sort of having -- in
20 celebrating too much.

21 CHAIR JOHNSON: Any further discussion?
22 Duffy, thank you so much for the presentation. We
23 appreciate it.

24 MR. CHAGOYA: Sure.

25 EXECUTIVE DIRECTOR GAVIN: I again want to

1 thank Duffy for all of the hard work he's doing in so
2 many areas here. He joined our team back in the early
3 winter of this last year and has just done an enormous
4 job of figuring out how all of this stuff should be
5 working while also, I think any school that's talked to
6 him has found him to be extraordinarily helpful and
7 supportive in clarifying questions that they have and
8 then his willingness to use his technical expertise and
9 learn new skills with relation to this bear of a
10 database. Infinite Campus I think is something else
11 where he's again going above and beyond on this and he's
12 a credit to the agency. So I want to thank him for his
13 hard work.

14 CHAIR JOHNSON: Thank you, Duffy. We will
15 move on to Agenda Item No. 12, which is public comment.
16 Is there any public comment in the north, Danny?

17 MR. PELTIER: Nope.

18 CHAIR JOHNSON: All right. There appears to
19 be none here. In the south? Okay. Any further
20 discussion of anything else before we adjourn?

21 VICE-CHAIR MACKEDON: One more. Sorry. I
22 know we're all hungry. I'm just wondering if we have a
23 projected timeline. I know we have the -- first of all,
24 I just want to be clear like my comments, no slight on
25 the staff. I know they're doing like 20,000 jobs that

1 aren't even part of their job description at all, so I
2 want to be very clear about that, and that includes Joan,
3 who does accountability, but now also does Infinite
4 Campus, and I don't even know how she's standing up, but
5 still, I would like to know if -- this is her one day of
6 rest, our board meeting. If we have a projected timeline
7 we're going to get supposedly, we have ACT Aspire scores.
8 We are supposedly going to get ASPAC data and everything
9 released October 15th. I don't think that's enough time
10 to get it on the October agenda. I'm just wondering if
11 we have like a goal, like in November, we're going to
12 tell you where all of our schools are at.

13 EXECUTIVE DIRECTOR GAVIN: I don't want to
14 commit my staff right now without having consulted them.
15 I think that the one you just suggested makes sense, but
16 it will require -- here's what -- Melissa, let me just be
17 very blunt of what it's going to require.

18 When Julie calls us and says "This thing in
19 Infinite Campus isn't working." We're going to have to
20 say, "You know what? You're going to have to wait a
21 little longer for this because we have other priorities."
22 So I just need to manage expectations that we're going to
23 have customer heartache on other areas we're trying to do
24 the other things we need to do, which doesn't -- so I
25 just want to be very clear that when my staff start

1 getting complaints from people, I'm going to have to --
2 most usually nicely, but when someone gets super
3 persistent, there's going to be a tough conversation
4 about you want other things and we can't do everything
5 for you at the same time.

6 CHAIR JOHNSON: Thank you, Director Gavin.
7 All right. We will call the meeting adjourned at 1:14
8 p.m.

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1 STATE OF NEVADA,)
2 CARSON CITY.)

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4 I, NICOLE HANSEN, Official Court Reporter for the
5 Nevada State Public Charter School Authority,
6 do hereby certify:

7

8 That on the 23rd day of September, 2016, I was
9 present at said hearing for the purpose of reporting in
10 Verbatim stenotype notes the within-entitled public
11 meeting;

12

13 That the foregoing transcript, consisting of pages 1
14 through 164, inclusive, includes a full, true and
15 correct transcription of my stenotype notes of said
16 public meeting.

17

18

Dated at Carson City, Nevada, this 26th day of
September, 2016.

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NICOLE HANSEN, NV CCR #446

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